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14 UNITED STATES DISTRICT COURT
15 CENTRAL DISTRICT OF CALIFORNIA

16 Gary Guthrie, Stephanie Crain, Chad
17 Hinton, Julio Zelaya, Anna Gilinets,
18 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

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

Date: February 26, 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 February 26, 2024, at 10:00 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 for an order of the Court to:

- 9 1. Preliminarily approve the Parties’ Class Action Settlement Agreement;
10 2. Conditionally certify the proposed Settlement Class under Rule 23(b)(3);
11 3. Appoint Plaintiffs as Class Representatives;
12 4. Appoint Lemberg Law, LLC as Class Counsel;
13 5. Order dissemination of the Notice to the Class pursuant to the notice plan
14 set forth in the Settlement Agreement (the “Settlement,” the “Settlement
15 Agreement” or “S.A.”); and
16 6. Schedule a Final Fairness hearing, in accordance with the deadlines set
17 forth in the Settlement Agreement and the Proposed Preliminary Approval
18 Order, no earlier than 135 days after the Court grants preliminary approval.

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

24 This unopposed motion is made following the conference of counsel pursuant to
25 L.R. 7-3, which took place several times over the last several months, including on
26 January 12, 2024. While Defendant Mazda Motor of America, Inc. d/b/a Mazda North
American Operations (“MNAO”) does not oppose this Motion, consistent with the

1 Settlement Agreement, MNAO does not admit any liability or concede that the
2 proposed Class Vehicles are defective.

3
4 DATED: January 19, 2024

5 By: /s/ Sergei Lemberg
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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”), hereby submit
3 this memorandum of points and authorities in support of their motion for preliminary
4 approval of their Class Action Settlement Agreement.¹

5 **INTRODUCTION**

6 After nearly two years of hard-fought litigation—including multiple motions to
7 dismiss, discovery, and hearings before this Court— and mediation with the aid of Hon.
8 Dickran M. Tevrizian (Ret.) of JAMS, the Parties achieved a settlement that provides
9 substantial repair, warranty benefits, and reimbursement to over 86,000 Class Members
10 who purchased or leased 2021-2022 Mazda CX-30, 2021 CX-5, 2021 CX-9, 2021-2022
11 Mazda3, and 2021 Mazda6 Class Vehicles (“Class Vehicles” or “Settlement Class
12 Vehicles”) containing Skyactiv-G 2.5T engines which can contain defective valve stem
13 seals which cause excessive engine oil consumption (the alleged “Valve Stem Seal
14 Defect”).²

15 First, the Settlement provides that Class Vehicles that have manifested an oil
16 consumption issue are entitled to a repair of the defect in the form of a redesigned valve
17 stem seal. There are over 50,000 vehicles that have manifested an oil consumption
18 issue and as a result of this litigation and Settlement, Defendant Mazda Motor of

19 ¹ The executed Settlement Agreement is attached hereto as Exhibit A. Appended to the
20 Settlement Agreement and incorporated therein are the following exhibits:

21 Exhibit 1 – the “Claim Form”

22 Exhibit 2 – the “Final Order and Judgment”

23 Exhibit 3 – the “Preliminary Approval Order”

24 Exhibit 4 – the “Class Notice”, included therein is the long form class notice
25 and template of the postcard notice.

26 ² While Defendant MNAO does not oppose this Motion, consistent with the
Settlement Agreement, MNAO does not admit any liability or concede that the
proposed Class Vehicles are defective.

1 America, Inc. d/b/a Mazda North American Operations (“Defendant,” “Mazda” or
2 “MNAO”) will replace the valve stem seals of any Class Vehicle which has experienced
3 excessive oil consumption (e.g., the vehicle’s low engine oil light has illuminated
4 before the recommended oil change interval, or the owner or dealer refilled their engine
5 oil before Mazda’s recommended oil change interval, or the vehicle fails a free oil
6 consumption test). Following preliminary approval, Mazda will issue an updated
7 Technical Service Bulletin to its authorized dealerships authorizing these repairs
8 immediately in accordance with the terms of the Parties’ settlement. The Class Notice
9 mailed to Class Vehicle owners and lessees will notify members about this repair and
10 direct them to obtain it. Further, Mazda dealers will notify owners and lessees about
11 their entitlement to the repair when servicing Class Vehicles for any reason. The value
12 of the Repair Program to the Settlement Class is \$46,413,916. (Report of Susan K.
13 Thompson & Brian S. Repucci of Hemming Morse, LLC (Lemberg Decl. Ex. B and
the “HM Report”) ¶¶ 28-35).

14 Second, the Settlement extends the Mazda Powertrain Limited Warranties for all
15 86,116 Settlement Class Vehicles, whether an oil consumption issue has occurred or
16 not, to 84 months/84,000 miles, from the earlier of 60 months/60,000 miles. The
17 extended warranties cover any defect in materials and workmanship in the powertrain
18 components supplied by Mazda, not just the valve stem seals at issue in this case. The
19 value of the warranty extension to the Settlement Class is \$58,836,174. (HM Report
20 ¶¶ 24-27).

21 Third, through the Settlement, Mazda will fully reimburse Settlement Class
22 Members who submit approved claims for out-of-pocket costs for oil and oil changes
23 incurred before the normal oil change interval.

24 Moreover, Defendant will separately pay attorneys’ fees and costs and service
25 awards to the Class Representatives as awarded by the Court, so that these ancillary
26 costs of the Settlement will not dilute any of the benefits available to the Class.

1 Plaintiffs now present the terms of the Settlement for the Court’s preliminary
2 approval. Plaintiffs ask that the Court enter the Proposed Preliminary Approval Order
3 attached to this motion to (i) conditionally certify the Settlement Class for purposes of
4 settlement; (ii) appoint Plaintiffs as the Settlement Class Representatives; (iii) appoint
5 Lemberg Law, LLC, as Class Counsel; (iv) preliminarily approve the terms of the
6 Settlement Agreement; (v) approve the form, content and method of delivering notice
7 to the Settlement Class as set out in the Settlement Agreement as “the best notice that
8 is practicable under the circumstances” (Fed. R. Civ. P. 23(c)(2)(B)); and (vi) schedule
9 a Final Fairness hearing in accordance with the deadlines proposed in the Settlement
10 Agreement.

11 The Settlement Agreement was arrived through arm’s-length negotiations by
12 experienced counsel and after extensive discovery. The Settlement Agreement does
13 not provide preferential treatment to any subset of the Settlement Class. The Settlement
14 Class exceeds the certification requirements of Fed. R. Civ. P. 23(a) and (b)(3) and the
15 Settlement Class is more than adequately represented by Class Counsel. Moreover, the
16 proposed Settlement provides substantial benefits to Class Members, while avoiding
17 the considerable risks and costs of protracted litigation. The Settlement falls well within
18 the range of fair, reasonable and adequate so as to support provisional certification of
19 the Classes and the provision of notice to Class Members. Accordingly, Plaintiffs
20 respectfully request that this Court grant their unopposed Motion for Preliminary
21 Approval of the Class Action Settlement.

22 **BACKGROUND ON THE VALVE STEM SEAL DEFECT**
23 **AND MAZDA’S REPAIR**

24 Plaintiffs allege that Class Vehicles have defective valve stem seals in their
25 uniform Skyactiv-G 2.5T turbo engines that causes the Class Vehicles to consume an
26 excessive amount of engine oil in between regular oil change intervals. (Dkt. No. 84
 (“TAC”) ¶¶ 2, 114-120).

1 The alleged defect was caused by an October 2020 design change to the exhaust
2 valve seals in the impacted Class Vehicles' engines where Mazda had "changed the lip
3 of the seal." Ward Tr.³ 8:12-25, 9:7-15, 12:8-22. As a result of the design change,
4 when Mazda installed the Class Vehicles' exhaust valve seals "they were susceptible
5 to getting scratched" "as they went over the tip of the exhaust valve stem" and those
6 scratches increased the Class Vehicles' oil consumption. *Id.* Mazda asserts that by July
7 2021 it "confirm[ed] that the design change had caused the oil consumption to
8 increase." *Id.* at Tr. 20:4-8

9 The redesigned valve stem seals were installed in the approximately 86,000 Class
10 Vehicles and were manufactured between October 2020 and September 2021 (for
11 Mexican-produced Mazda3 and CX-30 vehicles, the defective parts were used through
12 June 2022). Ward Tr. 23:5-8, 42:8-43:14.

13 Plaintiffs allege that Mazda learned about the Valve Stem Defect from multiple
14 sources and had pre-sale knowledge of the Defect. TAC ¶¶ 146-162. Among those
15 sources were reports from Mazda Connected Services alerting Mazda that Class
16 Vehicles' low engine oil lights illuminated and a diagnostic trouble code (DTC) was
17 recorded. *Id.* ¶¶ 152-154. By default, Class Vehicles are registered with "Mazda
18 Connected Services" pursuant to which the Class Vehicles have a telematics control
19 unit (TCU) which recorded certain vehicle data DTC's and transfer the data to Mazda
20 Corporation's servers in Japan. Ward Tr. 15:20-16:3, 19:13-16. Thus, every time a
21 Class Vehicle was more than one quart low of oil, the low engine oil light illuminated
22 and for Class Vehicles with Mazda Connected Services, a DTC was recorded and sent
23 to Mazda Corporation along with the associated Vehicle Identification Number (VIN),
24 mileage, date and time. *Id.* at Tr. 16:21-18:9, 28:11-16. According to Mazda, it began

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

1 receiving Mazda Connected Services reports of the Class Vehicles' low engine oil
2 lights illuminating in or around May 2021. *Id.* Tr. 19:24-20:3.

3 Plaintiffs also allege, and Mazda has confirmed, that Mazda separately learned
4 about the Defect via complaints from Mazda dealerships and owners who submitted
5 complaints via Mazda customer hotlines. TAC ¶¶ 148, 151; Ward Tr. 24:17-25:12.

6 In October and November 2021, Mazda issued technical service bulletin No. 01-
7 012/21 to its dealerships that acknowledged the Class Vehicles' oil consumption issues
8 but told the dealers to top off engine oil in Class Vehicles in between oil changes. TAC
9 ¶¶ 127-134. Thus, when the Complaint and First Amended Class Action Complaint
10 were filed in April and July 2022, Mazda was not repairing the defect.

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

20 Plaintiffs subsequently confirmed with Mazda that the repair is effective and
21 dramatically reduces the Class Vehicles' oil consumption issues. Following the
22 implementation of the redesigned parts, Mazda has tracked the effectiveness of the
23 repair by comparing how often the low engine oil light appeared for unrepaired vehicles
24 and repaired vehicles. Ward. Tr. 53:9-54:10. While at least 68% of Class Vehicles
25 with the original parts had their low engine oil light appear before they were due for oil
26 changes, that figure has plummeted to approximately 12.9% for vehicles that have
obtained the redesigned part. (Lemberg Decl. ¶ 12). The latter figure is consistent with

1 the rate of oil consumption for non-defective subject vehicles with 2.5L turbocharged
2 engines. Ward Tr. 60:14-61:9, 61:18-24, 68:25-69:6. Moreover, as more repairs are
3 completed, it is expected that the figure will continue to decline. Ward Tr. 67:15-19.

4 Under the Settlement, Mazda will provide this Valve Stem Seal repair to *all*
5 affected Class Vehicles with a history of oil consumption issues without the need to
6 show their vehicles' engine oil level is currently low.⁴ Additionally, as part of the
7 Settlement, Mazda dealers are directed to tell Class Vehicle owners unprompted that
8 "they are eligible to receive a replacement of the affected valve stem seals" when
9 servicing the vehicles for any reason for the year following initiation of the program if
10 the Engine Oil Level Waning Light has illuminated with Diagnostic Trouble Code
11 ("DTC") P250F:00, signifying low engine oil level, before the regular oil change
12 interval of 7,500 miles or 1 year, or Class Vehicles enrolled with the Mazda Connected
13 Services MyMazda mobile application have recorded a "Low Engine Oil Level" alert
14 in the application before the regular oil change interval of 7,500 miles or 1 year.
15 *Settlement Agreement*, Art. II(A)(2)&(4).

16 **PROCEDURAL HISTORY**

17 Prior to initiating this action, Class Counsel conducted an extensive pre-suit
18 investigation which included analyzing the cause of Class Vehicles' oil consumption,
19 consulting with an automotive expert, identifying the Defect and the affected Class
20 Vehicle models, interviewing Class Vehicle owners and lessees, reviewing documents

21 ⁴ Specifically, under the current version of the TSB Mazda directs its dealers to
22 "Confirm with the oil level gauge that the engine oil has actually decreased. If the
23 engine oil has NOT decreased, this TSB is not applicable." However, as part of the
24 Settlement the repair will be available to all Class Vehicles regardless of their
25 vehicle's current oil level. To wit, the updated TSB will inform dealerships that: "The
26 technician should perform the repair (replace the affected valve stem seals) if DTC
P250F:00 is stored in the memory/occurred before the regular oil change interval of
7,500 miles or 1 year even if the engine oil level is not low or decreased at the time of
the technician's inspection of the vehicle."

1 published by Mazda and made available to NHTSA, investigating additional vehicle
2 owner complaints, and analyzing potential legal claims. (Lemberg Decl. ¶ 10).

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

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

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

20 Mazda again moved to dismiss the FAC for failure to state a claim on August 15,
21 2022. (Dkt. No. 18). Plaintiffs opposed the motion to dismiss the FAC on September
22 26, 2022. (Dkt. No. 23).

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

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

On October 31, 2023, Plaintiffs filed a Second Amended Class Action Complaint
 (“SAC”) which added Plaintiffs Anna Gilinets, Marcy Knysz and Lester Woo, and

1 California and Illinois state classes and claims in addition to the nationwide and Florida,
2 Tennessee and Washington classes. (Dkt. No. 39).

