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21 UNITED STATES DISTRICT COURT
22 CENTRAL DISTRICT OF CALIFORNIA

23 Gary Guthrie, Stephanie Crain, Chad
24 Hinton, Julio Zelaya, Anna Gilinets,
25 Marcy Knysz, Lester Woo, and Amy
26 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

**PLAINTIFFS' NOTICE OF MOTION
AND MOTION FOR ATTORNEYS'
FEES AND EXPENSES AND
SERVICE AWARDS TO THE
PLAINTIFFS**

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

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

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

- 9 1. Attorneys’ Fees and Expenses to Class Counsel totaling \$2,035,000; and
10 2. Service Awards of \$2,200 to each Class Representative.

11 This Motion is based on this notice; the accompanying memorandum of points
12 and authorities; the declarations from Sergei Lemberg, Stephen Taylor; and all other
13 papers filed, and proceedings had in this Action.

14 This motion is made following conference of counsel pursuant to L.R. 7-3 and
15 mediation between the Parties. *See*, May 10, 2024, Stipulated Agreement Regarding
16 Class Counsel’s Fee and Cost Award, attached as Exhibit B to the Declaration of Sergei
17 Lemberg and the Settlement Agreement, Art. VIII(C). Defendant Mazda Motor of
18 America, Inc. d/b/a Mazda North American Operations (“MNAO”) agrees to a fee and
19 expense award of \$2,035,000.00, inclusive of fees, expense and costs to be paid by
20 MNAO separate and apart from class relief and will not oppose Class Counsel’s
21 application to the extent it does not exceed that amount. (May 10, 2024 Agreement pg.
22 2). MNAO does not otherwise agree with or endorse the application or the valuations
23 contained therein.

24 DATED: May 16, 2024

25 By: /s/ Sergei Lemberg
26 Sergei Lemberg (admitted *pro hac vice*)
 Stephen Taylor (admitted *pro hac vice*)
 Joshua Markovits (admitted *pro hac vice*)
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1 Plaintiffs Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna
2 Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw (“Plaintiffs”), respectfully
3 submit this Memorandum in Support of Plaintiffs’ Motion for an Award of Attorneys’
4 Fees and Expenses and Service Awards to the Plaintiffs.

5 **INTRODUCTION**

6 Plaintiffs and Defendant Mazda Motor of America, Inc. d/b/a Mazda North
7 American Operations (“Defendant,” “Mazda” or “MNAO”) agreed to a settlement
8 resolving nationwide class claims regarding an alleged defect in the Skyactiv-G 2.5T
9 engines of 86,000 Settlement Class Vehicles¹ which can contain defective valve stem
10 seals (the alleged “Valve Stem Seal Defect”).² The Valve Stem Seal Defect caused
11 excessive oil consumption in Settlement Class Vehicles.

12 The Settlement provides very substantial benefits to Class Members:

13 First, repair – Class Vehicles that have manifested an oil consumption issue are
14 entitled to a repair of the defect in the form of a redesigned valve stem seal. There are
15 over 50,000 vehicles that have manifested an oil consumption issue and as a result of
16 this litigation and Settlement, MNAO will replace the valve stem seals of any Class
17 Vehicle which has experienced excessive oil consumption. The value of the Repair
18 Program to the Settlement Class is \$46,413,916. (Report of Susan K. Thompson &
19 Brian S. Repucci of Hemming Morse, LLC (the “HM Report”)³ ¶¶ 28-35).

20 Second, protection – the Settlement extends the Mazda Powertrain Limited
21 Warranties for all 86,116 Settlement Class Vehicles, whether an oil consumption issue
22 has occurred or not, to 84 months/84,000 miles, from the earlier of 60 months/60,000

23 ¹ The Settlement Class Vehicles or “Class Vehicles” are the 2021-2022 Mazda CX-
24 30, the 2021 CX-5, the 2021 CX-9, the 2021-2022 Mazda3, and the 2021 Mazda6.

25 ² While Defendant MNAO did not oppose approval of the settlement and has agreed
26 to pay Attorneys’ Fees and Expenses as sought herein, MNAO does not admit any
liability or concede that the proposed Class Vehicles are defective.

³ Attached as Exhibit A to the Declaration of Sergei Lemberg (“Lemberg Decl.”)

1 miles. The extended warranties cover any defect in materials and workmanship in the
2 powertrain components supplied by Mazda, not just the valve stem seals at issue in this
3 case. The value of the warranty extension to the Settlement Class is \$58,836,174. (HM
4 Report ¶¶ 24-27).

5 Third, reimbursement – MNAO will fully reimburse Settlement Class Members
6 who submit approved claims for out-of-pocket costs for oil and oil changes incurred
7 before the normal oil change interval.

8 These benefits are the result of Class Counsel’s efforts and the willingness of
9 these Plaintiffs to step forward and represent others. Indeed, the settlement followed
10 nearly two years of hard-fought litigation where Class Counsel overcame motions to
11 dismiss, engaged in extensive discovery, consulted with experts, and vigorously
12 pursued the interests of class members all on contingency. The high value of Class
13 Counsel’s work is reflected in the considerable value to the Class they obtained.

14 After the Settlement Agreement was agreed, executed and preliminary approved
15 by the Court (Dkt. No. 102), the Parties conducted a mediation before the Hon. Dickran
16 M. Tevrizian (Ret.) on May 7, 2024, in an attempt to resolve Class Counsel’s fees and
17 costs. (Lemberg Decl. ¶ 18). As part of the class settlement itself, the Parties had not
18 agreed or negotiated any fee amount. *Id.* ¶ 18; SA Art. VIII(C). After the Parties
19 reached an impasse, Judge Tevrizian made a mediator’s proposal of \$2,035,000 in
20 attorneys’ fees and costs which the Parties accepted. *Id.* ¶ 18; May 10, 2024, Stipulated
21 Agreement Regarding Class Counsel’s Fee and Cost Award (hereinafter, the “May 10
22 Stipulation”).⁴ Class Counsel now seeks approval of a fee and cost award in this
23 amount.

24 The fee award sought here is abundantly reasonable as this is an excellent
25 settlement which provides substantial benefits to the entire class, the settlement was
26 agreed only after discovery, dispositive motion practice, and an arms-length mediation

⁴ Attached as Exhibit B to the Declaration of Sergei Lemberg (“Lemberg Decl.”)

1 before a neutral and MNAO will pay the fee and expense award separate and apart from
2 any relief to the Settlement Class.

3 Further, Plaintiffs seek Court approval of service awards of \$2,200 for each of
4 the Plaintiffs. Given the results achieved on behalf of the Settlement Class with their
5 assistance, the requested service awards are reasonable and should be approved.

6 **BACKGROUND**

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

13 On April 18, 2022, Plaintiff Gary Guthrie filed a Class Action Complaint in the
14 Superior Court of the State of California, County of Orange, against Mazda, bringing
15 fraudulent concealment, unjust enrichment, consumer protection and breach of
16 warranty claims on behalf of himself and nationwide and Washington classes of
17 purchases and lessees of 2021 Mazda CX-30, CX-5, CX-9, Mazda3, and Mazda6
18 vehicles. (Dkt. No. 1-1).

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

22 On July 18, 2022, Plaintiffs filed a First Amended Class Action Complaint which
23 added Plaintiffs Stephanie Crain, Chad Hinton and Julio Zelaya, and Florida and
24 Tennessee state classes and claims in addition to the nationwide and Washington
25 classes and claims. (Dkt. No. 14 ("FAC")).

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

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

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

5 On October 31, 2022, Plaintiffs filed a Second Amended Class Action Complaint
6 ("SAC") which added Plaintiffs Anna Gilinets, Marcy Knysz and Lester Woo, and
7 California and Illinois state classes and claims in addition to the nationwide and Florida,
8 Tennessee and Washington classes. (Dkt. No. 39).

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

12 On January 16, 2023, the Parties filed an updated Rule 26(f) Report. (Dkt. No.
13 53).

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

21 On January 30, 2023, the Court held a Scheduling Conference and hearing on
22 Mazda's motion to dismiss the SAC and took the motion under submission. (Dkt. No.
23 56).