3 Mazda moved to dismiss the SAC for failure to state a claim on December 2,
4 2022. (Dkt. No. 46). Plaintiffs opposed the motion to dismiss on January 11, 2023. (Dkt.
5 No. 51).

6 On January 16, 2023, the Parties filed an updated Rule 26(f) Report. (Dkt. No.
7 53).

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

15 On January 30, 2023, the Court held a Scheduling Conference and hearing on
16 Mazda's motion to dismiss the SAC and took the motion under submission. (Dkt. No.
17 56).

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

19 The Parties then engaged in discovery. Plaintiffs served interrogatories and
20 requests for the production of documents on Mazda regarding the individual and class
21 claims and the requirements of Rule 23. (Lemberg Decl. ¶ 11). Plaintiffs received
22 extensive document productions from Defendant and repeatedly conferred with
23 Defendant regarding the scope of its production and need for additional discovery.
24 Plaintiffs later conducted a Rule 30(b)(6) deposition of Defendant regarding the merits,
25 class issues, and the efficacy of the redesigned valve stem seals. *Id.*

26 On May 1, 2023, the Parties attended an in-person mediation before Hon.
Dickran M. Tevrizian (Ret.) of JAMS. (Lemberg Decl. ¶ 13). The mediation was
productive and following additional negotiations under the guidance of Judge

1 Tevrizian, a settlement in principle as to the benefits for the Class was reached, which
2 was subsequently memorialized in a term sheet and the Settlement. *Id.*

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

8 **TERMS OF THE SETTLEMENT**

9 The Settlement Class is:

10 All persons and entities who purchased or leased a Settlement Class
11 Vehicle, as defined in Section I(P) of the Agreement, in the United States
12 of America, including the District of Columbia, Puerto Rico, and the U.S.
13 Virgin Islands.

14 *See Settlement Agreement, Art. I(Q).*⁵

15 Settlement Class Vehicles are the following model year and model Mazda
16 vehicles equipped with a 2.5L turbocharged engine and valve stem seals within the
17 impacted VIN production range:

- 18 • Model Year 2021 Mazda3 (Japan built)
- 19 • Model Year 2021 & 2022 Mazda3 (Mexico built)
- 20 • Model Year 2021 & 2022 CX-30 (Mexico built)

21 ⁵ Excluded from the Settlement Class are (a) anyone claiming personal injury, property
22 damage and/or subrogation; (b) all Judges, court staff, and/or mediators or arbitrators
23 who have presided over the Action and their spouses; (c) all current employees, officers,
24 directors, agents and representatives of Defendant, and their family members; (d) any
25 affiliate, parent or subsidiary of Defendant and any entity in which Defendant has a
26 controlling interest; (e) anyone acting as a used car dealer; (f) anyone who purchased a
Settlement Class Vehicle for the purpose of commercial resale; (g) anyone who
purchased a Settlement Class Vehicle with salvaged title and/or any insurance company
who acquired a Settlement Class Vehicle as a result of a total loss; (h) any insurer of a
Settlement Class Vehicle; (i) issuers of extended vehicle warranties and service
contracts; (j) any Settlement Class Member who, prior to the date of this Agreement,
settled with and released Defendant or any Released Parties from any Released Claims,
and (k) any Settlement Class Member that files a timely and proper Request for
Exclusion from the Settlement Class. *Settlement Agreement, Art. I(Q).*

- 1 • Model Year 2021 Mazda6
- 2 • Model Year 2021 CX5
- 3 • Model Year 2021 CX9

3 *Settlement Agreement*, Art. I(P).

4 There are approximately 86,116 Settlement Class Vehicles. (Lemberg Decl.
5 Decl. ¶ 12).

6 1. Repair Program

7 As part of the Settlement, MNAO will institute a Repair Program (the “Repair
8 Program” or “Program”) to repair Settlement Class Vehicles and replace qualifying
9 vehicles’ valve stem seals with non-defective parts. *Settlement Agreement*, Art. II(A).
10 The Program will commence after the Court grants preliminary approval of the
11 Settlement, and will last for the entirety of Class Vehicles’ extended Powertrain Limited
12 Warranty period of 84 months or 84,000 miles, whichever comes first (discussed
13 below). *Id.* Art. II(A)(6-7).

14 Under the Program, any Class Vehicle that has excessive oil consumption as
15 shown by one of the following will automatically qualify for the repair: (1) the Engine
16 Oil Level Waning Light has illuminated with Diagnostic Trouble Code (“DTC”) P250F:00,
17 signifying low engine oil level, before the regular oil change interval of
18 7,500 miles or 1 year; (2) Class Vehicles enrolled with the Mazda Connected Services
19 MyMazda mobile application have recorded a “Low Engine Oil Level” alert in the
20 application before the regular oil change interval of 7,500 miles or 1 year; or (3)
21 documented previous refilling of oil (either by a dealer or service station or the
22 customer) before the engine oil level warning light came on in between regular oil
23 change interval of 7,500 miles or 1 year (documented proof can include but is not
24 limited to repair orders or invoices from dealers or service stations or a receipt for the
25 purchase of engine oil). *Settlement Agreement*, Art. II(A)(2).

26 Based on data produced by Mazda, 58,789 Settlement Class Vehicles, or
approximately 68% of all Class Vehicles, have had their Low Engine Oil Level light

1 illuminate before the regular oil change interval and thereby qualify. (Lemberg Decl.
2 ¶ 12).

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

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

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

16 Plaintiffs retained Hemming Morse, LLC, to provide an expert opinion of the
17 value of the benefits to the various settlement components. The total value of the Repair
18 portion of the settlement is at least \$46,413, 916. (HM Report ¶¶ 28-35). The value of
19 the free oil consumption tests, assuming 27,327 Settlement Class Members need one,
20 is \$4,645,590. (HM Report ¶¶ 36-41). MNAO does not endorse these valuations and
21 reserves the right to assert its own valuations should the need arise.

22 2. Powertrain Limited Warranty Extension

23 The Settlement Agreement provides Settlement Class Members with a warranty
24 extension which expands the coverage period for the Powertrain Limited Warranties by
25 an additional 24 months or 20,000 miles, from the earlier of 60 months or 60,000 miles
26 to 84 months or 84,000 miles. *Settlement Agreement*, Art. I(S), II(B). The extended
Powertrain Limited Warranty will cover defects in materials and workmanship for any
powertrain component; it is not limited to repairs arising from the defective Valve Stem

1 Seals. *Id.*, Art. II(B)(1-2). The extended warranty is also fully transferable to
2 subsequent owners or lessees of Class Vehicles. *Id.*, Art. II(B)(4). The value of the
3 warranty extension to the Settlement Class is \$58,836,174. (HM Report ¶¶ 24-27). As
4 noted above, MNAO does not endorse Plaintiffs’ valuations and reserves the right to
5 assert its own valuations should the need arise.

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

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

14 4. The Release

15 In exchange for the foregoing, Class Members who do not timely exclude
16 themselves from the Settlement will be bound by a release applicable to all claims
17 relating to the defective valve stem seals of Class Vehicles. *Settlement Agreement*, Art.
18 I(N), VIII(D). Released Claims will not, however, include claims for personal injuries,
19 wrongful death, property damage (other than damage to the Settlement Class Vehicles),
20 subrogation, or any claims that arise from any future National Highway Traffic Safety
21 Administration (“NHTSA”) recall or voluntary recall unrelated to the Valve Stem
22 Defect. *Settlement Agreement*, Art. I(N).

22 **ARGUMENT**

23 **I. THE SETTLEMENT AGREEMENT SHOULD BE PRELIMINARILY**
24 **APPROVED**

25 Federal courts strongly favor and encourage settlements, particularly in class
26 actions and other complex matters, where the inherent costs, delays, and risks of
continued litigation might otherwise overwhelm any potential benefit the class could

1 hope to obtain. *See Class Plaintiffs v. City of Seattle*, 955 F.2d 1268, 1276 (9th Cir.
2 1992) (noting the “strong judicial policy that favors settlements, particularly where
3 complex class action litigation is concerned”); *see also* 4 Newberg on Class Actions §
4 11.41 (4th ed. 2002) (citing cases). Thus, the proposed Settlement is the best vehicle
5 for Class Members to receive the relief to which they are entitled in a prompt and
6 efficient manner.

7 Review of a proposed class action settlement ordinarily proceeds in three
8 stages. *See Manual for Complex Litigation* (4th) § 21.632. First, the
9 court conducts a preliminary fairness evaluation and, if applicable,
10 considers preliminary class certification. *Id.* Second, if the court makes
11 a preliminary determination of the fairness, reasonableness, and
12 adequacy of the settlement terms, the parties are directed to prepare the
13 notice of certification and proposed settlement to the class
14 members. *Id.* Third, the court holds a final fairness hearing to determine
15 whether to approve the settlement. *Id.*; *see also Narouz v. Charter*
16 *Commc’ns, Inc.*, 591 F.3d 1261, 1266–67 (9th Cir. 2010).

17 *Dakota Med., Inc. v. RehabCare Grp., Inc.*, 2017 WL 1398816, at *2 (E.D. Cal. Apr.
18 19, 2017). With this Motion, Plaintiffs initiate the first two stages and ask the Court to
19 conduct a preliminary fairness evaluation, preliminarily certify the class and direct
20 notice to the class.

21 Generally stated, “[i]f the proposed settlement appears to be the product of
22 serious, informed, non-collusive negotiations, has no obvious deficiencies, does not
23 improperly grant preferential treatment to class representatives or segments of the class,
24 and falls within the range of possible approval, then the court should direct that the
25 notice be given to the class members of a formal fairness hearing.” *Manual for Complex*
26 *Litig.* § 13:13 (5th ed. 2011); *see also Markson v. CRST Int’l, Inc.*, 2022 WL 1585745,
at *2 (C.D. Cal. Apr. 1, 2022).

1 **1. The Settlement Agreement Is the Result of Engaged, Arm’s-Length**
2 **Negotiations Overseen By An Experienced Mediator**

3 Settlements that are the result of arm’s-length negotiations among experienced
4 counsel are “entitled to an initial presumption of fairness.” *In re High-Tech Employee*
5 *Antitrust Litig.*, 2013 WL 6328811, at *1 (N.D. Cal. Oct. 30, 2013) (*citing* Alba Conte
6 & Herbert Newberg, *Newberg on Class Actions* § 11.41 (4th ed. 2002)) (internal
7 quotations omitted); *see also Rodriguez v. West Publ’g Corp.*, 563 F.3d 948, 965 (9th
8 Cir. 2009) (“We put a good deal of stock in the product of an arms-length, non-
9 collusive, negotiated resolution”). The involvement of a third-party neutral
10 supports a finding that the process used to reach the settlement was not collusive.
11 *Villegas v. J.P. Morgan Chase & Co.*, 2012 WL 5878390, at *6 (N.D. Cal. Nov. 21,
12 2012) (*citing Satchell v. Fed. Exp. Corp.*, 2007 WL 1114010, at *4 (N.D. Cal. Apr. 13,
13 2007)).

14 This Settlement is “the product of serious, informed, non-collusive negotiations.”
15 *Kulesa v. PC Cleaner, Inc.*, 2014 WL 12581769, at *4 (C.D. Cal. Feb. 10, 2014). The
16 Settlement was agreed after Plaintiffs conducted an extensive pre-filing investigation,
17 briefed two motions to dismiss, and conducted discovery on the merits and class
18 certification issues. The settlement negotiations were contentious, adversarial and took
19 place before Hon. Dickran M. Tevrizian (Ret.) of JAMS, a well-respected mediator and
20 a former judge for the U.S. District Court for the Central District of California and state
21 trial courts. That the Settlement was arrived at only after such arm’s-length negotiations
22 weighs in favor of preliminary approval. *In re AMF Bowling*, 334 F. Supp. 2d 462, 465
23 (S.D.N.Y. 2004) (the participation of a respected mediator “gives [the court] confidence
24 that [the negotiations] were conducted in an arm’s-length, non-collusive manner”); *In*
25 *re WorldCom, Inc. ERISA Litig.*, 2004 WL 2338151, at *6 (S.D.N.Y. Oct. 18, 2004)
26 (finding the fact that “[a] respected and dedicated judicial officer presided over the
 lengthy discussions from which this settlement emerged” belied any suggestion of
 collusion in the negotiating process).

1 Additionally, Plaintiffs’ counsel, Lemberg Law, LLC, has extensive experience
2 litigating consumer class actions like this one. (Lemberg Decl. ¶¶ 3, 4). As a result,
3 Class Counsel was well-positioned to evaluate the strengths and weaknesses of their
4 case at the mediation to negotiate class-wide relief and is able to recommend approval
5 of the Settlement Agreement to the Court. *See In re Mego Fin. Corp. Sec. Litig.*, 213
6 F.3d 454, 459 (9th Cir. 2000) (noting “significant investigation, discovery and
7 research” provides parties with sufficient information to make informed settlement
8 decisions);

9 Further, while Defendant has agreed to separately pay an award of attorneys’ fees
10 and costs, there is no clear sailing provision in the Settlement. *Settlement Agreement*,
11 Art. VIII(C). Instead, Plaintiffs will file a motion for attorneys’ fees and costs ,
12 Defendant is free to oppose, and an award of fees must be approved by the Court. *Id.*;
13 *Zakikhani v. Hyundai Motor Co.*, 2023 WL 4544774, at *7 (C.D. Cal., May 5, 2023).

14 The Parties’ agreement to settle this litigation reflects well-informed and engaged
15 arm’s-length bargaining with the assistance of a highly experienced mediator. The
16 Settlement Agreement is not the product of collusion and reflects the independent
17 judgment of counsel and is the result of serious and substantive negotiations.

18 **2. There are No Obvious Deficiencies to the Settlement Agreement**

19 The Settlement provides substantial benefits to Settlement Class Members.
20 Payment of attorneys’ fees, costs, and incentive awards are to be decided by the Court,
21 will be paid separate and apart from the benefits to the Class, and the Settlement is not
22 conditioned on any particular amount of a fee or incentive award. The Settlement
23 Agreement and Notice Plan provide means for Settlement Class Members to opt-out or
24 object. The Released Claims are limited to claims arising from the alleged defect at
25 issue in this case. Unless the Court’s initial examination “disclose[s] grounds to doubt
26 its fairness or other obvious deficiencies,” the Court should order that notice of a formal
fairness hearing be given to Class members under Rule 23(e). *West v. Circle K Stores, Inc.*, 2006 WL 1652598, at *11 (E.D. Cal. June 13, 2006) (citation omitted). Because

1 the proposed Settlement meets the requirements for preliminary approval, as detailed
2 herein, notice should be ordered to the Class.

3 **3. The Settlement Agreement Does Not Provide Unwarranted**
4 **Preferential Treatment to Any Segment of the Class or Class**
5 **Representatives**

6 All members of the Class will receive Powertrain Limited Warranty extensions,
7 will be able to participate in the Repair Program, and will have an opportunity for
8 reimbursement of out-of-pocket costs for excessive oil consumption. Thus, the
9 Settlement does not provide preferential treatment to any segment of the Class and the
10 benefits are proportionate to the harm each Class Member suffered on account of the
11 alleged Defect. *See Altamirano v. Shaw Indus., Inc.*, 2015 WL 4512372, at *8 (N.D.
12 Cal. July 24, 2015).

13 Nor will the Class Representatives receive preferential treatment or
14 compensation disproportionate to their respective harm and contribution to the case
15 under this proposed settlement. Each class representative is permitted to make claims
16 for relief under the settlement terms like any other Class Member. Moreover, Plaintiffs
17 will each seek service awards \$2,200. Incentive awards promote the public policy of
18 encouraging individuals to undertake the responsibility of representative lawsuits.
19 Manual for Complex Litig. § 21.62 n.971 (4th ed. 2004). In evaluating such an award,
20 the Court has a duty to make sure such an award is deserved, reasonable and does not
21 destroy the adequacy of the class representative. *Dakota Med., Inc.*, 2017 WL 1398816
22 at *5. The proposed service awards are not “outside the realm of what may be
23 reasonable, contingent on a sufficient showing, and [should provide] no cause for the
24 court to hesitate in finding the settlement preliminarily fair.” *Id.* (preliminarily
25 approving settlement agreement where counsel sought a \$15,000 incentive award)
26 (collecting cases).

4. The Settlement Falls Within the Range of Possible Approval.

In determining whether to grant preliminary approval, district courts must consider several factors, including: “the strength of the plaintiffs’ case; the risk,

1 expense, complexity, and likely duration of further litigation; the risk of maintaining
2 class action status throughout the trial; the amount offered in settlement; the extent of
3 discovery completed and the stage of the proceedings; the experience and views of
4 counsel; the presence of a governmental participant; and the reaction of the class
5 members to the proposed settlement.” *Lane v. Facebook, Inc.*, 696 F.3d 811, 819 (9th
6 Cir. 2012) (internal citation and quotation marks omitted); *see also* Fed. R. Civ. P.
7 23(e). However, “[e]ach factor does not necessarily apply to every class action
8 settlement, and others may also be considered.” *Moreno v. Pretium Packaging, L.L.C.*,
9 2021 WL 3673845, at *1 (C.D. Cal. Aug. 6, 2021) (citation omitted).⁶

10 ***a. The Strength of Plaintiffs’ Case and Risk, Expense, Complexity,
and Likely Duration of Further Litigation***

11 Although Plaintiffs believe they would ultimately prevail on their claims absent
12 this Settlement, there are considerable risks inherent in litigation and the facts at issue
13 in this case. *See Shahbazian v. Fast Auto Loans, Inc.*, 2019 WL 8955420, at *6 (C.D.
14 Cal. June 20, 2019) (recognizing “the uncertainty and risks inherent in litigation and
15 potential appeals”). For instance, Mazda contends that the Valve Stem Seal Defect is
16 not covered by its warranties and thus it has no obligation to repair the alleged defect
17 and the express warranty claims fail; the Class Vehicles were purportedly merchantable
18 notwithstanding the alleged defect; it had no pre-sale knowledge of the alleged defect
19 and in any event did not have a duty to disclose the alleged defect to Class Vehicle
20 owners and lessees; and has asserted other defenses to the state law claims for various
21 other reasons. (Dkt. No. 46 at pp. 6-23). While Plaintiffs vehemently disagree with
22 each of these assertions (*see, e.g.*, Dkt. No. 51), they illustrate the risk of additional
litigation.

23 Further, class actions typically entail a high level of risk, expense, and
24 complexity, and thus there is a “strong judicial policy that favors settlements,
25 _____

26 ⁶ Here, there is no governmental participant in this litigation so this factor is not relevant.

1 particularly where complex class action litigation is concerned.” *Linney v. Cellular*
2 *Alaska P’ship*, 151 F.3d 1234, 1238 (9th Cir. 1998) (internal citations omitted). While
3 this case has been litigated for nearly two years and substantial discovery completed,
4 absent settlement the Parties must complete additional discovery and there are
5 substantial additional expenses and attorney time that must be devoted to class
6 certification, dispositive motion practice, pre-trial preparations and trial. Further, as in
7 any case, there is a substantial risk of losing at trial. *See In re Omnivision Techs.*, 559
8 F. Supp. 2d 1036, 1041 (N.D. Cal. 2007) (discussing the risk of continued litigation
9 following class certification). And, even if Plaintiffs did prevail, any recovery could be
10 delayed for years by an appeal or series of appeals. *See West Virginia v. Chas. Pfizer &*
11 *Co.*, 314 F. Supp. 710, 743-44 (S.D.N.Y. 1970) (“It is known from past experience that
12 no matter how confident one may be of the outcome of litigation, such confidence is
13 often misplaced.”), *aff’d*, 440 F.2d 1079 (2d Cir. 1971). In contrast, the Settlement
14 Agreement provides substantial relief to Settlement Class members without further
15 delay.

16 ***b. The Risk of Maintaining Class Action Status Through Trial***

17 A litigation class has not been certified here. If this litigation continued without
18 settlement, Plaintiffs face risks certifying the classes – which involve the laws of several
19 different states as well as nationwide claims – and maintaining them through trial.
20 Although Plaintiffs believe this case warrants class certification, class certification
21 proceedings are highly discretionary. *See, e.g., Ellis v. Costco Wholesale Corp.*, 657
22 F.3d 970, 987 (9th Cir. 2011). Mazda has already challenged whether Plaintiffs have
23 standing to represent a nationwide class for litigation (as opposed to settlement)
24 purposes. (*See, e.g.,* Dkt. Nos. 46 at pp. 23-24, 86 at p. 3, n. 2). *See Mazza v. Am.*
25 *Honda Motor Co.*, 666 F.3d 581 (9th Cir. 2012). These risks weigh in favor of
26 approving the settlement now.

c. The Amount and Type of Relief Offered in Settlement

1 The Settlement provides Class Members with significant value including the
2 Repair Program (valued at \$46,413,916 by Plaintiffs' expert), the extended Powertrain
3 Limited Warranties (valued at \$58,836,174 by Plaintiffs' expert), and reimbursement
4 of out-of-pocket expenses for excessive oil consumption. All Class Members receive
5 the extended powertrain warranty, all class members that have manifested an oil
6 consumption issue (shown by, e.g., their engine oil warning light triggered before the
7 Mazda recommended interval for regular oil service of 7,500 miles or 1 year which is
8 at least 58,789 vehicles) can get the repair, all class members that paid out of pocket for
9 excessive oil refills or oil changes before the Mazda recommended interval for regular
10 oil service of 7,500 miles or 1 year can submit claims for reimbursement. Class
11 Members therefore receive a significant amount of the relief Plaintiffs sought in their
12 Complaint, while avoiding the risks of continued litigation.

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

1 oil consumption; and reimbursement of out-of-pocket expense). Notably, the relief here
2 includes a repair free of charge, covers most of the class if they have had the engine oil
3 warning light activate prematurely, and provides for extended warranty coverage for
4 the entire powertrain.

5 This factor thus weighs in favor of approval. *See Mendoza v. Hyundai Motor Co.,*
6 *Ltd.*, 2017 WL 342059, at *6 (N.D. Cal. Jan. 23, 2017) (finding similar consideration
7 offered for vehicle defect claims, including warning drivers about defect, providing an
8 extended warranty, and reimbursing expenses, weighed in favor of approval).

9 ***d. The Extent of Discovery Completed and the Stage of the***
10 ***Proceedings***

11 “In the context of class action settlements, ‘formal discovery is not a necessary
12 ticket to the bargaining table’ where the parties have sufficient information to make an
13 informed decision about settlement.” *Linney*, 151 F.3d at 1239; *see Clesceri v. Beach*
14 *City Investigations & Protective Servs., Inc.*, 2011 WL 320998, at *9 (C.D. Cal. Jan.
15 27, 2011) (finding completion of informal discovery supported preliminary approval).
16 Class Counsel completed adequate discovery to make an informed decision about the
17 Settlement. Both before and after filing the Complaint, Class Counsel devoted
18 substantial time to investigating the underlying facts and developing the factual and
19 legal allegations including reviewing publicly available sources of technical
20 information and complaints, interviewing class members, and analyzing the Valve Stem
21 Seal Defect. (Lemberg Decl. ¶¶ 10-12). Plaintiffs also served interrogatories and
22 requests for the production of documents on Defendant. *Id.* Plaintiffs received
23 numerous internal documents from Defendant outlining, *inter alia*, Defendant’s
24 investigation into the root cause of the alleged defect, the scope of the alleged defect,
25 and Defendant’s repair regarding the alleged defect including the efficacy of the repair.
26 *Id.* Plaintiffs also deposed a Rule 30(b)(6) witness regarding the same areas and to
confirm that the redesigned valve stem seals correct the alleged defect. *Id.* Based on
Class Counsel’s substantial experience litigating consumer class actions, including

1 automotive defect cases, the information and discovery obtained was sufficient to
2 evaluate the fairness of the proposed settlement for the Class. *Id.* ¶¶ 15-16.

3 *e. The Experience and Views of Counsel*

4 “Courts give weight to counsels’ opinions regarding the fairness of a settlement,
5 when it is negotiated by experienced counsel.” *Clesceri*, 2011 WL 320998, at *10.
6 Here, Class Counsel believes the Settlement is fair, reasonable, and adequate based on
7 their extensive experience litigating class actions, including automotive defect class
8 actions. (Lemberg Decl. ¶¶ 4-5; Declaration of Stephen Taylor ¶¶ 1-5, 10; Declaration
9 of Joshua Markovits ¶¶ 2-7; 12).

10 *f. The Reaction of Class Members*

11 Plaintiffs have not yet provided Class Notice to the Settlement Class Members,
12 so it is premature to assess this factor. *See Navarrete v. Sprint UnitedMgmt. Co.*, 2021
13 WL 4352903, at *11 (C.D. Cal. Mar. 2, 2021) (noting that the lack of evidence
14 concerning this factor “is not uncommon at the preliminary approval stage”). However,
15 before the Final Fairness hearing, the Claims Administrator will report on exclusion
16 requests and objections after notice is disseminated.

17 **II. THE SETTLEMENT CLASS SHOULD BE CERTIFIED**

18 To approve a class action settlement, the Court must also find that the Settlement
19 Class is appropriately certified pursuant to Fed. R. Civ. P. 23. *See Manual for Complex*
20 *Litigation* (4th) § 21.632 (“The judge should make a preliminary determination that the
21 proposed class satisfies the criteria set out in Rule 23(a) and at least one of the
22 subsections of Rule 23(b).”). In the context of a settlement class, certification is more
23 easily attained because the court need not inquire whether a trial of the action would be
24 manageable on a class-wide basis. *See Amchem Prods., Inc. v. Windsor*, 521 U.S. 591,
25 620, 117 S. Ct. 2231 (1997) (“Confronted with a request for settlement-only class
26 certification, a district court need not inquire whether the case, if tried, would present
intractable management problems . . . for the proposal is that there be no trial.”).

1 To be certified, a proposed class must satisfy the criteria set forth in Federal Rule
2 of Civil Procedure 23(a) and fit into one of the three categories outlined in Rule 23(b).
3 *Amchem*, 521 U.S. at 614; *Bateman v. Am. Multi-Cinema, Inc.*, 623 F.3d 708, 712 (9th
4 Cir. 2010) (citation omitted). Rule 23(a) requires that (1) the proposed class is so
5 numerous that joinder of all individual class members is impracticable (numerosity),
6 (2) there are questions of law or fact common to the proposed class (commonality), (3)
7 the named-plaintiff’s claims are typical of those of the class (typicality), and (4) the
8 named-plaintiffs and their counsel will adequately protect the interests of the class
9 (adequacy). Fed. R. Civ. P. 23(a)(1)–(4). In addition, where, as here, certification is
10 sought under Rule 23(b)(3), the proponent of class certification must show that (1) the
11 common questions of law or fact predominate over questions affecting only individual
12 class members (predominance), and (2) that a class action is superior to other available
13 methods of resolving the controversy (superiority). Fed. R. Civ. P. 23(b)(3).

14 For settlement purposes only, Plaintiffs respectfully request that the Court certify
15 the Settlement Class defined as:

16 All persons and entities who purchased or leased a Settlement Class
17 Vehicle, as defined in Section I(P) of the Agreement, in the United States
18 of America, including the District of Columbia, Puerto Rico, and the U.S.
19 Virgin Islands.