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

25 The Parties then engaged in discovery. Plaintiffs served interrogatories and
26 requests for the production of documents regarding the individual and class claims and
the requirements of Rule 23. (Lemberg Decl. ¶ 10(i)). Plaintiffs received extensive
document productions from Defendant and repeatedly conferred with Defendant

1 regarding the scope of its production and need for additional discovery. Plaintiffs later
2 conducted a Rule 30(b)(6) deposition of Defendant regarding the merits, class issues,
3 and the efficacy of the redesigned valve stem seals. *Id.*

4 On May 1, 2023, the Parties attended an in-person mediation before Hon.
5 Dickran M. Tevrizian (Ret.) of JAMS. (Lemberg Decl. ¶ 10(j-k)). The mediation was
6 productive and, following additional negotiations under the guidance of Judge
7 Tevrizian, a settlement in principle as to the benefits for the Class was reached, which
8 was subsequently memorialized in a term sheet and the Settlement. *Id.*

9 On November 21, 2023, Plaintiffs filed a Third Amended Class Action
10 Complaint (“TAC”), the operative complaint, which added Plaintiff Amy Bradshaw
11 and North Carolina state class and claims in addition to the nationwide and California,
12 Florida, Illinois Tennessee and Washington classes. (Dkt. No. 84). Mazda filed its
13 Answer on December 5, 2023. (Dkt. No. 86).

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

17 In the absence of agreement between the Parties on Class Counsel’s fee and
18 expense award and in anticipation of Class Counsel’s upcoming fee motion, on May 7,
19 2024, the Parties mediated before Judge Tevrizian in an attempt to resolve the fee
20 dispute. (Lemberg Decl. ¶ 18). Prior to the mediation, the Parties provided Judge
21 Tevrizian with detailed mediation briefs setting forth their positions on the fee question.
22 *Id.* After negotiations reached an impasse, Judge Tevrizian made a mediator’s proposal
23 which the Parties accepted. *Id.*; the May 10 Stipulation. The May 10 Stipulation
24 provides that (1) MNAO will pay to Class Counsel a fee and expense award of
25 \$2,035,000.00 separate and apart from relief to the Class and subject to approval by the
26 Court and (2) MNAO does not endorse or otherwise agree to Plaintiff’s valuation of the
overall settlement. (May 10 Stipulation pg. 2).

ARGUMENT

I. CLASS COUNSEL ARE ENTITLED TO A FEE FOR THEIR EFFORTS ON BEHALF OF THE CLASS

“Federal Rule of Civil Procedure 23(h) permits the court to award reasonable attorney’s fees and costs in class action settlements as authorized by law or by the parties’ agreement.” *In re HP Printer Firmware Update Litig.*, 2019 WL 2716287, at *2 (N.D. Cal. June 28, 2019) (*citing* Fed. R. Civ. P. 23(h)). “Courts in this circuit determine attorney’s fees in class actions using either the lodestar method or the percentage-of-recovery method.” *In re Hyundai & Kia Fuel Econ. Litig.*, 926 F.3d 539, 570 (9th Cir. 2019) (*citing Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1029 (9th Cir. 1998)).

The amounts in fees and expenses sought were agreed well after agreement on relief to the Class was reached. The specific amount is the result of a contentious mediation before Judge Tevrizian where the Parties ultimately accepted his mediator’s proposal as an acceptable compromise. The fee and expense award does not come from, and is separate to, any relief to the Class. The manner in which the fee question has been addressed, through adversarial mediation between the Parties where the Class relief had already been set and preliminary approved, should give the Court every confidence the fee amount is reasonable.

“Regardless of whether the court uses the lodestar or percentage approach, the main inquiry is whether the fee award is ‘reasonable in relation to what the plaintiffs recovered.’” *Hessefort v. Super Micro Computer, Inc.*, 2023 WL 7185778, at *8 (N.D. Cal. May 5, 2023) (*quoting Powers v. Eichen*, 229 F.3d 1249, 1258 (9th Cir. 2000)). Because this settlement does not provide a monetary common fund (although the Settlement provides benefits that have calculable and significant value even under conservative estimates), there is some ambiguity about which methodology is appropriate to apply in assessing the attorneys’ fees request. Therefore, Plaintiffs address and demonstrate the reasonableness of their request under both the lodestar and

1 percentage-of-the-recovery methods.

2 **II. THE ATTORNEYS' FEE REQUEST IS REASONABLE UNDER THE**
3 **LODESTAR APPROACH**

4 The lodestar calculation requires “multiplication of the number of hours
5 reasonably expended by a reasonable hourly rate.” *In re Hyundai*, 926 F.3d at 570
6 (*quoting Hanlon*, 150 F.3d at 1029)). A court may apply a multiplier to
7 the lodestar amount based on the results achieved, the complexity of the case, the risks
8 involved, and the contingent nature of representation. *See Vizcaino v. Microsoft Corp.*,
9 290 F.3d 1043, 1051 (9th Cir. 2002); *see also Morales v. City of San Rafael*, 96 F.3d
10 359, 364 (9th Cir. 1996) (noting the district court was “not only free but obligated to
11 consider the results obtained . . . in calculating the lodestar figure”) (cleaned up).

12 The requested attorneys’ fees and expenses are reasonable under the lodestar
13 method as counsel’s hourly rates are reasonable, the amount of billable time expended
14 was reasonable, and a multiplier in the amount of at least 2.72 is warranted.

15 **1. The number of hours billed is reasonable.**

16 Class Counsel’s lodestar to date in this action is \$732,000 which is based on
17 979.9 attorney and professional staff hours. (Lemberg Decl. ¶ 11). Courts do not require
18 counsel to submit detailed time records in support of a lodestar fee application, Class
19 Counsel have not done so here, as they have provided summaries of the time billed by
20 professional along with a description of the work performed in the matter. (Lemberg
21 Decl. ¶¶ 10-12). *See, e.g., Hunter v. Nature’s Way Prods.*, 2020 WL 71160, at *8 (S.D.
22 Cal. Jan. 6, 2020) (“Class Counsel has not provided detailed time records, but instead
23 provides general summaries of each firm’s billing time. The summaries and
24 declarations provide a sufficient showing of the hours counsel performed on this
25 case.”); *Chang v. Wells Fargo Bank, N.A.*, 2023 WL 6961555, at *8 (N.D. Cal. Oct.
26 19, 2023) (same).

27 The lodestar does not include additional work associated with the instant motion,
28 final approval, and Class Counsel’s oversight of the settlement administration process,

1 and resolving any objections. (Lemberg Decl. ¶ 12). Indeed, Class Counsel anticipates
2 \$210,000 to \$385,000 in additional lodestar following this filing, for responding to
3 objectors, preparing for and presenting at the fairness hearing, resolving any appeals,
4 and overseeing settlement administration. *Id.*; see *Craft v. Cty. of San Bernardino*, 624
5 F. Supp. 2d 1113, 1123 (C.D. Cal. 2008) (awarding a 5.2 multiplier based on plaintiffs’
6 lodestar that included “post-approval projected time”); *In re Philips/Magnavox*
7 *Television Litig.*, 2012 WL 1677244, at *17 (D.N.J. May 14, 2012) (recognizing that
8 time submitted in connection with fee petition filed before final approval “does not
9 include the fees and expenses . . . expended after [that date] on tasks such as preparing
10 for and appearing at the fairness hearing”); *Estate of McConnell v. EUBA Corp.*, 2021
11 WL 1966062, at *7 (S.D. Ohio May 17, 2021) (“The Court is aware that Class
12 Counsel’s work does not end at final approval. Class Counsel frequently spend
13 additional time, sometimes significant time, dealing with class members’ inquiries,
administration issues, and other post-approval matters.”)

14 The time expended by Class Counsel was reasonable, appropriate, and necessary
15 for the effective prosecution of this case. As set forth above, this case saw extensive
16 early motion practice, the production and review of documents, testimonial discovery,
17 discovery conferrals, expert consultation and work before it settled. Then when it
18 settled, Class Counsel spent and will continue to spend significant work getting it
19 through final approval, any appeals, and administration. Although Plaintiffs were able
20 to resolve the action before trial, courts recognize that Class Counsel “should not be
21 ‘punished’ for efficiently litigating[.]” *In re Volkswagen “Clean Diesel” Mktg., Sales*
22 *Pracs., & Prods. Liab. Litig.*, 2017 WL 1352859, at *6 (N.D. Cal. Apr. 12, 2017); see
23 also *Rivera v. Agreserves, Inc.*, 2017 WL 445710, at *13 (E.D. Cal. Feb. 1, 2017).

24 **2. The hourly rates are reasonable.**

25 Generally, “prevailing market rates in the relevant community set the reasonable
26 hourly rate for purposes of computing the lodestar amount.” *Gonzales v. City of*
Maywood, 729 F.3d 1196, 1205 (9th Cir. 2013). “[T]he relevant community is the

1 forum in which the district court sits,” *id.*, and because counsel should be compensated
2 for the delay in payment, it is appropriate to apply each biller’s current rates for all
3 hours. *In re WPPSS Sec. Litig.*, 19 F.3d 1291, 1305 (9th Cir. 1994). Accordingly, Class
4 Counsel’s rates are reasonable if they are within the range charged by and awarded to
5 attorneys of comparable experience, reputation, and ability for similar work—i.e.,
6 complex class action litigation – within the relevant community.