20 *Settlement Agreement*, Art. I(Q). As detailed below, the Settlement Class satisfies the
21 Fed. R. Civ. P. 23 requirements.

22 **1. Numerosity is Satisfied**

23 Numerosity requires that “the class [be] so numerous that joinder of all members
24 is impractical.” Fed. R. Civ. P. 23(a)(1). The exact number of class members need not
25 be known, so long as the class is readily ascertainable. *O’Connor v. Boeing N. Am.,*
26 *Inc.*, 184 F.R.D. 311, 319 (C.D. Cal. 1998). In addition, there is no specific number of
class members required, though the numerosity requirement is typically satisfied when
the class comprises at least forty members. *In re Cooper Cos. Inc. Sec. Litig.*, 254
F.R.D. 628, 634 (C.D. Cal. 2009). The proposed class here consists of the owners or

1 lessees of more than 86,000 Class Vehicles. Joinder of these claims is impractical and
2 the numerosity requirement is satisfied.

3 **2. Commonality is Satisfied**

4 Pursuant to Rule 23(a)(2), a court must determine whether “there are questions
5 of law or fact common to the class,” ordinarily known as “commonality.” Fed. R. Civ.
6 P. 23(a)(2). Commonality is demonstrated when the claims of all class members
7 “depend upon a common contention . . . that is capable of classwide resolution.” *Wal-*
8 *Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 131 S. Ct. 2541, 2551 (2011). Commonality
9 exists “[w]here the circumstances of each particular class member vary but retain a
10 common core of factual or legal issues with the rest of the class.” *Parra v. Bashas’,*
11 *Inc.*, 536 F.3d 975, 978–79 (9th Cir. 2008). The standard is “construed permissively,”
12 *id.* at 978, and “[i]t is not necessary that members of the proposed class share every fact
13 in common.” *Evon v. Law Offices of Sidney Mickell*, 688 F.3d 1015, 1030 (9th Cir.
14 2012) (internal quotation marks omitted).

15 Here, common issues of fact and law include: (1) whether the Class Vehicles
16 suffer from the Valve Stem Seal Defect; (2) whether the alleged defect is material; (3)
17 whether Defendant had knowledge of the alleged defect at the time of sale; (4) whether
18 Defendant had a duty to disclose the alleged defect and concealed the alleged defect;
19 and (5) whether Defendant’s conduct violates the consumer protection statutes alleged
20 and the express and implied warranties. Plaintiffs contend that determination of these
21 issues, regardless of the answers, will resolve the allegations for the whole Class “in
22 one stroke.” *Dukes*, 131 S. Ct. at 2545. As such, the commonality requirement is
23 satisfied.

24 **3. Typicality is Satisfied**

25 The third requirement of Rule 23(a)—typicality—is satisfied where “the claims
26 . . . of the representative parties are typical of the claims . . . of the class.” Fed. R. Civ.
P. 23(a)(3). The test of typicality is “whether other members have the same or similar
injury, whether the action is based on conduct which is not unique to the named

1 plaintiffs, and whether other class members have been injured by the same course of
2 conduct.” *Wolin v. Jaguar Land Rover N. Am., LLC*, 617 F.3d 1168, 1175 (9th Cir.
3 2010). Typicality is satisfied where the class representatives’ claims are “reasonably
4 co-extensive with those of absent class members,” though they “need not be
5 substantially identical.” *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1020 (9th Cir. 1998);
6 *see also Cal. Rural Legal Assistance, Inc. v. Legal Servs. Corp.*, 917 F.2d 1171, 1175
7 (9th Cir. 1990). Plaintiffs are each purchasers or lessees of Class Vehicles containing
8 the Valve Stem Seal Defect. They each bring the same type of claims based on the
9 same factual and legal theories. They each allege they suffered economic injuries
10 arising out of Defendant’s uniform conduct. Because Plaintiffs’ claims arise from and
11 challenge the same course of conduct, typicality is satisfied.

11 **4. Adequacy of Representation is Satisfied**

12 Adequacy under Fed. R. Civ. P. 23(a)(4) is satisfied where “the representative
13 parties will fairly and adequately protect the interests of the class.” Fed. R. Civ. P.
14 23(a)(4). Adequacy has two components: (i) whether the named-plaintiff and her
15 counsel have any conflicts of interest with other class members, and (ii) whether the
16 plaintiff and her counsel will prosecute the action vigorously on behalf of the class.
17 *Hanlon*, 150 F.3d at 1020.

18 Here, there are no conflicts of interest between Plaintiffs (or their counsel) and
19 the other members of the Settlement Class, as they are all seeking recovery under the
20 same legal theories for the same kind of injury. Further, Plaintiffs’ counsel has
21 extensive experience litigating consumer class actions including automotive defect
22 cases and have been appointed class counsel in numerous other cases. (Lemberg Decl.
23 ¶¶ 4-5; Taylor Decl. ¶¶ 4-5; Markovits Decl. ¶¶ 6-7). Based on their experience and
24 track record, Plaintiffs’ counsel is clearly adequate to represent the Settlement Class.

24 **5. Common Questions of Law and Fact Predominate**

25 The focus of the predominance requirement is whether the proposed class is
26 “sufficiently cohesive to warrant adjudication by representation.” *Amchem*, 521 U.S. at

1 623. Predominance tests “whether [the] proposed class[] [is] sufficiently cohesive to
2 warrant adjudication by representation,” *Wolin*, 617 F.3d at 1172, and exists “[w]hen
3 common questions present a significant aspect of the case and they can be resolved for
4 all members of the class in a single adjudication” *Hanlon*, 150 F.3d at 1022.

5 Here, the questions at the core of Plaintiffs’ claims are whether the Class
6 Vehicles have similarly defective valve stem seals in their uniform engines, whether
7 Defendant had a duty to disclose the alleged defect at the time of sale, whether
8 Defendant knowingly concealed the alleged defect, whether the alleged defect rendered
9 the Class Vehicles unmerchantable, whether Defendant had an obligation to repair the
10 alleged defect under its warranties, and whether the members of the Classes suffered
11 an economic loss as a result of Defendant’s conduct. These questions can be answered
12 based on evidence common to all members of the Class. For instance, to show pre-sale
13 knowledge and the existence of the alleged defect the Class can use Defendant’s same
14 internal records applicable to all Class Members. Moreover, class members will rely
15 upon the same uniform warranty language to support their warranty claims. These
16 common issues “are more prevalent or important than the non-common, aggregation-
17 defeating, individual issues.” *Tyson Foods, Inc. v. Bouaphakeo*, 577 U.S. 442, 453
18 (2016); *see Wolin*, 617 F.3d at 1173 (“Common issues predominate such as whether
19 Land Rover was aware of the existence of the alleged defect, whether Land Rover had
20 a duty to disclose its knowledge and whether it violated consumer protection laws when
21 it failed to do so.”).

22 **6. Superiority is Satisfied**

23 The purpose of the superiority requirement is one of judicial economy and
24 assurance that a class action is the “most efficient and effective means of resolving the
25 controversy.” *Wolin*, 617 F.3d at 1175-76. A class-wide settlement of this action is
26 superior to other available methods for the fair and efficient adjudication of this
controversy because it is neither economically feasible, nor judicially efficient, for the
hundreds of thousands Settlement Class Members to pursue their claims against

1 Harman on an individual basis. *Deposit Guar. Nat'l Bank v. Roper*, 445 U.S. 326, 338-
2 39, 100 S. Ct. 1166 (1980). By utilizing the class action vehicle, relief may be provided
3 to class members without the need for numerous separate trials on the same facts.
4 Hence, a class action will achieve economies of time, effort and expense, as well as
5 promote uniformity of decision as to persons similarly situated. Because this is a
6 settlement class, the Court need not consider issues of manageability relating to trial.
7 *See Amchem*, 521 U.S. at 620. Additionally, resolution of thousands of claims in one
8 action is far superior to individual lawsuits and promotes consistency and efficiency of
9 adjudication. *See id.* at 617 (noting the “policy at the very core of the class action
10 mechanism is to overcome the problem that small recoveries do not provide the
11 incentive for any individual to bring a solo action prosecuting his or her rights”).

11 **III. THE PROPOSED NOTICE AND NOTICE PLAN ARE REASONABLE**

12 In addition to preliminarily approving the substance of the Parties’ Settlement
13 Agreement, the Court should approve the proposed class Notice and Notice Plan.
14 Pursuant to Rule 23(e), the Court is required to “direct notice in a reasonable manner
15 to all class members who would be bound by the proposal.” Although the question of
16 what constitutes reasonable notice is left to the discretion of the Court, Rule 23 provides
17 that the best notice practicable “include[s] individual notice to all class members who
18 can be identified through reasonable effort.” Fed. R. Civ. P. 23(c)(2)(B).

19 First, the Settlement Agreement provides that all identifiable Class Members will
20 receive a copy of the Class Notice postcard via direct U.S. mail. *Settlement Agreement*,
21 Art. IV(B); Declaration of Jennifer M. Keough, CEO of JND Legal Administration
22 (“Keough Decl.”) ¶¶ 5-14. Mailed notice is presumptively reasonable and satisfies the
23 requirements of due process. *See Phillips Petroleum Co. v. Shutts*, 472 U.S. 797, 812,
24 105 S. Ct. 2965 (1985) (finding the procedure “where a fully descriptive notice is sent
25 by first-class mail to each class member, with an explanation of the right to ‘opt-out,’
26 satisfies due process”); *Rannis v. Recchia*, 380 F. App’x 646, 650 (9th Cir. 2010) (“due

1 process requires reasonable effort to inform affected class members through individual
2 notice, not receipt of individual notice.”)

3 Class members will be located based on the records of Settlement Class Vehicles,
4 their vehicle identification numbers, and using the services of Experian. *Settlement*
5 *Agreement*, Art. IV(B)(2); Keough Decl. ¶ 8. Experian tracks vehicle ownership
6 through state title and registration records making it possible to identify vehicles that
7 have moved between states and subsequently registered in another state, and have been
8 approved in similar cases. *See Patrick v. Volkswagen Grp. of Am.*, 2021 WL 3616105,
9 at *5 (C.D. Cal. Mar. 10, 2021) (approving notice plan where Experian or other
10 companies retained by the parties or claims administrator will obtain the names and
11 addresses of class members from Departments of Motor Vehicles using VINs).

12 The Settlement Administrator advises it will take it approximately 60 days from
13 the time of preliminary approval to complete the identification of names and addresses
14 of Settlement Class Members and to mail them the notice. (Keogh Decl. ¶ 9).

15 In addition to notice by U.S. Mail, the Settlement Administrator will set up a
16 dedicated website that will include the Class Notice, a portal to submit a claim form for
17 reimbursement of out-of-pocket expenses online in addition to instructions for mailing
18 a claim, the Settlement Agreement, other relevant documents, and applicable deadlines
19 for objecting to or opting out of the Settlement and for submitting reimbursement
20 claims. *Settlement Agreement*, Art. IV(B)(6); Keough Decl. ¶¶ 14-18. Claims for
21 reimbursement can be submitted to the administrator up to 75 days after the date of
22 Final Approval and Judgment. *Id.* Art. II(C)(4).

23 Second, the proposed Class Notice (Exhibit 4 to the Settlement Agreement)
24 communicates the information required by Rule 23(c)(2)(B)(i)-(vii). It explains the
25 terms of the Settlement, the Class definition, the underlying litigation, and the fact that
26 Class Members may appear through counsel; details the process for requesting
exclusion from the Settlement; and discloses the binding effect of the Settlement on
Class Members if they do not request exclusion from the Court. *Id.* Settlement Class

1 Members must submit their requests for exclusion or objections within 45 days after
 2 the notice is sent which is conveyed in the notice. *Id.*; *Settlement Agreement*, Art.
 3 V(A)(1) & (B)(2); *see also Silber v. Mabon*, 18 F.3d 1449, 1454 (9th Cir. 1994) (stating
 4 that a forty-day opt out period following the mailing of class notices satisfied the
 5 requirement that notice be “the best notice practicable”); *Navarrete v. Sprint United*
 6 *Mgmt. Co.*, 2021 WL 4352903, at *12 (C.D. Cal. Mar. 2, 2021) (approving a 45-day
 7 opt out and objection period); *Kearney v. Hyundai Motor Am.*, 2012 WL 13049699, at
 8 *13 (C.D. Cal. Dec. 17, 2012) (same).

9 Accordingly, Plaintiffs request that the Court approve this method of notice as
 10 the best practicable method under the circumstances.

SCHEDULE OF PROCEEDINGS AND DEADLINES

11 The proposed preliminary approval order contains a schedule incorporating the
 12 deadlines agreed to in the Settlement Agreement. Proposed Preliminary Approval
 13 Order ¶ 33. Key deadlines agreed to by the Parties and set by the Proposed Preliminary
 14 Approval Order are:

EVENT	SCHEDULED DATE
Notice Mailing Deadline	60 days after entry of Preliminary Approval Order
Attorney’s Fees and Costs and Incentive Awards Motion due by	3 days after Notice Mailing Deadline
Last day for Class Members to Object to, or Exclude Themselves from, the Settlement	45 days following the Notice Mailing Deadline
Plaintiffs’ Brief in support of Final Approval & Report from Administrator on Objections and Exclusions	14 days before the Final Fairness Hearing
Defendant’s Brief in support of Final Approval	7 days before the Final Fairness Hearing
Final Fairness Hearing	No earlier than 135 days after entry of the preliminary approval order

CONCLUSION

1
2 For the reasons set forth above, Plaintiffs respectfully request that the Court
3 enter the proposed Preliminary Approval Order:

4 1. Preliminarily approving the terms of the Parties' Class Action Settlement
5 Agreement;

6 2. Conditionally certifying the Settlement Class for the limited purpose of
7 settlement;

8 3. Appointing Plaintiffs as Settlement Class Representatives;

9 4. Appointing Lemberg Law, LLC, as Class Counsel;

10 5. Approving the form, content and method of delivering Notice to the
11 Settlement Class set forth in the Parties' Settlement Agreement and in the exhibits
12 thereto; and

13 6. Scheduling a final fairness hearing in accordance with the deadlines provided
14 in the Settlement Agreement.

15 DATED: January 19, 2024

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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 January 19, 2024, a copy of the foregoing was filed electronically. Notice of this filing was sent by operation of the Court’s electronic filing system to all parties indicated on the electronic filing receipt. All other parties will be served by regular U.S. Mail. Parties may access this filing through the Court’s electronic filing system.

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

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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

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

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

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

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

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

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

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

3 3. Venue is proper in this District.

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

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

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

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

26 Model Year 2021 Mazda3 (Japan built)

27

1 Model Year 2021 & 2022 Mazda3 (Mexico built)

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

3 Model Year 2021 Mazda6

4 Model Year 2021 CX5

5 Model Year 2021 CX9

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 31. Settlement Class Counsel and Defendant's Counsel are hereby
22 authorized to use all reasonable procedures in connection with approval of the
23 Settlement that are not materially inconsistent with this Order or the Settlement
24 Agreement, including making, without further approval of the Court, agreed minor
25 changes to the Settlement Agreement, to the form or content of the Class Notice or to
26 any other exhibits that the parties jointly agree are reasonable or necessary.
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1 32. This Court shall maintain continuing jurisdiction over these settlement
2 proceedings to assure the effectuation of the Settlement terms.

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

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

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

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

IT IS SO ORDERED.

Dated: _____

Hon. David O. Carter
United States District Judge

Exhibit A

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

SETTLEMENT AGREEMENT

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

RECITALS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I. DEFINITIONS

A. "Action" or "Lawsuit"

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

B. "Business Day"

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

C. "Claim Administrator"

The "Claim Administrator" will be JND Legal Administration.

D. "Claim" or "Claim for Reimbursement"

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

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

E. “Claim Form”

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

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

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

G. “Class Notice Plan”

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

H. “Court”

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

I. “Defense Counsel”

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

J. “Effective Date”

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

K. “Final Order and Judgment”

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

L. “Notice Date”

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

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

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

N. “Released Claims” or “Settled Claims”

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

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

O. “Released Parties”

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

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

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

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

Model Year 2021 Mazda3 (Japan built)

Model Year 2021 & 2022 Mazda3 (Mexico built)

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

Model Year 2021 Mazda6

Model Year 2021 CX5

Model Year 2021 CX9

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

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

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

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

R. “Valve Stem Seal(s)”

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

S. “Extended Warranty” or “Warranty Extension”

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

II. SETTLEMENT CONSIDERATION

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

A. Repair Program Benefit

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

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

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

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

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

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

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

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

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

B. Warranty Extension Benefit

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

III. CLAIMS ADMINISTRATION

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

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

B. Administration

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

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

IV. NOTICE

A. To Attorneys General:

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

B. To the Settlement Class:

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

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

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

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

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

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

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

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

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

C. By MNAO and the Settlement Administrator:

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

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

V. RESPONSE TO NOTICE

A. Objection to Settlement

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

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

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

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

B. Request for Exclusion from the Settlement

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

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

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

2. Any Request for Exclusion must be postmarked on or before the deadline set by the Court, which date shall be approximately forty-five (45) days after the Notice Date. Any Settlement Class Member who fails to submit a timely and complete Request for Exclusion sent to the proper address, shall be subject to and bound by this Settlement Agreement, the Release and every order or judgment entered relating to this Settlement Agreement.

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

VI. WITHDRAWAL FROM SETTLEMENT

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

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

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

2. To withdraw from this Settlement Agreement under this paragraph, the withdrawing party must provide written notice to the other party's counsel and to the Court within ten (10) business days of receipt of any order or notice of the Court modifying, adding or altering any of the material terms or conditions of this Agreement. In the event either party withdraws from the Settlement, this Settlement Agreement shall be null and void, shall have no further force and effect with respect to any party in the Action, and shall not be offered in evidence or used in the Action or any other litigation for any purpose, including the existence, certification or maintenance of any purported class. In the event of such withdrawal, this Settlement Agreement and all negotiations, proceedings, documents prepared and statements made in connection herewith shall be inadmissible as evidence and without prejudice to the Defendant and Plaintiffs, and shall not be deemed or construed to be an admission or confession by any party of any fact, matter or proposition of law, and shall not be used in any manner for any purpose, and all parties to the Action shall stand in the same position as if this Settlement Agreement had not been negotiated, made or filed with the Court. Upon withdrawal, either party may elect to move the Court to vacate any and all orders entered pursuant to the provisions of this Settlement Agreement.

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

VII. ADMINISTRATIVE OBLIGATIONS

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

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

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

VIII. SETTLEMENT APPROVAL PROCESS

A. Preliminary Approval of Settlement

Promptly after the execution of this Settlement Agreement, Class Counsel shall present this Settlement Agreement to the Court, along with a motion requesting that the Court issue a Preliminary Approval Order substantially in the form attached as Exhibit 3.

B. Final Approval of Settlement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IX. MISCELLANEOUS PROVISIONS

A. Effect of Exhibits

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

B. No Admission of Liability

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

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

C. Entire Agreement

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

D. Arm's-Length Negotiations and Good Faith

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

E. Continuing Jurisdiction

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

F. Binding Effect of Settlement Agreement

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

G. Extensions of Time

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

H. Service of Notice

Whenever, under the terms of this Settlement Agreement, a person is required to provide service or written notice to Defense Counsel or Class Counsel, such service or notice shall be directed to the individuals and addresses specified below, unless those individuals or their successors give notice to the other parties in writing, of a successor individual or address:

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

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

I. Authority to Execute Settlement Agreement

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

J. Discovery

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

K. No Assignment

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

L. No Third-Party Beneficiaries

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

M. Construction

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

N. Captions

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

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


ON BEHALF OF PLAINTIFFS:

Dated: January 19 2024

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

ON BEHALF OF DEFENDANT:

Dated: January 19 2024




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

Exhs.

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

ON BEHALF OF PLAINTIFFS:

Dated: January 19 2024



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

ON BEHALF OF DEFENDANT:

Dated: January 19 2024

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

Exhs.

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

EXHIBIT 1

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

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

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

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

I. CONTACT INFORMATION

Full Name

Mailing Address – Line 1

Mailing Address – Line 2 (If Applicable)

City

State

Zip Code

Telephone Number

Email Address

II. VEHICLE INFORMATION

Vehicle Identification Number (VIN)

Vehicle Model

Vehicle Model Year

III. OIL CHANGE/OIL REFILL INFORMATION

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

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

IV. PAYMENT ELECTION

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

- Paper Check by Mail
- Virtual Debit Card

Email Address for Virtual Debit Card: _____

V. CERTIFICATION

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

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

Signature: _____ Date: _____

Mazda Excessive Oil Consumption Settlement:

Instructions for claiming reimbursement for Qualifying Oil Changes or Oil Refilling

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

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

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

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

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

EXHIBIT 2

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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

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

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

[PROPOSED] FINAL APPROVAL ORDER AND JUDGMENT

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

It is hereby ORDERED, ADJUDGED AND DECREED as follows:

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

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

3 3. Venue is proper in this District.

4 4. The Settlement Class means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 **IT IS SO ORDERED.**

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5 Dated: _____

6 Hon. David O. Carter
7 United States District Judge
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EXHIBIT 3

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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

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

Plaintiffs,

vs.

Mazda Motor of America, Inc.,

Defendant.

[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

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

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

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

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

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

3 3. Venue is proper in this District.

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

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

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

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

26 Model Year 2021 Mazda3 (Japan built)

27

1 Model Year 2021 & 2022 Mazda3 (Mexico built)

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

3 Model Year 2021 Mazda6

4 Model Year 2021 CX5

5 Model Year 2021 CX9

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 25 (a) the case name, *Guthrie et al. v. Mazda Motor of America, Inc.*, 8:22-cv-01055 (DOC) (DFM);
- 26 (b) the objector’s full name, address, and telephone number;
- 27

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IT IS SO ORDERED.

Dated: _____

Hon. David O. Carter
United States District Judge

EXHIBIT 4

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

For more information visit www.xyz.com

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

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

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

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

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

- A proposed class action settlement has followed from allegations that some Mazda vehicles were manufactured, marketed, distributed, sold, and/or leased containing defective valve stem seals which causes excessive oil consumption (the alleged “Valve Stem Seal Defect”). This is caused by damage to the valve stem seals on the exhaust side of the engine. To eliminate this concern, the design of these valve stem seals has been modified. Mazda denies any wrongdoing. The parties have reached a settlement to avoid the costs of litigation, and provide class members relief, repair, a warranty extension and compensation for qualifying past oil refills or oil changes.
- The settlement provides the following benefits:
 - (1) replacement of the affected valve stem seals in included vehicles (certain conditions apply as outlined below);
 - (2) extension of Mazda’s Powertrain Limited Warranty from 60 months and 60,000 miles, whichever comes first, to 84 months and 84,000 miles, whichever comes first for all Settlement Class Vehicles;
 - (3) reimbursement of certain out-of-pocket costs incurred by a current or former owner or lessee of a Settlement Class Vehicle who actually incurred and paid out-of-pocket costs for an (a) oil change performed more frequently than the normal interval of 7,500 miles or 1 year, and/or (b) additional engine oil in between the normal interval of 7,500 miles or 1 year; and
 - (4) loaner vehicles to be provided (subject to dealer availability) for the repair.
- To qualify for repair, you must have owned or leased one of the affected Mazda vehicles listed above (specific to the VIN—see VIN ranges below) that have the affected valve stem seals and manifested excessive oil consumption as explained below.

For more information visit www.xyz.com

Who Is Included?

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

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

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

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

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

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

For more information visit www.xyz.com

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

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

GET A VALVE STEM SEAL REPAIR

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

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

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

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

SUBMIT A CLAIM FORM FOR OIL CHANGES OR OIL REFILLING

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

EXCLUDE YOURSELF FROM THE CASE

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

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

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

OBJECT TO THE SETTLEMENT

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

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

For more information visit www.xyz.com

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

DO NOTHING

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

ATTEND THE FINAL APPROVAL HEARING

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

THE CLASS REPRESENTATIVES AND CLASS COUNSEL

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

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

Do I have a lawyer in this case?

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

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

ADDITIONAL DETAILS ABOUT THE PROGRAM:

DESCRIPTION

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

For more information visit www.xyz.com

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

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

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

CLASS ACTION NOTICE

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

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

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

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

Mazda Excessive Oil Consumption Settlement
1856
c/o JND Legal Administration
PO Box 91414
Seattle, WA 98111

FIRST CLASS
MAIL
US POSTAGE
PAID
Permit#__



Postal Service: Please do not mark barcode

Unique ID: «CF_PRINTED_ID»

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

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

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

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

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

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

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

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

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

Please do not contact the Court regarding this Notice.

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



Carefully separate this Address Change Form at the perforation
#:1859

Name: _____

Current Address: _____

Address Change Form

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

Place
Stamp
Here

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

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

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

20 UNITED STATES DISTRICT COURT
21 CENTRAL DISTRICT OF CALIFORNIA

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

27 Plaintiffs,

28 vs.

Mazda Motor of America, Inc.,

Defendant.

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

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

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

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

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

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

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

5 4. I have been certified as class counsel, in both contested proceedings and
6 in settlement, in the following matters: *Sager, et al. v. Volkswagen Group of America,*
7 *Inc., and Audi of America, Inc.*, 18-cv-13556 (D.N.J) (settlement class counsel
8 representing nation-wide class of approximately 340,000 members alleging breach of
9 various warranties and state consumer law owing to allegedly defective after-run
10 electric coolant pumps); *Jefferson v. Gen. Motors, LLC*, 344 F.R.D. 175 (W.D. Tenn.
11 2023), *modified on reconsideration*, 2023 WL 5662596 (W.D. Tenn. Aug. 31, 2023)
12 (contested certification of class of vehicle purchasers and lessees asserting breach of
13 warranty claims regarding alleged common defect with shifter assemblies); *Seekamp v.*
14 *It's Huge, Inc.*, 2012 WL 860364 (N.D.N.Y. Mar. 13, 2012) (certifying auto fraud class
15 action); *Johnson v. Comodo Grp., Inc.*, No. CV164469SDWLDW, 2020 WL 525898
16 (D.N.J. Jan. 31, 2020) (certifying Telephone Consumer Protection Act (“TCPA”) class
17 action); *Munday v. Navy Federal Credit Union*, 15-cv-01629 (C.D. Cal., July 14, 2017)
18 (ECF No. 60) (final approval of class settlement of \$2.75MM in TCPA action); *Brown*
19 *v. Rita's Water Ice Franchise Co. LLC*, No. CV 15-3509, 2017 WL 1021025, at *1
20 (E.D. Pa. Mar. 16, 2017) (final approval of class settlement of \$3MM common fund in
21 TCPA action); *Duchene v. Westlake Servs., LLC*, No. 2:13-CV-01577-MRH, 2016 WL
22 6916734 (W.D. Pa. July 14, 2016) (final approval of class settlement of \$10MM
23 common fund in TCPA action); *In Re: Convergent Telephone Consumer Protection*
24 *Act Litigation*, 3:13-md-02478 (D. Conn., November 10, 2016) (ECF No. 268) (final
25 approval of class settlement consisting of \$5.5MM common fund and injunctive relief
26 in TCPA action); *Oberther v. Midland Credit Management*, 14-cv-30014 (D. Mass.
27 July 13, 2016) (ECF No. 90) (Fair Debt Collection Practice Act (“FDCPA”) class
28

1 action); *Zimmerman v. Portfolio Recovery Assoc., LLC*, 276 F.R.D. 174 (S.D.N.Y.
 2 2011) (certifying FDCPA class action); *Evon v. Law Offices of Sidney Mickell*, 688 F.3d
 3 1015 (9th Cir. 2012) (FDCPA class action); *Butto v. Collecto, Inc.*, 290 F.R.D. 372
 4 (E.D.N.Y. 2013) (certifying FDCPA class action); *Douma v. Law Offices of Mitchell*
 5 *N. Kay P.C.*, 09-cv-9957 (S.D.N.Y.) (FDCPA class action); *Walters v. Collection Tech.,*
 6 *Inc.*, 10-cv-02514 (S.D.N.Y.) (FDCPA class action).