7 Class Counsel’s rates reflect their skill, experience, reputation and ability for
8 similar work. The hourly rates sought here range from \$800-900 for partners, \$600 for
9 of counsel; \$550 for associates and \$225 for paralegals. (Lemberg Decl. ¶¶ 11, 13-17;
10 Taylor Decl. ¶¶ 2-5). These rates are well within the prevailing market rates in this
11 forum for attorneys of comparable experience in complex class action litigation. *See*
12 *Marshall v. Northrup Grumman*, 2020 WL 5668935, at *7 (C.D. Cal. Sept. 18, 2020)
13 (approving “for attorneys with at least 25 years of experience, \$1,060 per hour; for
14 attorneys with 15–24 years of experience, \$900 per hour; for attorneys with 5–14 years
15 of experience, \$650 per hour; for attorneys with 2–4 years of experience, \$490 per hour;
16 and for paralegals and law clerks, \$330 per hour.”); *Alikhan v. Goodrich Corp.*, 2020
17 WL 4919382, at *8 (C.D. Cal. June 25, 2020) (approving rates of up to \$950 per hour);
18 *Edwards v. First Am. Corp.*, 2016 WL 8999934, at *5 (C.D. Cal. Oct. 4, 2016) (rates
19 of up to \$990 found reasonable); *Urakhchin v. Allianz Asset Mgmt. of Am., L.P.*, 2018
20 WL 8334858, at *6 (C.D. Cal. July 30, 2018) (approving billing rates between \$600
21 and \$825 per hour for attorneys with more than ten years of experience, \$325 to \$575
22 per hour for attorneys with ten or fewer years of experience, and \$250 per hour for
23 paralegals and clerks); *Gutierrez v. Wells Fargo Bank, N.A.*, 2015 WL 2438274, at *5
24 (N.D. Cal. May 21, 2015) (rates ranging \$475-\$975 for partners, \$300-\$490 for
25 associates, \$150-\$430 for paralegals and \$250-\$340 for litigation support staff); *In re*
26 *Toyota Motor Corp. Unint. Accel. Mktg., Sales Pracs., & Prods. Liab. Litig.*, 2013 WL

1 12327929, at *33 n.13 (C.D. Cal. July 24, 2013) (rates ranging from \$150-\$950).

2 **3. A multiplier is warranted here.**

3 Class Counsel’s request for \$2,035,000.00 in fees reflects a 2.72 multiplier of
4 their lodestar to date after accounting for Class Counsel’s litigation costs (\$41,037.01)
5 and deducting them from the total award.⁵ This multiplier will only be diluted down by
6 the work expected to be performed through final approval, any appeals, and Settlement
7 administration. When factoring in an estimated \$297,500 in additional lodestar, the
8 multiplier could drop to 1.93. These are very reasonable multipliers well within the
9 range of multipliers awarded. *Bellinghausen v. Tractor Supply Co.*, 306 F.R.D. 245,
10 265 (N.D. Cal. 2015) (“Multipliers of 1 to 4 are commonly found to be appropriate in
11 complex class action cases.”) (*quoting Hopkins v. Stryker Sales Corp.*, 2013 WL
12 496358, at *1 (N.D. Cal. Feb. 6, 2013); *Moore v. Verizon Commc'ns Inc.* 2014 WL
13 588035, at *7 (N.D. Cal. Feb. 14, 2014) (awarding multiplier in contested fee
14 application); *see also Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1050 n.6 (9th Cir.
15 2002) (finding that, in approximately 83 percent of the cases surveyed by the court, the
16 multiplier was between 1.0 and 4.0 with a “bare majority ... 54% ... in the 1.5—3.0
17 range”); *Buccellato v. AT & T Operations, Inc.*, 2011 WL 3348055, at *2 (N.D. Cal.
18 June 30, 2011) (applying a multiplier of 4.3).

18 Courts in the Ninth Circuit consider a number of factors when considering the
19 reasonableness of a fee and multiplier: (1) the results achieved; (2) the risks of
20 litigation; (3) whether there are benefits to the class beyond the immediate generation
21 of a cash fund; (4) whether the percentage rate is above or below the market rate; (5)
22 the contingent nature of the representation and the opportunity cost of bringing the suit;
23 and (6) reactions from the class. *Vizcaino*, 290 F.3d at 1048-52; *see also Kissel v. Code*
24 *42 Software Inc.*, 2018 WL 6113078, at *4 (C.D. Cal. Feb. 20, 2018). These factors

25 _____
26 ⁵ (Proposed Award – Costs) / Lodestar = Multiplier.

1 support the multiplier here.

2 **a. Class Counsel achieved a very favorable result for the**
3 **Settlement Class.**

4 The Settlement here is an excellent result. Class Members receive substantial
5 relief with significant value including the Repair Program (valued at \$46,413,916), the
6 extended Powertrain Limited Warranties (valued at \$58,836,174), and reimbursement
7 of out-of-pocket expenses for excessive oil consumption.⁶ The Repair Program itself
8 went into effect by the time notice issued to the class and qualifying members can get
9 repairs to their valve stem seals immediately. All Class Members receive the extended
10 powertrain warranty, all class members that have manifested an oil consumption issue
11 (shown by, e.g., their engine oil warning light triggered before the Mazda recommended
12 interval for regular oil service of 7,500 miles or 1 year which is at least 58,789 vehicles)
13 can get the repair, and all class members that paid out of pocket for excessive oil refills
14 or oil changes before the Mazda recommended interval for regular oil service of 7,500
15 miles or 1 year can submit claims for reimbursement. Class Counsel secured
16 multifaceted and significant relief for the Class while avoiding the risks of continued
17 litigation.

18 This relief exceeds or is comparable to similar settlements for oil consumption
19 issues which have been approved. *See, e.g., Bang v. BMW of North America, LLC*, No.
20 2:15-cv-06945-MCA-SCM (D.N.J., Sept. 11, 2018) (ECF Nos. 111 & 122) (approving

21 ⁶ *Granillo v. FCA US LLC*, 2019 WL 4052432, at *9 (D.N.J. Aug. 27, 2019) (explaining
22 that courts “determine[] the potential value of a settlement involving non-monetary
23 benefits such as automotive warranties by multiplying the total number of vehicles at
24 issue”); *O’Keefe v. Mercedes-Benz USA, LLC*, 214 F.R.D. 266, 305 (E.D. Pa. 2003)
25 (noting that the value of the benefit to the class was “most accurately measured by
26 making an estimation of the Extended Coverage Program’s market price”); *In re Volkswagen & Audi Warranty Extension Litig.*, 89 F. Supp. 3d 155, 169 (D. Mass. 2015) (finding the retail value of the extended warranty to be “a sensible measure of what the class members gained from free extended coverage”); *see also In re Hyundai & Kia Fuel Econ. Litig.*, 926 F.3d at 571 n.13 (noting appropriateness of relying on expert’s assessment of the benefits under a class settlement).

1 oil consumption class action where relief to class consisted of replacement of allegedly
2 defective engine causing oil consumption if vehicle failed two oil consumption tests
3 and if class member contributes towards the cost of the replacement; reimbursement of
4 certain out-of-pocket costs for oil consumption; and coupons for additional oil changes
5 and batteries and a discount towards the purchase of a separate BMW model); *Yaeger*
6 *v. Subaru of Am., Inc.*, 2016 WL 4541861, at *3-4 (D.N.J. Aug. 31, 2016) (approving
7 oil consumption class action where relief to the class was repair; extended warranty to
8 cover only repairs needed to correct engine oil consumption; and reimbursement of out-
9 of-pocket expenses); *Asghari v. Volkswagen Grp. of Am., Inc.*, 2015 WL 12732462, at
10 *7, 21 (C.D. Cal. May 29, 2015) (granting final approval to oil consumption class action
11 where relief to the class was repair or reimbursement for those who had already paid
12 for repair out-of-pocket; extended warranty to cover repairs needed to correct engine
13 oil consumption; and reimbursement of out-of-pocket expense). Notably, the relief here
14 includes a repair free of charge, covers most of the class if they have had the engine oil
15 warning light activate prematurely, and provides for extended warranty coverage for
16 the entire powertrain.

17 The result obtained is significant in its value (over \$100 million) and in its
18 practical utility (members can get their vehicles fixed and have substantial additional
19 warranty coverage). When comparing the requested fee and cost award (\$2.035 million)
20 to just the extended warranty alone, the award makes up just 3.4% of its value. These
21 factors are enough to warrant the lodestar enhancement here.