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

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

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

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

25 9. We have litigated this case with and on behalf of Plaintiffs and the putative
 26 class since March 2022 regarding the oil consumption issues with their Mazda vehicles.

27
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1 When each Plaintiff contacted us, they and we agreed to pursue their claims on a class
2 action basis.

3 10. Before filing the Complaint against Defendant Mazda North American
4 Operations (“MNAO”), we investigated the Plaintiffs’ claims, the nature of the alleged
5 defect (the “Valve Stem Seal Defect”), the affected Class vehicle models, interviewed
6 Class Vehicle owners and lessees, reviewed documents published by MNAO and made
7 available to NHTSA, investigated other Class Vehicle owner complaints, consulted
8 with an automotive expert and analyzed potential legal claims.

9 11. In addition to our own investigations, we have engaged in discovery on
10 the merits and on class claims. This includes serving interrogatories and requests for
11 the production of documents on MNAO regarding the individual and class claims and
12 the requirements of Rule 23; reviewing extensive document productions from
13 Defendant outlining, *inter alia*, the investigation into the cause of the Valve Stem Seal
14 Defect, its scope, and the repair regarding the Valve Stem Seal Defect including the
15 efficacy of the repair; repeatedly conferring with MNAO regarding the scope of its
16 production and need for additional discovery; and taking the deposition of a Rule
17 30(b)(6) designee regarding the same areas and to confirm that the redesigned valve
18 stem seals correct the Defect. True and correct excerpts from the deposition transcript
19 of Jerry Ward, Senior Manager for Product Quality at MNAO, are attached hereto as
20 Exhibit A.

21 12. Discovery and data from MNAO showed there were approximately 86,116
22 vehicles produced with the valve stem seal which caused the Valve Stem Defect and
23 are in the Settlement Class. At least 58,789 of those vehicles, or approximately 68%,
24 had a low engine oil level light illuminate before the regular oil change interval.
25 Further, the discovery showed that 12.9% of vehicles that had valve stem seals replaced
26 with redesigned parts had the oil level light illuminate before the regular oil change
27 interval, which was in line with Mazda turbocharged engines of this type.
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13. On May 1, 2023, the Parties attended a mediation in Los Angeles, California before Hon. Dickran M. Tevrizian (Ret.) of JAMS. The session was productive but did not result in a settlement. Further discussions between the Parties and through Judge Tevrizian resulted in a settlement in principle as to the benefits for the Class, which was subsequently memorialized in a term sheet and the Settlement. As a condition of settlement, additional discovery on class size, Mazda’s investigation into the defect, and the efficacy of its repair was conducted by the Parties.

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

15. We recommended to the Class Representatives that the terms of the Settlement Agreement should be accepted as a fair and reasonable resolution of the class claims. All the Class Representatives have been very engaged in this case; aiding us in our investigation, providing discovery responses and maintaining regular contact.

16. My recommendation that these terms be accepted is based on my extensive familiarity with the case. We have aggressively pursued this case and discovered all facets necessary to make a well-informed decision on the merits of this settlement. Given my knowledge of the case, its strengths and weaknesses, and my assessment of the risk to any recovery were the matter to proceed to summary judgment or trial, I find the settlement to be a fair and reasonable resolution of disputed claims.

17. My recommendation is also grounded in my experience in class action litigation which informs my judgment that the terms of the settlement are fair and reasonable.

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18. Based on the foregoing, I respectfully request the Court preliminarily approve the class settlement agreement, direct notice be sent to the class and schedule a fairness hearing.

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

Dated: January 19, 2024

By: /s/ Sergei Lemberg
Sergei Lemberg

Exhibit A

Jerry Ward

**Gary Guthrie, et al. vs.
Mazda Motor of America, Inc.**

1 DEPOSITION OF JERRY WARD, TAKEN ON BEHALF OF THE
2 PLAINTIFF, AT 9:02 A.M., THURSDAY, OCTOBER 26, 2023, AT
3 2601 MAIN STREET, SUITE 330, IRVINE, CALIFORNIA, BEFORE
4 HEIDI FUEHRER, CSR NUMBER 14145.

5

6 APPEARANCES OF COUNSEL:

7

8 FOR THE PLAINTIFF:

9 LEMBERG LAW LLC
10 BY: STEPHEN TAYLOR, ATTORNEY AT LAW
(APPEARING REMOTELY)
11 43 DANBURY ROAD
12 WILTON, CONNECTICUT 06897
203-653-2250
STAYLOR@LEMBERGLAW.COM

13

14 FOR THE DEFENDANT:

15 NELSON MULLINS RILEY & SCARBOROUGH LLP
16 BY: JAHMY S. GRAHAM, ATTORNEY AT LAW
19191 SOUTH VERMONT AVENUE
17 SUITE 900
TORRANCE, CALIFORNIA 90502
424-221-7400
18 JAHMY.GRAHAM@NELSONMULLINS.COM

19

20 ALSO PRESENT:

21 GRACE LEE
SATOSHI KANEKO

22

23

24

25

Jerry Ward

1 BY MR. TAYLOR:

2 Q This is a document that we provided to counsel
3 for Mazda Motor of America, Inc., outlining the topics
4 for the deposition. As counsel said, they served
5 objections, and we have the scope of the deposition
6 today, but I want to use this document to go through
7 some of the issues, okay?

8 A Okay.

9 Q I have also put a copy in the chat. So if you
10 wanted to pull it up yourself, you could do that, okay?

11 A Okay.

12 Q For the first topic, if you could see that on
13 your screen, sir, and I understand that you may refer to
14 it as the valve stem seal issue or however you want to
15 call it, valve seal defect, but can you describe to me
16 at high level what the issue is with the valve stem
17 seals in the subject Mazda vehicles that we're talking
18 about today?

19 A So the exhaust valve seals on these affected
20 vehicles, the design of them were changed. As a
21 result of that design change, when those exhaust
22 valve seals were installed, as they went over the tip
23 of the exhaust valve stem, they were susceptible to
24 getting scratched, and as a result of those
25 scratches, it could increase the oil consumption.

Jerry Ward

1 Q So when you say as a result of the design
2 change, what was the design change?

3 A MC made a change to the design of those
4 seals on the affected vehicles.

5 Q Do you know why the design was changed?

6 A I don't.

7 Q Do you know when the design was changed?

8 A I believe it was around October of 2021.

9 Q You are looking at a document there. Is that
10 the document that's Bates stamped in the lower
11 right-hand corner 000030?

12 A Yes, and it was October of 2020.

13 Q So there was a design change in October of 2020
14 to the valve stem seal, correct?

15 A Yes.

16 Q And if I'm looking at this document that I
17 think you are looking at, it's referring to a specific
18 factory that's making specific engine, right?

19 A Right.

20 MR. GRAHAM: Would it be easier if you put it
21 up on the screen? Are you okay putting it up on the
22 screen while you talk about? If not, I'll grab a hard
23 copy.

24 MR. TAYLOR: No problem.

25 MR. GRAHAM: Thank you.

Jerry Ward

1 exactly that led to the damage to the seal?

2 MR. GRAHAM: I'm going to object only to the
3 extent it exceeds the scope of his knowledge as a
4 representative of MNAO. The defendant in this case, MC,
5 who designed the vehicles, obviously is not being
6 deposed here today, but to the extent you have
7 information about it, you can answer.

8 THE WITNESS: From the descriptions in this
9 same document, they changed the lip of the seal, and due
10 to the change in that lip of the seal design, as it is
11 installed over that exhaust valve stem tip, it has the
12 potential of getting scratched.

13 BY MR. TAYLOR:

14 Q Okay. And so it was how the -- was it how the
15 seal was installed rather than what the seal was
16 actually made of?

17 A It was the design of the seal.

18 Q So does that include how it was installed and
19 its shape as well or just how it was installed?

20 A It was the design of the seal so that when
21 it was installed, it had the potential to get
22 scratched.

23 Q And then if we continue down to the next page,
24 I'm sorry, go back to the original page. Then in
25 October of 2021, they changed the design back, September

Jerry Ward

1 individual capacity, when he says he doesn't have
2 knowledge, let's be clear as to MNAO reviewing
3 information provided by MC, and which he can testify
4 about. So even if you don't personally know, you didn't
5 see it, based on your review of the documents and
6 investigation, you can talk about that. Do you
7 understand?

8 THE WITNESS: Understand.

9 MR. GRAHAM: Sorry about that.

10 BY MR. TAYLOR:

11 Q So to be clear, do you have knowledge about the
12 investigation into the stem seal issues, you personally?

13 A Me personal, no.

14 Q Can you describe to me what the Mazda connect
15 functionality is?

16 A Just to clarify, when you say Mazda connect,
17 are you talking Mazda Connected Services?

18 Q Correct.

19 A For vehicles that have connected services,
20 these vehicles have what's called a telematics
21 control unit or TCU. So as a vehicle is being
22 operated, there are certain data that is being
23 recorded, and as the ignition is cycled off, the data
24 is transmitted to MC servers. It has stuff such as
25 error messages or DTC's that it would store and send

Jerry Ward

1 to MC.

2 Q Can you define DTC?

3 A Yes, diagnostic trouble codes.

4 Q So I think everybody understands when an engine
5 light goes on or some light goes on on the dash, are DTC
6 and the codes that are sent back to Mazda Connected
7 Services, is that a universe that is broader than the
8 information that would, when a light just goes on on the
9 dashboard?

10 MR. GRAHAM: I'm going to object to the extent
11 the question is vague or ambiguous, but if you
12 understand, you can answer.

13 THE WITNESS: I don't understand it. I need a
14 little more context behind it.

15 BY MR. TAYLOR:

16 Q Sure. So every time a DTC is reported back to
17 Mazda, is that something that will also trigger some
18 sort of warning light to the actual user of the vehicle?

19 MR. GRAHAM: I'm going to object to the scope
20 is limited to this particular issue, but go ahead.

21 THE WITNESS: For this issue, when the warning
22 message came on for the low oil level and sent a P250F
23 DTC, that was recorded and sent to MC.

24 BY MR. TAYLOR:

25 Q Would that trigger a low engine oil light in

Jerry Ward

1 the vehicle itself?

2 A It would trigger the low oil level light and
3 message, yes.

4 Q Are there any other DTC's that would be
5 triggered in regards to the valve stem seal issue?

6 A The only DTC that we found was being stored
7 was the P250F.

8 Q And the P250F, is that just saying that the oil
9 level had increased beyond a certain amount or is it
10 providing other information as well?

11 A No, that DTC is just to indicate low engine
12 oil level.

13 Q So vehicles that are being driven by people, if
14 they have an engine, low engine oil level DTC code of
15 P250, and they have the Mazda Connected Services on,
16 that gets reported back to Mazda when the vehicle is
17 turned off?

18 MR. GRAHAM: I'm going to object only to the
19 extent that Mazda is vague and ambiguous. So you can
20 answer, but distinguish which Mazda entity, if you know,
21 gets that information. Go ahead.

22 THE WITNESS: As vehicle is driven, and if the
23 low oil level light comes on, as the ignition is cycled
24 off, that data is sent to MC. If the customer is also
25 registered with the connected vehicle services through

Jerry Ward

1 the My Mazda app, the customer is also notified through
2 their My Mazda app as well.

3 BY MR. TAYLOR:

4 Q And when that code is sent, does it also send
5 the vehicle mileage?

6 A Yes.

7 Q Does it send any other information?

8 A It sends mileage, vehicle identification
9 number or VIN, I believe date and time as well.

10 Q And then MC would have, they have a profile for
11 every vehicle, would that be correct, that has the VIN
12 and all DTC's codes that were recorded if the vehicle is
13 in the Mazda Connected Services?

14 MR. GRAHAM: Object, only to the extent that
15 profile is vague and ambiguous, but if you understand,
16 you can answer.

17 THE WITNESS: I was going to ask if you could
18 explain what you mean by vehicle profile.

19 BY MR. TAYLOR:

20 Q Well, I mean, I'm just, each vehicle -- this
21 may be more of a data question. They have this
22 information on the vehicles, and it's tied to vehicle by
23 the VIN, so presumably they have a profile of a vehicle
24 with the history and each code is triggered on. If you
25 don't know, that's fine.

Jerry Ward

1 A I don't know.

2 MR. GRAHAM: I think the word profile is off.

3 I don't know if summary is a better description, but I
4 defer to you.

5 BY MR. TAYLOR:

6 Q Would summary make more sense? Do they have a
7 vehicle summary that would be able to provide vehicle
8 history with the DTC codes that were reported?

9 A Reported by that vehicle?

10 Q Correct.

11 A It would be able to see that history of that
12 VIN and what DTC's have been sent by that VIN.

13 Q Mazda Connected Services, is that something
14 that vehicle owners have to turn on or is it something
15 that is a default setting on the vehicle?

16 A It's default to on.

17 Q And then to un-enroll from Mazda Connected
18 Services, the vehicle owner would have to take steps to
19 try and do that, right?

20 A Correct. If a customer wants to opt out of
21 the services, they can contact our customer
22 experience center or CEC to go through the steps to
23 deactivate the system.

24 Q Do you know when MC started seeing a concerning
25 or do you know when MC determined it had an issue with

Jerry Ward

1 the valve stem seal?

2 A Initial reports to MC started arriving in
3 May of 2021.

4 Q Was it by July of 2021 that they determined
5 that the stem seal was damaged?

6 A In July 2021, they did confirm that the
7 design change had caused the oil consumption to
8 increase.

9 Q You can't tell me today about the testing
10 process determined that the valve stem seal was the
11 cause of the low engine, their actual testing process to
12 confirm that was the issue, you can't tell me about
13 that?

14 A Correct, I don't have that information.

15 Q To determine the, to identify the vehicles that
16 were impacted by the valve stem seal design that was
17 used for that 11-month period of time, do you know how
18 MC or MNAO identified the impacted vehicles?

19 A MC has records that shows when these valve
20 stem seals were being installed on these vehicles and
21 when they switched back to the original valve stem
22 seals.

23 Q So MC can identify the VIN numbers of the
24 vehicles that had the new design valve stem seal
25 installed, correct?

Jerry Ward

1 **Q Can you tell me the number of vehicles that**
2 **were sold with the redesigned valve stem seal?**

3 A Just to clarify, are you asking number of
4 vehicles sold or produced?

5 **Q Well, let's do sold, and then you can tell me**
6 **produced and what the difference is, okay?**

7 A Okay. Sold, I don't know. Produced,
8 approximately 86,000 vehicles.

9 **Q Okay. And can you explain the difference**
10 **between sold and produced?**

11 A Produced would be the number of vehicles
12 that were produced or built. Sold would be vehicles
13 that were sold to whether a dealer or customer. That
14 number possibly could be different if there was an
15 issue with a vehicle that was not actually sold or
16 potentially not even sold to a consumer, but 86,000
17 vehicles from this affected vehicles were built.

18 **Q You would presume that some are going to be**
19 **used for testing or various reasons, but not sold,**
20 **correct?**

21 A Correct.

22 **Q For these approximately 86,000 vehicles, do you**
23 **know how many had, you may not know, do you know how**
24 **many had the Mazda Connected Services turned on?**

25 A I don't, but the 2021 Mazda6 is not equipped

Jerry Ward

1 with a TCU or the telematics control unit, so it does
2 not have connected services.

3 Q But the other makes and models all did, and
4 they all had it on a default setting if they were sold,
5 correct?

6 A Correct.

7 Q So for the, other than the Mazda Connected
8 Services, which would inform Mazda about the, MC about
9 the, DTC codes, are there any other sources that Mazda
10 would use to identify this particular issue?

11 MR. GRAHAM: Objection, only as to the last use
12 of the word Mazda as vague and ambiguous, but if you
13 understand, you can answer.

14 THE WITNESS: Can you repeat the question,
15 please.

16 BY MR. TAYLOR:

17 Q Other than the Mazda Connected Services
18 functionality, are there other sources that MC would
19 have to identify this low engine oil level issue in
20 Mazda vehicles?

21 A To clarify, are you asking is there any
22 other way that Mazda Japan or MC was notified of
23 this?

24 Q Correct.

25 A From the U.S. market, as we find potential

Jerry Ward

1 product issues, we may report these to Japan as well
2 as we did in this particular case, we did report
3 these cases to MC.

4 Q Were these cases that you were hearing about
5 from dealerships or from customer hotlines?

6 A Yes, correct.

7 Q And were you involved in that process?

8 MR. GRAHAM: Objection, vague and ambiguous as
9 to involve, but if you understand, you can answer.

10 THE WITNESS: The product quality team and
11 field team would have reported those. The product
12 quality team did report to me.

13 BY MR. TAYLOR:

14 Q You should have up on your screen page 32 of
15 Exhibit 2. Do you see that?

16 A Yes.

17 Q This is describing the failure phenomenon. Do
18 you see that?

19 A Yes.

20 Q Is this an accurate description of the failure
21 at issue or let's say what happens with the valve stem
22 seal when it's scratched during the manufacturing
23 process?

24 A Yes.

25 Q In that second paragraph where it says this

Jerry Ward

1 different issues. One issue could be low engine oil
2 level.

3 Q But when I say low in that regard, I mean much
4 lower than the level that would trigger the low engine
5 oil warning, correct?

6 A Correct.

7 Q Going back to that page, engine durability, why
8 does the, this issue where there is excessive oil being
9 used by the engine, why does that not affect engine
10 durability?

11 A When the low engine oil level light comes
12 on, it's dropped about approximately one liter or
13 one quart of oil, which is still, again, not causing
14 any problems with the low oil pressure. It's just
15 about one quart on the low side, but not going to
16 affect engine wear or durability.

17 Q Why doesn't it affect fuel consumption?

18 A It has no affect based off of MC's
19 investigation.

20 Q Doesn't the -- what about running performance,
21 why doesn't it affect running performance?

22 A From MC's investigations on this root cause
23 and analysis of what could happen at the low mark,
24 they found there is no affect on engine performance.

25 Q If a vehicle was in a low engine oil pressure

Jerry Ward

1 models and VIN's. Do you see that?

2 A Yes.

3 Q And just to note, between the prior TSB or
4 previous TSB and this one in November of 2022, some
5 additional VIN's were added and dates of production. Do
6 you see that?

7 A Yes.

8 Q If I am looking at the dates of production in
9 red here that go through June of 2022 for the Mazda3,
10 the CX30, those seem to exceed the time period where the
11 redesigned valve stem seal was used. Remember, we said
12 that the original design, they reverted back to the
13 original design in September of 2021. Do you see that
14 or do you remember that?

15 A Yes.

16 Q Here we're including models that go through
17 June of 2022. Do you know why this would include models
18 through June of 2022?

19 A Based on this, it would appear that MC from
20 their further investigations were able to confirm
21 that at least for those two models, those two models
22 were both built at the Mexico plant, that those
23 vehicles had the defective valves or those redesigned
24 valve seals installed up to June production.

25 Q Before, when we were looking at the notice of

Jerry Ward

1 be called in this document, then using a special tool
2 that MC developed specific to be able to perform this
3 repair. Again, engine in vehicle without having to
4 remove the exhaust camshaft to make it a more
5 streamlined and simple process for technicians to be
6 able to perform without having to disassemble a lot
7 of the engine to make it a much better experience for
8 our customers and much shorter downtime of the
9 vehicle to be able to perform that repair.

10 **Q Did they ever try and do the repair before**
11 **there was a special tool developed in order to address**
12 **the valve stem seal?**

13 MR. GRAHAM: Objection, vague as to they, but
14 if you understand, you can answer.

15 THE WITNESS: Can you confirm who you mean.

16 BY MR. TAYLOR:

17 **Q Sure. Did MC or MNAO have any repairs to the**
18 **valve stem seal issue prior to developing the special**
19 **tool?**

20 A On MC's side, I don't know. On MNAO side,
21 no.

22 **Q If we continue down on the TSB, it gets into**
23 **detail about how to perform the repair, correct?**

24 A Yes.

25 **Q There are approximately 50 pages of**

Jerry Ward

1 Q Following the guidance in this TSB, they would
2 not perform the repair if the oil was not below the
3 gauge on the day when they checked it, correct?

4 A Correct.

5 Q So if we go back to Exhibit 1, and topic number
6 ten, which you should see up on the screen, do you see
7 that?

8 A Yes.

9 Q For this repair, for the valve stem seal issue,
10 how does MNAO or MC measure the effectiveness of this
11 repair?

12 A MC uses the connected services or connected
13 vehicle data to look at the occurrence of the light
14 coming on for vehicles that were repaired versus
15 vehicles that have not been repaired, and vehicles
16 that were built prior to the change, to the design
17 change of those seals.

18 Q So MC starts with the whole universe of the
19 vehicles that had the redesigned valve stem seal,
20 correct?

21 MR. GRAHAM: Sorry, can you repeat that
22 question. It didn't come all the way through.

23 BY MR. TAYLOR:

24 Q I'm trying to break down his answer. So MC
25 starts with the universe of vehicles that had the

Jerry Ward

1 redesigned valve stem seal, correct?

2 A That's part of their analysis, yes.

3 Q And then from that group it can identify the
4 vehicles that had this valve stem seal repair performed,
5 correct?

6 A Correct.

7 Q And then it can monitor through the Mazda
8 Connected Services whether these vehicles have triggered
9 a subsequent DTC low engine oil code, correct?

10 A Yes, that's correct.

11 MR. TAYLOR: I will introduce as Exhibit 6 a
12 document which is Bates stamped Guthrie Mazda 8062
13 through 8080.

14 (Plaintiff's Exhibit 6 was marked for
15 identification and is attached
16 hereto.)

17 BY MR. TAYLOR:

18 Q Do you see that document up on the screen?

19 A Is this the same document we were looking at
20 item number ten?

21 Q No. Maybe it's not showing. Do you see it
22 now?

23 A Yes.

24 Q Have you seen this document before?

25 A Yes.

Jerry Ward

1 **September 2021, do you know what percentage of those**
2 **vehicles require repairs following a DTC P250 code?**

3 MR. GRAHAM: Objection as vague and ambiguous
4 as to which vehicles produced on before or after those
5 dates, and just to add for clarity, are we talking about
6 class vehicles or any Mazda vehicle?

7 MR. TAYLOR: Class vehicles.

8 MR. GRAHAM: Do you understand what he's
9 asking?

10 THE WITNESS: I'm not a hundred percent clear
11 on what's being asked.

12 MR. GRAHAM: Can we give another spin.

13 BY MR. TAYLOR:

14 **Q Here we have, let's say, 13 percent of the**
15 **vehicles that had the repair have an engine oil level**
16 **warning light come on before the 7,500-mile scheduled**
17 **maintenance period, right, and my question is for**
18 **vehicles that are produced with the original valve stem**
19 **seal installed, class vehicles, what percentage of those**
20 **vehicles have the engine oil level warning light?**

21 A Understood. Thank you. So from MC's
22 analysis they saw about ten percent of those vehicles
23 would have the light illuminate.

24 **Q Are you basing that -- what are you basing that**
25 **on?**

Jerry Ward

1 A The same document you are showing, the 8081,
2 the third bullet point down where it says on the
3 second line, in about nine to ten percent of the
4 vehicles with the okay valve stem seal.

5 **Q So there it says that -- when it says okay stem**
6 **seal, that is referring to the population of vehicles**
7 **that had the original stem seal installed to begin with**
8 **whether before or after the redesign?**

9 A Correct.

10 **Q Did MC do this analysis and provide it to you**
11 **or did you get this document from your counsel?**

12 MR. GRAHAM: Well, first, object to the extent
13 it calls for divulgence of privileged information. So
14 don't answer as it relates to what you got from counsel.
15 Can you rephrase it so it doesn't elicit potentially
16 privileged information, Stephen.

17 BY MR. TAYLOR:

18 **Q So that ten percent, and that's what I'm**
19 **referring to when I say baseline. I see that you are**
20 **saying nine to ten percent. That's what I would call**
21 **the baseline for when the oil light would come on**
22 **between oil changes. That information, that came from**
23 **MC, correct?**

24 A Correct.

25 **Q And did MC -- do you know how MC arrived at**

Jerry Ward

1 videos and the repair procedure to become more
2 familiar with it.

3 Q Looking at Exhibit 6, putting some of these
4 numbers together, if the baseline for the oil warning
5 light being illuminated was nine to ten percent with
6 vehicles with the original valve stem seal, and for
7 these ones that have gotten the repair that were 13
8 percent, would it be fair to say that your testimony, at
9 least from the data that you have, it's about three
10 percent of the vehicles that had the repair have an
11 engine light come on three percent above the baseline?

12 MR. GRAHAM: I'm going to object to the extent
13 it misstates testimony or the document given that the
14 sample sizes are different, but go ahead.

15 THE WITNESS: So based off of the data, it is
16 approximately three percent higher, but it is still a
17 very low sample rate currently. I do believe that as we
18 get more repairs done, that we will see that number
19 start to decrease.

20 BY MR. TAYLOR:

21 Q When you say it's a low sample size, you mean
22 we're looking at 3,577 vehicles rather than the hundreds
23 of thousands of vehicles that were sold or produced with
24 the original valve stem seal, correct?

25 MR. GRAHAM: Objection to the extent it

Jerry Ward

1 misstates testimony as to the vehicle population, but,
2 otherwise, you can answer.

3 THE WITNESS: This is vehicles repaired of the
4 3,577 versus the affected vehicles as we have discussed
5 of being approximately 86,000 vehicles.

6 BY MR. TAYLOR:

7 Q I mean the unaffected vehicles, right, those
8 are the ones that didn't have the redesigned valve stem
9 seal. Do you understand?

10 MR. GRAHAM: I'm going to object as vague and
11 ambiguous. When you say unaffected vehicles, can you
12 clarify because technically every nonclass vehicle was
13 unaffected.

14 MR. TAYLOR: That's exactly what I mean. I
15 mean the types of class vehicles, but they had the
16 original valve stem seal. They were produced with the
17 original valve stem seal, right? My understanding is
18 that the nine to ten percent of vehicles that is
19 referred to in the first bullet point.

20 MR. GRAHAM: Can we go off the record briefly.
21 I may be able to help.

22 MR. TAYLOR: Sure.

23 (Off the record.)

24 BY MR. TAYLOR:

25 Q So for that nine to ten percent of the vehicles

Jerry Ward

1 with the okay stem seal that did have the oil warning
2 light illuminated, that's the percentage of all the
3 vehicles that had the original valve stem seal installed
4 when they were produced in the factory, correct?

5 A Correct, for the vehicles with the 2.5-liter
6 turbo engine.

7 Q The 12.9 percent figure we're looking at here
8 in this bullet point, that's just for the vehicles that
9 had this valve stem seal repair done, correct?