22 **b. Class Counsel performed superior quality work.**

23 “Courts have recognized that the ‘prosecution and management of a complex
24 national class action requires unique legal skills and abilities.’” *In re Toyota*, 2013 WL
25 12327929, at *31 (citation omitted). When evaluating this factor, the “single clearest
26 factor reflecting the quality of class counsels’ services to the class are the results
obtained.” *In re Heritage Bond Litig.*, 2005 WL 1594389, at *12 (C.D. Cal. June 10,
2005) (citations omitted). As discussed above, the results achieved here confer

1 significant benefits to the Settlement Class, and they were achieved after Counsel
2 resisted motions to dismiss and were in discovery.

3 Class Counsel also has significant experience in consumer class actions and auto
4 defect cases. *See, e.g., Riley v. Gen. Motors LLC*, 2024 WL 1256056 (S.D. Ohio Mar.
5 25, 2024) (certifying class of vehicle owners in contested breach of warranty
6 proceeding); *Jefferson v. Gen. Motors, LLC*, 344 F.R.D. 175, 188 (W.D. Tenn. 2023)
7 (same); *Johnson v. Comodo Grp., Inc.*, 2020 WL 525898 (D.N.J. Jan. 31, 2020)
8 (certifying class in Telephone Consumer Protection Act (“TCPA”) proceeding); *see*
9 *also* Lemberg Decl. ¶¶ 4-5; Taylor Decl. ¶¶ 2-5). Their experience permitted efficient
10 litigation and the skill exhibited supports approval of the fee request. *See also, e.g.,*
11 *Norris v. Mazzola*, 2017 WL 6493091, at *13 (N.D. Cal. Dec. 19, 2017) (fee award
12 supported by the skill required by highly experienced counsel); *Zepeda v. PayPal, Inc.*,
13 2017 WL 1113293, at *20 (N.D. Cal. Mar. 24, 2017) (class counsel’s consumer class
14 action expertise allowed for a result that “would have been unlikely if entrusted to
15 counsel of lesser experience or capability” given the “substantive and procedural
16 complexities” and the “contentious nature” of the settlement); *Allagas v. BP Solar Int’l,*
17 *Inc.*, 2016 WL 9114162, at *2 (N.D. Cal. Dec. 22, 2016) (class counsel “highly
18 experienced in prosecuting and settling complex class actions” factors in favor of
19 requested fee). Where class counsel is particularly experienced, their lodestar alone can
20 fail to reflect such benefits of their expertise, and they should not be punished for their
21 efficiency. *Bayat v. Bank of the West*, 2015 WL 1744342, at *9 (N.D. Cal. Apr. 15,
22 2015); *Hartman v. Duffey*, 973 F. Supp. 199, 202 (D.D.C. 1997). Under this prong,
23 Class Counsel’s enhanced lodestar request is also warranted.

24 **c. The litigation was risky and expensive.**

25 Another factor to consider in determining attorneys’ fees is the risk counsel took
26 of “not recovering at all, particularly in a case involving complicated legal issues.” *In*
re Toyota, 2013 WL 12327929, at *31 (internal alterations and citations omitted); *see*
also In re Heritage Bond Litig., 2005 WL 1594389, at *14 (“The risks assumed by

1 Class Counsel, particularly the risk of non-payment or reimbursement of costs, is a
2 factor in determining counsel’s proper fee award.”); *Vizcaino*, 290 F.3d at 1048 (“Risk
3 is a relevant circumstance.”). Consumer fraud class actions carry an inherent risk of
4 being more uncertain than other types of class actions. *Kakani v. Oracle Corp.*, 2007
5 WL 4570190, at *4 (N.D. Cal. Dec. 21, 2007).

6 Here, while Class Counsel was confident in Plaintiffs’ claims, MNAO denied
7 there was a defect, that it breached any applicable warranties or that Plaintiffs and class
8 members were entitled to any relief whatsoever. Moreover, Class Counsel is David to
9 MNAO’s, a very large and sophisticated defendant, Goliath. There was enormous risk
10 that Class Counsel would get nothing at all for their time and expense on behalf of the
11 Class and the risk enhancement is a key component of taking a case like this on. *Moore*,
12 2014 WL 588035, at *6 (“The Court is persuaded that Class Counsel took this case with
13 the expectation that they would receive a substantial risk enhancement if they prevailed,
14 and would not have undertaken the litigation without such potential.”); *In re Omnivision*
15 *Techs.*, 559 F. Supp. 2d 1036, 1046-47 (C.D. Cal. 2008) (“The risk that further litigation
16 might result in plaintiffs not recovering at all, particularly a case involving complicated
17 legal issues, is a significant factor in the award of fees.”).

17 **d. Class Counsel worked on a contingent basis.**

18 “Attorneys are entitled to a larger fee award when their compensation is
19 contingent in nature.” *In re Toyota*, 2013 WL 12327929, at *32 (citing *Vizcaino*, 290
20 F.3d at 1048-50); see also *Kissel*, 2018 WL 6113078, at *5. “[W]hen counsel takes
21 cases on a contingency fee basis, and litigation is protracted, the risk of non-payment
22 after years of litigation justifies a significant fee award.” *Bellinghausen v. Tractor*
23 *Supply Co.*, 306 F.R.D. 245, 261 (N.D. Cal. 2015). The potential of receiving little or
24 no recovery in the face of increasing risk weighs in favor of the requested fee. See *In re*
25 *WPPSS*, 19 F.3d 1291, 1299; *Ching v. Siemens Indus., Inc.*, No. 11-cv-04838, 2014 WL
26 2926210, at *8 (N.D. Cal. June 27, 2014) (“Courts have long recognized that the public
interest is served by rewarding attorneys who assume representation on a contingent

1 basis with an enhanced fee to compensate them for the risk that they might be paid
2 nothing at all for their work.”); *Brown v. 22nd Dist. Agric. Ass’n*, 2017 WL 3131557,
3 at *8 (S.D. Cal. July 24, 2017) (recognizing that “class counsel was forced to forego
4 other employment in order to devote necessary time to this litigation” and the
5 substantial risk associated with taking the matter on a contingent basis warranted “an
6 upward adjustment to the fee award”). This case was litigated on a purely contingent
7 basis, with work efforts devoted here necessarily not expended towards other matters.
8 The risk of non-recovery is sufficiently substantial to justify the instant fee request.

9 **e. The reaction of the Settlement Class.**

10 This motion is filed three days after notice to the class issued and the time for
11 members to lodge objections has not expired. Consideration of this factor will be
12 addressed in conjunction with final approval.

13 Consideration of the foregoing shows the fee request is reasonable and the
14 multiplier of 2.72 is warranted.

15 **III. THE ATTORNEYS’ FEE REQUEST IS ALSO REASONABLE UNDER**
16 **THE PERCENTAGE-OF-RECOVERY APPROACH**

17 Under the “percentage-of-the-recovery” method for calculating attorney fees,
18 federal courts frequently evaluate the reasonableness of a fee request by viewing it as a
19 percentage of the total value of settlement fund as a benefit to the Class. *See Paul,*
20 *Johnson, Alston & Hunt v. Graulty*, 886 F.2d 268, 272 (9th Cir. 1989). This method is
21 appropriate where, as here, “the class benefit can be monetized with a reasonable degree
22 of certainty.” *Johansson-Dohrmann v. Cbr Systems, Inc.*, 2013 WL 3864341, *8 (S.D.
23 Cal. Jul. 24, 2013); *Smith v. CRST Van Expedited, Inc.*, 2013 WL 163293, *4 (S.D. Cal.
24 Jan. 14, 2013) (same).

25 Class Counsel’s fee and expense request of \$2.035 million is reasonable under
26 percentage-of-recovery method, as either a cross-check to the lodestar analysis above
or as a basis for an award in its own right. The request represents just 1.9% of the total
\$109,895,680.00 value (HM Report ¶ 14). It represents 3.5% of the value of the

1 Extended Powertrain Limited Warranty Coverage (\$58,836,174 (HM ¶¶ 24-27)) alone.
2 Applying the same factors considered above (the excellent results, risks, benefits,
3 including nonmonetary benefits, secured for the class, and the contingent nature of the
4 representation) the result is the same: Class Counsels' fee request should be approved
5 as reasonable. Moreover, the award amount here was negotiated entirely separately and
6 did not and does not impact relief to the class itself.

7 **IV. THE REASONABLENESS OF THE REQUESTED AWARD IS**
8 **FURTHER DEMONSTRATED BY THE FACT THAT IT IS**
9 **INCLUSIVE OF EXPENSES**

10 "Attorneys may recover their reasonable expenses that would typically be billed
11 to paying clients in non-contingency matters." *Kissel*, 2018 WL 6113078, at *6.
12 "Expenses such as reimbursement for travel, meals, lodging, photocopying, long-
13 distance telephone calls, computer legal research, postage, courier service, mediation,
14 exhibits, documents scanning, and visual equipment are typically recoverable." *Rutti v.*
15 *Lojack Corp., Inc.*, 2012 WL 3151077, *12 (C.D. Cal. July 31, 2012). Class Counsel's
16 expenses total \$41,037.01. (Lemberg Decl. ¶¶ 19-22). The fact that these expenses are
17 included in the amount sought by Class Counsel demonstrates that the requested
18 amount is reasonable and appropriate.

19 **V. THE COURT SHOULD APPROVE A SERVICE AWARD OF \$2,200 TO**
20 **EACH OF THE NAMED PLAINTIFFS**

21 Service awards to named plaintiffs attempt to account for financial or
22 reputational risks associated with litigation and promote the public policy of
23 encouraging individual plaintiffs to undertake the responsibility of representative
24 lawsuits. *See Rodriguez v. West Publ'g Corp.*, 563 F.3d 948, 958-959 (9th Cir. 2009);
25 *Hartless v. Clorox Co.*, 273 F.R.D. 630, 646-47 (S.D. Cal. 2011) ("Incentive awards
26 are fairly typical in class actions."); *Pelletz v. Weyerhaeuser Co.*, 592 F. Supp. 2d 1322,
1329 (W.D. Wash. 2009) ("The trial court has discretion to award incentives to the class
representatives."). Incentive awards are generally approved so long as the awards are
reasonable and do not undermine the adequacy of the class representatives. *See*

1 *Radcliffe v. Experian Info. Solutions*, 715 F.3d 1157, 1163 (9th Cir. 2013) (finding
2 incentive award must not “corrupt the settlement by undermining the adequacy of the
3 class representatives and class counsel”). Further, “[a] service award of \$5,000 to
4 named plaintiffs is considered presumptively reasonable in the Ninth Circuit.” *Canava*
5 *v. Rail Delivery Servs. Inc.*, 2022 WL 18359143, at *2 (C.D. Cal. Dec. 2, 2022)
6 (citations omitted).

7 Here, Class Counsel asks the Court to award a service payment to the Class
8 Representatives in an amount of \$2,200 each. Plaintiffs have each been intimately
9 involved with this case. They have been in contact with and aided their counsel
10 throughout the case and maintained abreast of the litigation. (Taylor Decl. ¶ 7). But for
11 their willingness to proceed with this case as a class action, the class members would
12 receive nothing. The amounts sought are reasonable, fair and should be approved.

12 CONCLUSION

13 For the reasons set forth above, Plaintiffs and Class Counsel respectfully request
14 that the Court grant this motion and (1) award attorneys’ fees and expenses to Class
15 Counsel in the amount of \$2,035,000 and (2) award service awards in the amounts of
16 \$2,200 to each of the named Plaintiffs.

17 DATED: May 16, 2024

18 By: /s/ 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 May 16, 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
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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,*
27
28 Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

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

**DECLARATION OF SERGEI
LEMBERG IN SUPPORT OF
MOTION FOR ATTORNEYS' FEES
AND EXPENSES AND SERVICE
AWARDS TO THE PLAINTIFFS**

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. I am also the former Chair of the Consumer Law Section of the
21 Connecticut Bar Association. I held that position from 2014 to 2015. I have been a
22 guest speaker at the Professional Association for Customer Engagement conference in
23 2014 and the National Debt Collection Forum in 2016. In both instances I spoke about
24 best practices that should be or are adopted in the debt collection profession from the
25 perspective of a consumer advocate.

26 4. My firm’s decisions on consumer right’s matters include but are not
27 limited to: *Pollard v. Law Office of Mandy L. Spaulding*, 766 F.3d 98 (1st Cir. 2014);
28

1 *Scott v. Westlake Servs. LLC*, 2014 WL 250251 (7th Cir. Jan. 23, 2014); *Evon v. Law*
2 *Offices of Sidney Mickell*, 688 F.3d 1015 (9th Cir. 2012); *LaVigne v. First Cmty.*
3 *Bancshares, Inc.*, No. 1:15-CV-00934-WJ-LF, 2016 WL 6305992 (D.N.M. Oct. 19,
4 2016); *Butto v. Collecto, Inc*, 290 F.R.D. 372, 395-396 (E.D.N.Y. 2013); *Cerrato v.*
5 *Solomon & Solomon*, 909 F.Supp.2d 139 (D. Conn. 2012); *Zimmerman v. Portfolio*
6 *Recovery Assoc., LLC*, 276 F.R.D. 174 (S.D.N.Y. 2011); *Davis v. Diversified*
7 *Consultants, Inc.*, 2014 WL 2944864 (D. Mass. June 27, 2014); *Hudak v. The Berkley*
8 *Grp., Inc.*, 2014 WL 354666 (D. Conn. Jan. 23, 2014); *Zimmerman v. Portfolio*
9 *Recovery Assocs., LLC*, 2013 WL 6508813 (S.D.N.Y. Dec. 12, 2013); *Seekamp v. It's*
10 *Huge, Inc.*, 2012 WL 860364 (N.D.N.Y. Mar. 13, 2012).

11 5. I have been certified as class counsel, in both contested proceedings and
12 in settlement, in the following matters: *Riley v. Gen. Motors LLC*, 2024 WL 1256056
13 (S.D. Ohio Mar. 25, 2024) (in which the court certified a class of Ohio vehicle owners
14 for breach of warranty claims flowing from General Motors failure to comply with its
15 warranty obligations to repair defective shifters. In addition to appointing Lemberg Law
16 as class counsel and certifying the case, the court denied in part the manufacturer's
17 motion for summary judgment); *Jefferson v. Gen. Motors, LLC*, 344 F.R.D. 175, 188
18 (W.D. Tenn. 2023) (in which the court certified a class of Tennessee vehicle owners
19 for breach of warranty claims flowing from General Motors failure to comply with its
20 warranty obligations to repair defective shifters. In addition to appointing Lemberg
21 Law as class counsel and certifying the case, the court denied in part the manufacturer's
22 motion for summary judgment); *Sager, et al. v. Volkswagen Group of America, Inc.,*
23 *and Audi of America, Inc.*, 18-cv-13556 (D.N.J) (settlement class counsel representing
24 nation-wide class of approximately 340,000 members alleging breach of various
25 warranties and state consumer law owing to allegedly defective after-run electric
26 coolant pumps); *Seekamp v. It's Huge, Inc.*, 2012 WL 860364 (N.D.N.Y. Mar. 13,
27 2012) (certifying auto fraud class action); *Johnson v. Comodo Grp., Inc.*, No.
28

1 CV164469SDWLDW, 2020 WL 525898 (D.N.J. Jan. 31, 2020) (certifying Telephone
2 Consumer Protection Act (“TCPA”) class action); *Munday v. Navy Federal Credit*
3 *Union*, 15-cv-01629 (C.D. Cal., July 14, 2017) (ECF No. 60) (final approval of class
4 settlement of \$2.75MM in TCPA action); *Brown v. Rita’s Water Ice Franchise Co.*
5 *LLC*, No. CV 15-3509, 2017 WL 1021025, at *1 (E.D. Pa. Mar. 16, 2017) (final
6 approval of class settlement of \$3MM common fund in TCPA action); *Duchene v.*
7 *Westlake Servs., LLC*, No. 2:13-CV-01577-MRH, 2016 WL 6916734 (W.D. Pa. July
8 14, 2016) (final approval of class settlement of \$10MM common fund in TCPA action);
9 *In Re: Convergent Telephone Consumer Protection Act Litigation*, 3:13-md-02478 (D.
10 Conn., November 10, 2016) (ECF No. 268) (final approval of class settlement
11 consisting of \$5.5MM common fund and injunctive relief in TCPA action); *Oberther*
12 *v. Midland Credit Management*, 14-cv-30014 (D. Mass. July 13, 2016) (ECF No. 90)
13 (Fair Debt Collection Practice Act (“FDCPA”) class action); *Zimmerman v. Portfolio*
14 *Recovery Assoc., LLC*, 276 F.R.D. 174 (S.D.N.Y. 2011) (certifying FDCPA class
15 action); *Evon v. Law Offices of Sidney Mickell*, 688 F.3d 1015 (9th Cir. 2012) (FDCPA
16 class action); *Butto v. Collecto, Inc.*, 290 F.R.D. 372 (E.D.N.Y. 2013) (certifying
17 FDCPA class action); *Douma v. Law Offices of Mitchell N. Kay P.C.*, 09-cv-9957
18 (S.D.N.Y.) (FDCPA class action); *Waiters v. Collection Tech., Inc.*, 10-cv-02514
19 (S.D.N.Y.) (FDCPA class action).

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

23 7. I have co-authored the definitive compilation of form complaints in
24 Connecticut, Connecticut Civil Complaints for Business Litigation, contributing form
25 complaints for the Lemon Law and Auto Fraud sections.

26 8. I have been interviewed and asked to contribute on multiple occasions by
27 the media regarding various matters that I worked on, such as the Boston Herald,
28

1 NorthJersey.com, Newsweek, The Leader Herald, PatriotLedger.com, Law360, Texas
2 Lawyer, ABC News, Chanel 7 in Boston, McClatchy, AOL Autos, Connecticut Law
3 Tribune, Philly.com, the Los Angeles Times, Consumer Reports.org, Syracuse.com,
4 Daily News, Harford Advocate.com and the Boston Herald.

5 **EFFORTS ON BEHALF OF PLAINTIFFS AND THE CLASS**

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

10 10. My firm has not been paid anything for our work on this case. This matter
11 required Class Counsel to spend substantial time on this litigation that could have been
12 spent on other matters.

13 a. Before filing the Complaint against Defendant Mazda North American
14 Operations (“MNAO”), we investigated the Guthrie’s claims, the nature of the
15 alleged defect (the “Valve Stem Seal Defect”), the affected Class vehicle models,
16 interviewed Class Vehicle owners and lessees, reviewed documents published
17 by MNAO and made available to NHTSA, investigated other Class Vehicle
18 owner complaints, consulted with an automotive expert and analyzed potential
19 legal claims.

20 b. We drafted demand letters to MNAO for Guthrie and other Plaintiffs.

21 c. We reviewed and analyzed MNAO’s response to our demands and, in response
22 to our first demand, we drafted the first Class Action Complaint and filed the
23 same on April 18, 2022.

24 d. We have interviewed tens of witnesses and potential plaintiffs. We have drafted
25 three superseding amended complaints to amend the allegations and/or add
26 additional Plaintiffs as the litigation progressed.

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- e. We have reviewed, analyzed, and responded to motions to dismiss the First Amended Complaint and the Second Amended Complaint.
- f. We have prepared for and attended hearings before the Court.
- g. We have conferred with MNAO on myriad occasions concerning its motions to dismiss, discovery, and settlement.
- h. To protect the interests of the Class in light of subsequent copy-cat lawsuits, we moved for appointment of Lemberg Law, LLC, as interim class counsel (Dkt. No. 55) and moved to intervene and stay a matter pending in the Eastern District of California, *Heinz v. Mazda Motor of America, Inc.*, 2:23-cv-05420-DOC-DFM (ECF No. 10). We regularly monitor proceedings that could impact this matter such as the *Heinz* matter and *Farina v. Mazda Motor of America, Inc. et al*, 3:23-cv-00050 pending in the Western District of North Carolina.
- i. We have engaged in discovery on the merits and on class claims. This includes serving interrogatories and requests for the production of documents on MNAO regarding the individual and class claims and the requirements of Rule 23; reviewing extensive document productions from Defendant outlining, *inter alia*, the investigation into the cause of the Valve Stem Seal Defect, its scope, and the repair regarding the Valve Stem Seal Defect including the efficacy of the repair; repeatedly conferring with MNAO regarding the scope of its production and need for additional discovery; and taking the deposition of a Rule 30(b)(6) designee regarding the same areas and to confirm that the redesigned valve stem seals correct the Defect.
- j. We attended a mediation session on May 1, 2023, in Los Angeles, California before Hon. Dickran M. Tevrizian (Ret.) of JAMS. Prior to the mediation we provided Judge Tevrizian detailed mediation statements concerning all aspects of the case.

- 1 k. We negotiated a settlement term sheet with MNAO following the mediation with
 2 Judge Tevrizian and, over the following several months, drafted and negotiated
 3 the Settlement Agreement.
 4
 5 l. As part of our evaluation of the settlement, Plaintiffs retained Hemming Morse,
 6 LLC to provide an expert opinion of the value of the warranty extension and
 7 repair components of the settlement. A true and correct copy of that report is
 8 attached hereto as Exhibit A.
 9
 10 m. When we believed MNAO was deleterious in completing and executing a global
 11 Settlement Agreement, we prepared to move to enforce the settlement term sheet
 12 on our own motion and over the objection of MNAO.
 13
 14 n. We drafted the motion for preliminary approval of the Settlement Agreement
 15 which was approved. Since approval, we have overseen JND the settlement
 16 administrator to ensure a smooth notice process. This includes reviewing all
 17 language and content of the settlement website and all notice and claim
 18 documents.
 19
 20 o. We have reviewed the objections of Mr. Farina, his claims, his proceedings and
 21 will review any other objections which may be made.

22 11. Our lodestar in this matter is \$732,000 which is based on 979.9 hours
 23 expended by firm attorneys and paralegal staff. The following attorneys contributed
 24 significant time towards this case and seek compensation at the following rates.

	<u>Professional</u>	<u>Rate</u>	<u>Hours</u>	<u>Lodestar</u>
	Sergei Lemberg, Esq.	\$900	323.7	\$291,330
	Stephen Taylor, Esq.	\$800	312.2	\$249,760
	Trinette Kent, Esq.	\$600	120	\$72,000
	Josh Markovits, Esq.	\$550	210.8	\$115,940
	Paralegal Time	\$225	13.2	\$2,970
			Total: 979.9	Total: \$732,000

25
 26 12. Additionally, I anticipate a significant amount of work and hours will be
 27 expended after the filing of this fee application related to final approval and oversight
 28

1 of the administrator and claims process. This includes responding to objections and
2 any appeals. Though we do not expect objections to be upheld in light of the results
3 achieved, we expect resolving the objections through appeals will take additional
4 considerable effort. We will also assist class members with individual inquiries and aid
5 with their claims. Judging by previous experiences, these responsibilities will require
6 the expenditure of significant time which I estimate at an additional 300-550 hours of
7 work. Using a blended rate of \$700 (our rates run from \$550-\$900), I estimate this
8 could result in \$210,000 to \$385,000 in additional lodestar.

9
10 13. My billing rate in this matter is \$900 per hour which is a reasonable rate
11 given my experience and expertise in consumer rights class action litigation and the
12 market rate for this litigation. *See Marshall v. Northrup Grumman*, 2020 WL 5668935,
13 at *7 (C.D. Cal. Sept. 18, 2020) (approving “for attorneys with at least 25 years of
14 experience, \$1,060 per hour; for attorneys with 15–24 years of experience, \$900 per
15 hour; for attorneys with 5–14 years of experience, \$650 per hour; for attorneys with 2–
16 4 years of experience, \$490 per hour; and for paralegals and law clerks, \$330 per
17 hour.”); *Alikhan v. Goodrich Corp.*, 2020 WL 4919382, at *8 (C.D. Cal. June 25, 2020)
18 (approving rates of up to \$950 per hour); *Edwards v. First Am. Corp.*, 2016 WL
19 8999934, at *5 (C.D. Cal. Oct. 4, 2016) (rates of up to \$990 found reasonable);
20 *Urakhchin v. Allianz Asset Mgmt. of Am., L.P.*, 2018 WL 8334858, at *6 (C.D. Cal.
21 July 30, 2018) (approving billing rates between \$600 and \$825 per hour for attorneys
22 with more than ten years of experience, \$325 to \$575 per hour for attorneys with ten or
23 fewer years of experience, and \$250 per hour for paralegals and clerks); *Gutierrez v.*
24 *Wells Fargo Bank, N.A.*, 2015 WL 2438274, at *5 (N.D. Cal. May 21, 2015) (rates
25 ranging \$475-\$975 for partners, \$300-\$490 for associates, \$150-\$430 for paralegals
26 and \$250-\$340 for litigation support staff); *In re Toyota Motor Corp. Unint. Accel.*
27 *Mktg., Sales Pracs., & Prods. Liab. Litig.*, 2013 WL 12327929, at *33 n.13 (C.D. Cal.
28 July 24, 2013) (rates ranging from \$150-\$950).

1 14. In addition, Mr. Taylor’s billing rate is \$800 per hour which is supported
2 by his skill and experience as set forth in his declaration.

3 15. Further, we are seeking compensation for two other firm attorneys in
4 addition to myself and Mr. Taylor: Ms. Trinette Kent at \$600 per hour and Mr. Josh
5 Markovits, an associate at \$550 per hour.

6 16. Ms. Kent is Of Counsel to Lemberg Law. She earned her law degree from
7 Loyola Law School in 2002 and began her legal career at the California law firm of
8 Shernoff, Bidart & Echeverria, representing consumers against insurance companies.
9 She later moved to Arizona, was admitted to the Arizona bar, and worked at Surrano
10 Law Offices, again handling insurance bad faith litigation on behalf of plaintiffs.
11 Trinette opened her own law practice in 2010 and joined Lemberg Law in 2012. Her
12 practice is dedicated to a wide range of consumer protection litigation, representing
13 consumers against debt collectors, creditors, telemarketers, credit reporting agencies,
14 car manufacturers, insurance companies, and various corporate entities.

15 17. Mr. Markovits is an associate at Lemberg Law with a focus on consumer
16 protection class actions. Mr. Markovits received his J.D., *cum laude*, from Benjamin
17 N. Cardozo School of Law in 2015 and is admitted to practice in New York. Mr.
18 Markovits is also admitted to practice before the Southern, Eastern and Western
19 Districts of New York, the Northern District of Illinois and the District of
20 Colorado. During law school, Mr. Markovits served as a legal intern in the chambers
21 of both a federal court and a New York Supreme Court judge. Mr. Markovits has
22 extensive experience in class action litigation and has been certified as class counsel in
23 various consumer protection class actions in state and federal court. *See, e.g., Riley v.*
24 *Gen. Motors LLC*, 2024 WL 1256056 (S.D. Ohio Mar. 25, 2024) (contested class
25 certification; certifying breach of warranty class of Ohio automobile purchasers and
26 lessees); *Jefferson v. Gen. Motors, LLC*, 344 F.R.D. 175, 194 (W.D. Tenn. 2023)
27 (contested class certification; certifying breach of warranty class of Tennessee
28

1 automobile purchasers and lessees); *Pueschel v. Rushmore Loan Management Services*
2 *LLC*; No. 2184CV00739 (Mass. Super. Feb. 6, 2023) (final approval of class settlement
3 for alleged violations of Massachusetts state law, Chapter 93A and 940 C.M.R. §
4 7.04(1)(f)); *Pollard v. Windham Professionals, Inc.*, Case No: 1978CV00033 (Mass
5 Super. Oct. 28, 2021) (same); *Virgne v. C.R. England, Inc.*, Case No. 1:19-cv-02011-
6 SEB-MDJ (S.D. Ind. Jan. 13, 2021) (ECF No. 124) (final approval of class settlement
7 in Telephone Consumer Protection Act action).

8 18. As part of our work in this case, we prepared our application for attorneys'
9 fees and costs. We had not negotiated a fee and cost award with MNAO as part of the
10 Class Settlement beyond agreeing that Class Counsel could move for fees which
11 MNAO would pay if ordered by the Court and after any appeals. On May 7, 2024, we
12 participated in a mediation before Judge Tevrizian in an attempt to resolve the fee
13 question. We prepared a mediation brief for Judge Tevrizian. The mediation was
14 contentious and adversarial between the Parties. The Parties reached an impasse in
15 negotiations. Thereafter, Judge Tevrizian made a mediator's proposal. The Parties
16 accepted the proposal and executed a Stipulated Agreement Regarding Class Counsel's
17 Fee and Cost Award, a copy of which is attached hereto as Exhibit B.

18 **EXPENSES**

19 19. Lemberg Law has incurred substantial costs due to court costs, expert
20 costs, travel, mediation and deposition expenses in connection with this action.

21 20. As reflected in the expense reports attached hereto as Exhibit C the total
22 costs incurred to date are \$41,037.01.

23 21. All of these costs and expenses are reflected in the books and records of
24 the firm, and are supported by invoices, receipts, expense vouchers, check records, or
25 other documentation.

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22. In my professional opinion, and based on my experience prosecuting the action and overseeing the conduct of the litigation, all of these expenses were reasonable and necessarily incurred in connection with the action.

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

Dated: May 16, 2024

By: /s/ Sergei Lemberg
Sergei Lemberg

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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Schedules

- 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:

-
- [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.
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Calculation of Extension of Powertrain Limited Warranty

Description of Source	2018 CX-9	2016 Mazda3	2019 MX-5	2021 Mazda3	Average	Per Year	2 Year Contract
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.
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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]	Value of Repair
Mazda3 (Japan built)	2021	6,000	4,096	\$ 42	\$ 748	\$ 3,233,818
Mazda3 (Mexico built)	2021/2022	1,047	715	\$ 42	\$ 748	\$ 564,301
Mazda CX-30 (Mexico built)	2021/2022	11,167	7,623	\$ 42	\$ 748	\$ 6,018,675
Mazda6	2021	6,033	4,119	\$ 42	\$ 748	\$ 3,251,604
Mazda CX5	2021	31,296	21,365	\$ 42	\$ 748	\$ 16,867,596
Mazda CX9	2021	30,573	20,871	\$ 42	\$ 748	\$ 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.
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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



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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BRIAN S. REPUCCI, CPA/CFF

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Employment & Education

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


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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
- **Craig Kaprielian; Fruit World Nursery, Inc. v. Bruce M. Brown, et al. (2018)**
Superior Court of California, County of Fresno
Case No. 16CECG01664
- **Leiasa Beckham v. Kaslofsky & Associates, LLC; 1850 Bryant Land LLC (2023)**
Superior Court of California, County of San Francisco
Case No. CGC-19-573757
- **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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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

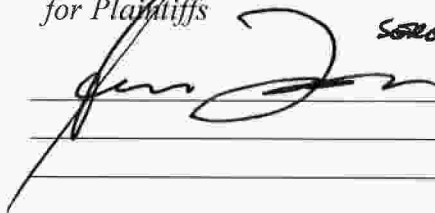
Joint Terms Sheet for Proposed Nationwide Class Settlement (as of September 20, 2023)

1. Vehicle Scope	<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>
2. Geographic Scope	<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>
3. Customer Notification	<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	<ul style="list-style-type: none"> a. Oil b. 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

AutoGuide

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

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- [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	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?](#)

Quick and easy. Find an auto warranty partner now.

[View Pricing](#)

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
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.

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

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

DIAGRAMS AND KITS

WHAT THIS FITS

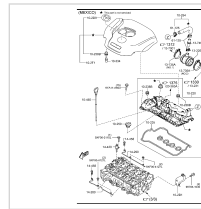
ATTACHMENTS

PRODUCT TYPES

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)



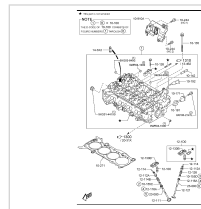
#10235 Required: 1

GASKET, HEAD COVER

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)



#10235 Required: 1

GASKET, HEAD COVER

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)

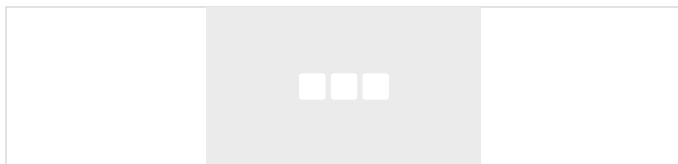


Front Mask. Front Mask Hardware Kit.

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)

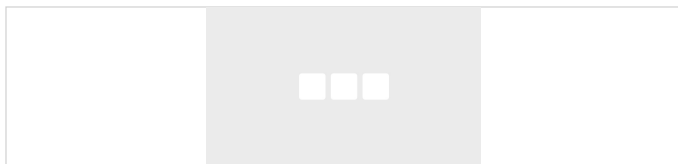


Front Mask. Front Mask Hardware Kit.

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>)

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

WHAT THIS FITS

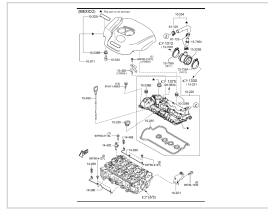
ATTACHMENTS

PRODUCT TYPES

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)



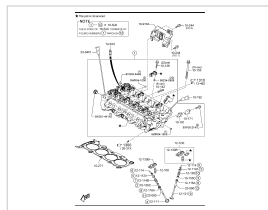
#10155D Required: 8

SEAL, EXHAUST VALVE
20210913-99999999

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)



#10155D Required: 8

SEAL, EXHAUST VALVE
20210913-99999999

[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_](#)

Links

Legal

MAZDAUSA.COM (HTTPS://WWW.MAZDAUSA.COM) (HTTPS://WWW.MAZDAUSA.COM/SITE/TERMS-OF-USE)
 ABOUT US (HTTPS://WWW.MAZDAUSA.COM/WHY-MAZDA/MAZDA-SPIRIT) (HTTPS://WWW.MAZDAUSA.COM/SITE/PRIVACY)
 NEWS (HTTPS://INSIDEMAZDA.MAZDAUSA.COM/NEWS) (HTTPS://WWW.MAZDAUSA.COM/US/REQUEST_OPT_OUT_FORM)
 CONTACT US (HTTPS://WWW.MAZDAUSA.COM/CONTACT-US) (HTTPS://WWW.MAZDAUSA.COM/ACCESSIBILITY)

(https://www.facebook.com/mazdasocial/) (https://twitter.com/mazdasocial) (https://www.instagram.com/mazdasocial/)

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Exhibit F

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

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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', written in a cursive style.

Jahmy S. Graham

Exhibit B

1 UNITED STATES DISTRICT COURT
2 CENTRAL DISTRICT OF CALIFORNIA

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

8 Plaintiffs,

9 vs.

10 Mazda Motor of America, Inc.,

11 Defendant.

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

**STIPULATED AGREEMENT
REGARDING CLASS COUNSEL'S
FEE AND COST AWARD**

12 Plaintiffs Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna
13 Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw (“Plaintiffs”) with and through
14 Class Counsel (Lemberg Law LLC) and Defendant Mazda Motor of America, Inc. d/b/a
15 Mazda North American Operations (“MNAO” or “Defendant”) hereby stipulate and
16 agree as follows:

17 WHEREAS, pursuant to the Settlement Agreement, Article VIII(C)(1), Class
18 Counsel may apply to the Court for an attorneys’ fee award and cost award in amounts
19 to be determined by the Court;

20 WHEREAS, pursuant to the Settlement Agreement, Article VIII(C)(4), MNAO
21 did not agree to any specific amount in attorneys’ fee award or cost award and could
22 oppose Plaintiffs’ motion or request for an award of attorneys’ fees and/or costs on any
23 ground available to MNAO;

24 WHEREAS, pursuant to the Settlement Agreement, Article VIII(C)(2), MNAO
25 agreed to pay the attorneys’ fees and expenses as ordered by the Court separate and
26 apart from, and in addition to the relief provided to the Class;

1 WHEREAS, on May 7, 2024, the Parties conducted a mediation before the Hon.
2 Dickran M. Tevrizian (Ret.) regarding Class Counsel’s application for a fee award and
3 cost award; and

4 WHEREAS, the Parties, with the aid of Judge Tevrizian, ultimately agreed to an
5 amount of attorneys’ fees and expense award to be paid by MNAO to Class Counsel;

6 WHEREAS, specifically, after the Parties reached an impasse, Judge Tevrizian,
7 the mediator, proposed an attorney fee and cost award of \$2,035,000.00, inclusive of
8 Class Counsel’s fees and costs;

9 WHEREAS, the Parties accepted the mediator’s proposal, subject to Court
10 approval;

11 WHEREAS, MNAO, while it agrees to not oppose Class Counsel’s fee
12 application assuming it does not exceed the amount above (*i.e.*, \$2,035,000.00,
13 inclusive of Class Counsel’s fees and costs), maintains that it does not endorse or
14 otherwise agree to Plaintiffs’ valuation of the overall settlement, including the
15 estimated value of the repair program and extended warranty, as set forth in Plaintiffs’
16 motion for preliminary approval.

17 **THUS, IT IS HEREBY STIPULATED AND AGREED BY AND BETWEEN
18 THE PARTIES THAT:**

- 19 1. MNAO agrees to a fee and expense award of \$2,035,000.00, inclusive of
20 all Class Counsel’s fees, expenses and costs, to be paid by MNAO to Class
21 Counsel as set forth in Article VIII(C) of the Settlement Agreement,
22 separate and apart from relief to the Class and subject to approval by the
23 Court. MNAO will not oppose Class Counsel’s application to the extent
24 it does not exceed the foregoing amount.
- 25 2. MNAO does not endorse or otherwise agree to Plaintiffs’ valuation of the
26 overall settlement, including the estimated value of the repair program and
 extended warranty, as set forth in Plaintiffs’ motion for preliminary

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approval.

ON BEHALF OF PLAINTIFFS AND CLASS COUNSEL:


Dated: May 10, 2024



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

ON BEHALF OF DEFENDANT:

Dated: May 10, 2024



Jahmy S. Graham
Nelson Mullins Riley and Scarborough LLP
19191 South Vermont Avenue, Suite 900
Torrance, CA 90502

Exhibit C

Lemberg Law LLC

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

Expenses

Date	Source Name	Memo	Debit
05/01/2024	JAMS	Mediation Fee	6,585.00
03/12/2024	Delta Air Lines	Travel expense - flight	441.10
03/09/2024	Turo Inc.	Travel expense - rental	337.00
02/18/2024	NYCDOT Parking	Travel expense - parking	1.45
02/18/2024	NYCDOT Parking	Travel expense - parking	5.20
02/16/2024	Delta Air Lines	Travel expense - flight	601.20
02/02/2024	Hemming Morse, LLP	Expert fee	10,806.50
01/03/2024	ATC of Florida (Darren Manzari	Expert fee	286.67
01/03/2024	ATC of Florida (Darren Manzari	Expert fee	103.33
01/02/2024	Hemming Morse, LLP	Expert fee	5,080.00
12/07/2023	ATC of Florida (Darren Manzari	Expert fee	1,596.67
12/02/2023	Hemming Morse, LLP	Expert Fee	1,300.00
11/22/2023	Aptus Court Reporting	Court reporting fee	1,764.73
10/30/2023	USDC District of California CA	PHV admission fee	500.00
04/30/2023	SmartPark JFK	Travel expense - parking	60.00
04/26/2023	Turo Inc.	Travel expense - rental	421.00
04/25/2023	FedEx	Postage and delivery fee	68.30
04/21/2023	Delta Air Lines	Travel expense - flight	396.90
04/21/2023	Delta Air Lines	Travel expense - flight	502.80
04/06/2023	JAMS	Mediation Fee	6,475.00
02/01/2023	Le Petit Paris Los Angeles CA	Travel expense	371.44
01/21/2023	FedEx	Postage and delivery fee	38.73
01/19/2023	Turo Inc.	Travel expense - car rental	359.12
10/20/2022	Lyft	Travel expense - Lyft	17.82
10/19/2022	Lyft	Travel expense - Lyft	41.69
10/17/2022	Lyft	Travel expense - Lyft	14.97
10/15/2022	SpotHero	Travel Expense - parking	67.96
10/09/2022	Delta Air Lines	Travel expense - flight	797.20
09/26/2022	USDC District of California CA	PHV fee	500.00
09/26/2022	USDC District of California CA	PHV fee	500.00
05/18/2022	One Legal Accounting	Process service fee	17.24
05/18/2022	Supreme Court - Clerk	Court filing fee	15.42
05/11/2022	One Legal Accounting	Process service fee	82.36
05/03/2022	USDC District of California CA	Court filing fee	402.00
04/19/2022	One Legal Accounting	Court filing fee	463.02
04/15/2022	One Legal Accounting	Court filing fee	15.19
Total			41,037.01

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15 UNITED STATES DISTRICT COURT
16 CENTRAL DISTRICT OF CALIFORNIA

17 Gary Guthrie, Stephanie Crain, Chad
18 Hinton, Julio Zelaya, Anna Gilinets,
Marcy Knysz, Lester Woo, and Amy
19 Bradshaw, *on behalf of themselves and all*
20 *others similarly situated,*
21 Plaintiffs,
22 vs.
23 Mazda Motor of America, Inc.,
24 Defendant.

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

**DECLARATION OF STEPHEN
TAYLOR IN SUPPORT OF
MOTION FOR ATTORNEYS' FEES
AND EXPENSES AND SERVICE
AWARDS TO THE PLAINTIFFS**

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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. Plaintiffs seek approval of a service award to Plaintiffs Gary Guthrie,
20 Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester
21 Woo, and Amy Bradshaw each in the amount of \$2,200.

22 7. All the Plaintiffs have been exemplary representatives. They have kept
23 in regular contact with our office, provided us documents, aided us in our
24 investigation by documenting their experiences and repair attempts at Mazda
25 dealerships throughout the Country. But for their efforts, the Class would receive
26 nothing and their service should be recognized and the awards approved.
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I declare under penalty of perjury that the foregoing is true and accurate to the best of my knowledge.

Dated: May 16, 2024

By: /s/ Stephen Taylor
Stephen Taylor

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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] ORDER

The Court, having read and considered the Plaintiffs' Motion for Attorneys' Fees and Expenses and Services Awards to the Plaintiffs, and for good cause shown, is of the opinion that the motion should be granted.

Accordingly, the Court hereby awards Class Counsel \$2,035,000.00 in attorneys' fees and expenses; and awards service awards of \$2,200 to Plaintiffs Gary Guthrie, Stephanie Crain, Chad Hinton, Julio Zelaya, Anna Gilinets, Marcy Knysz, Lester Woo, and Amy Bradshaw.

IT IS SO ORDERED.

Dated: _____

Hon. David O. Carter
United States District Judge