10 MR. GRAHAM: Objection to the extent it
11 misstates the document for a certain number of those
12 vehicles that are listed there, but if you have a
13 different view, you can answer.

14 THE WITNESS: Can you repeat the question one
15 more time.

16 BY MR. TAYLOR:

17 Q For the 12.9 percent figure in this document,
18 the third bullet point, that's counting the return rate
19 of 465 units out of the figure that only had the repair
20 done, correct?

21 MR. GRAHAM: Same objections in that it's still
22 incomplete. 465 of what, of the number on the page?

23 MR. TAYLOR: Right, of the 3,577 that had the
24 repair done.

25 THE WITNESS: Yes, correct.

Exhibit B

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

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

United States District Court
Central District of California

8:22-cv-01055-DOC-DFM

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- Summary Schedule: Summary of Settlement Values
- Schedule 1: Value of Extended Powertrain Limited Warranty
- Schedule 1.1: Calculation of Extension of Powertrain Limited Warranty
- Schedule 2: Value of Repair
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- 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)	██████
2021/2022	Mazda3 (Mexico built)	██████
2021/2022	Mazda CX-30 (Mexico built)	██████
2021	Mazda6	██████
2021	Mazda CX5	██████
2021	Mazda CX9	██████
	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				
Mazda3 (Mexico built)	2021/2022				
Mazda CX-30 (Mexico built)	2021/2022				
Mazda6	2021				
Mazda CX5	2021				
Mazda CX9	2021				
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 [REDACTED]

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	████████	\$683	████████
Mazda3 (Mexico built)	2021/2022	████████	\$683	████████
Mazda CX-30 (Mexico built)	2021/2022	████████	\$683	████████
Mazda6	2021	████████	\$683	████████
Mazda CX5	2021	████████	\$683	████████
Mazda CX9	2021	████████	\$683	████████
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 [REDACTED].²¹
32. Mazda stated the national average labor rate charged by dealers is [REDACTED].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	[REDACTED]	\$ 790	\$ [REDACTED]
Mazda3 (Mexico built)	2021/2022	[REDACTED]	\$ 790	\$ [REDACTED]
Mazda CX-30 (Mexico built)	2021/2022	[REDACTED]	\$ 790	\$ [REDACTED]
Mazda6	2021	[REDACTED]	\$ 790	\$ [REDACTED]
Mazda CX5	2021	[REDACTED]	\$ 790	\$ [REDACTED]
Mazda CX9	2021	[REDACTED]	\$ 790	\$ [REDACTED]
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 [REDACTED] = \$748.

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

²⁵ Parts cost of \$41.50 + labor cost of \$748 ([REDACTED]) = \$789.50.

²⁶ Total value of the repair = \$46,413,915.50 (58,789 Class Vehicles x \$789.50 ([REDACTED]) + 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 [REDACTED].²⁸
39. Mazda estimated the time needed to conduct the inspection was approximately [REDACTED].²⁹
40. To calculate the value of the inspection, the corresponding labor cost of \$170 ([REDACTED]) 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	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mazda3 (Mexico built)	2021/2022	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mazda CX-30 (Mexico built)	2021/2022	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mazda6	2021	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mazda CX5	2021	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mazda CX9	2021	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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 [REDACTED] = \$170.

³¹ See Schedule 3.

related to additional oil changes Mazda's average cost of [REDACTED] 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 [REDACTED] or an average cost of [REDACTED] (\$ [REDACTED] = [REDACTED] = [REDACTED]).

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.

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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.

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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		\$ 683	\$
Mazda3	2021/2022		\$ 683	\$
Mazda CX-30	2021/2022		\$ 683	\$
Mazda6	2021		\$ 683	\$
Mazda CX5	2021		\$ 683	\$
Mazda CX9	2021		\$ 683	\$
Totals		<u>86,116</u>		<u>\$ 58,836,174</u>

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.

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Calculation of Extension of Powertrain Limited Warranty

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

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

Notes:

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

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

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

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

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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]	Total Cost	Value of Repair
Mazda3 (Japan built)	2021	██████	██████	\$ 42	\$ 748	\$ 790	\$ ██████
Mazda3 (Mexico built)	2021/2022	██████	██████	\$ 42	\$ 748	\$ 790	\$ ██████
Mazda CX-30 (Mexico built)	2021/2022	██████	██████	\$ 42	\$ 748	\$ 790	\$ ██████
Mazda6	2021	██████	██████	\$ 42	\$ 748	\$ 790	\$ ██████
Mazda CX5	2021	██████	██████	\$ 42	\$ 748	\$ 790	\$ ██████
Mazda CX9	2021	██████	██████	\$ 42	\$ 748	\$ 790	\$ ██████
		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 ██████ and ██████ needed for inspection for a total value of \$748 (████████████████████) obtained from correspondence dated December 26, 2023 from Jahmy Graham to Stephen Taylor. See Exhibit F.

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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	██████████	██████████	██████████	\$ ██████████	\$ ██████████
Mazda3 (Mexico built)	2021/2022	██████████	██████████	██████████	\$ ██████████	\$ ██████████
Mazda CX-30 (Mexico built)	2021/2022	1 ██████████	██████████	██████████	\$ ██████████	\$ ██████████
Mazda6	2021	██████████	██████████	██████████	\$ ██████████	\$ ██████████
Mazda CX5	2021	██████████	██████████	██████████	\$ ██████████	\$ ██████████
Mazda CX9	2021	██████████	██████████	██████████	\$ ██████████	\$ ██████████
		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 ██████████ and ██████████ 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.

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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	██████	\$ 100	\$ ██████
Mazda3 (Mexico built)	2021/2022	██████	\$ 100	\$ ██████
Mazda CX-30 (Mexico built)	2021/2022	██████	\$ 100	\$ ██████
Mazda6	2021	██████	\$ 100	\$ ██████
Mazda CX5	2021	██████	\$ 100	\$ ██████
Mazda CX9	2021	██████	\$ 100	\$ ██████
		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 ██████ for an average of ██████ 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	[REDACTED] [REDACTED] [REDACTED] ^[2]	Class Vehicles with Engine light Illumination Not Repaired
Mazda3 (Japan built)	2021					
Mazda3 (Mexico built)	2021/2022					
Mazda CX-30 (Mexico built)	2021/2022					
Mazda6	2021					
Mazda CX5	2021					
Mazda CX9	2021					
Total		86,116	58,789	27,327	[REDACTED]	55,212

Notes:

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

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

Exhibit A



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SUSAN K. THOMPSON, CPA/CFF

Employment & Education

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

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

- 1985 – 1987 Price Waterhouse
San Jose, California

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

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



SUSAN K. THOMPSON, CPA/CFF

Professional & Service Affiliations

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

Seminar Instruction/Presentations

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

Testimony

Trial and Arbitration

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



SUSAN K. THOMPSON, CPA/CFF

Testimony

Trial and Arbitration continued

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

Testimony

Deposition

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



SUSAN K. THOMPSON, CPA/CFF

Testimony

Deposition continued

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



SUSAN K. THOMPSON, CPA/CFF

Selected Experience

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



SUSAN K. THOMPSON, CPA/CFF

Selected Experience continued

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



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BRIAN S. REPUCCI, CPA/CFF

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Employment & Education

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



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Professional & Service Affiliations

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

Testimony

Trial

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

Arbitration

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

Deposition

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



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Testimony continued

Deposition

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

Selected Experience

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



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BRIAN S. REPUCCI, CPA/CFF

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Selected Experience continued

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

Exhibit B

Guthrie, et al. v Mazda Motor of America, Inc.
Case No. 8:22-cv-01055-DOC-DFM
Exhibit B - Documents Considered

Documents

Second Amended Complaint
Mazda correspondence dated 12/26/2023 from Jahmy Graham to Stephen Taylor
Deposition of Jerry Ward 10/26/2023
Ex. 7 to Deposition of Jerry Ward
Guthrie-9-20-23 term sheet
Guthrie_v. Mazda_000029-Guthrie_Mazda_000050
Guthrie_v. Mazda_008082-Guthrie_Mazda-008133
Guthrie_v. Mazda_008239-Guthrie_Mazda_008240
Kelly Blue Book oil change
Consumer Affairs, What does a Powertrain Warranty Cover in 2024
What is a Powertrain Warranty & What Does it Cover--Endurance
Should You Buy a Mazda Extended Warranty__Autoguide.com
PY8W101F5 Part list and cost
PY8W-10-235 - Gasket Part list and cost
Powertrain Warranty_What does it Cover (2023)
Mazda Powertrain Limited Warranty (Mazda website)
How Much Does and Extended Car Warranty Cost - CarTalk

Exhibit C

Exhibit D

Should You Buy a Mazda Extended Warranty?



by Stephen Kenney

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

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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

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GET PRICE

877-374-1840

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



BEST VALUE

★★★★☆ 4.2/5

GET PRICE

800-563-2761

Plans as low as \$99 per month

Table of contents

- Mazda Extended Warranty Overview
- Do You Need Extended Warranty Coverage?
- Mazda Extended Warranty Cost
- Benefits of Third-Party Extended Warranties

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

Mazda Extended Warranty Overview

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

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

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

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

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

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

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

Additional Coverage

In addition to extended warranty protection, Mazda offers:

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

Do You Need Extended Warranty Coverage?

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

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

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

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

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

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

Mazda Manufacturer’s Warranty

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

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

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

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

Certified Pre-Owned Warranty

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

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

Mazda Extended Warranty Cost

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

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

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

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

Benefits of Third-Party Extended Warranties

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

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

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

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

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

Final Thoughts on Mazda's Extended Warranty

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

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

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

Methodology

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

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

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

Q & A

Does Mazda have an extended warranty?

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

What does a Mazda extended warranty cover?

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

Is a Mazda extended warranty worth it?

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

How much should I pay for an extended warranty?

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

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

#AutoWarranty



Stephen Kenney

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

More by [Stephen Kenney](#)

Autoguide Insurance

Comments

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

What does a powertrain warranty cover?

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

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

Updated: 05/05/2023

Fact Checked

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

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

Key insights

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



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

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

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

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

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

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

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

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

What does a powertrain warranty not cover?

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

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

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

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



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

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

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

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

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

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

How much does a powertrain warranty cost?

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

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

You might also see options for:

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

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

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FAQ

How long does a powertrain warranty last?



Are there lifetime powertrain warranties?



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



What voids a powertrain warranty?



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<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.

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](#)

MOST POPULAR

Supreme

30 MONTHLY PAYMENTS

\$117.07

Most comprehensive coverage available

Closest to a new manufacturer's warranty protection:

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

Secure Plus

30 MONTHLY PAYMENTS

\$105.07

Affordable coverage designed for older vehicles

Protects the most vital components of your vehicle:

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



Quote Page

GREAT NEWS!

Hi Darren,

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

Call Now (888) 345-0084

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

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

Component Groups with Coverage

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

Exhibit E

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

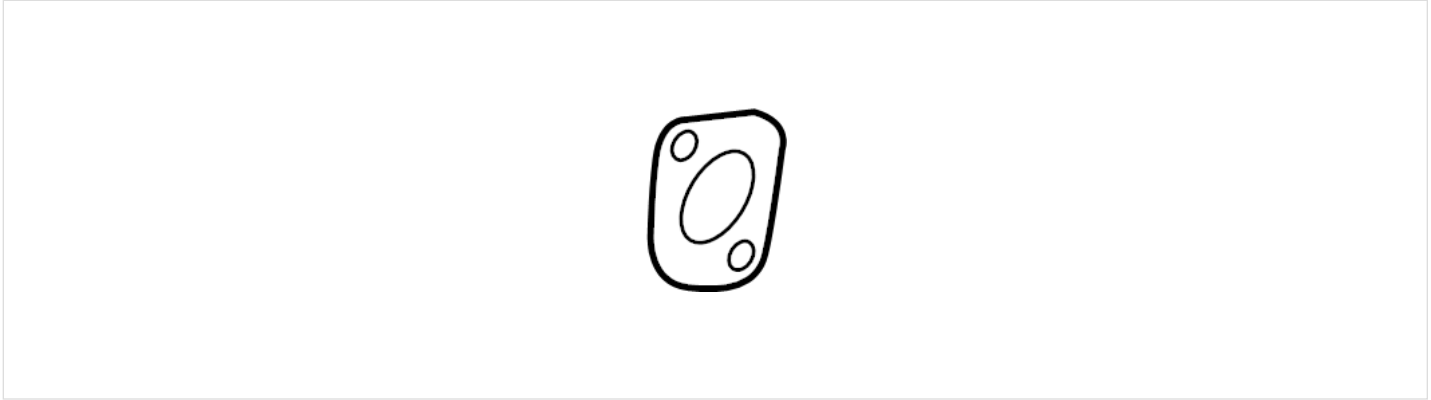
Home (<https://parts.mazdausa.com/>) / PY8W-10-235 (/p/Mazda_/GASKET--HEAD-COVER/105510463/PY8W-10-235.html)

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

GASKET, HEAD COVER

Part Number: PY8W-10-235

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



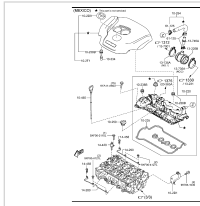
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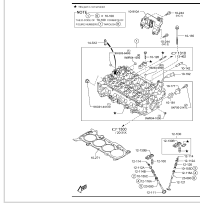


GASKET, HEAD COVER

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

3 people have looked at this part recently

<p>DIAGRAMS AND KITS</p> <hr/> <p>WHAT THIS FITS</p> <hr/> <p>ATTACHMENTS</p> <hr/> <p>PRODUCT TYPES</p>	<p>CYLINDER HEAD & COVER (/a/Mazda_/105510463_9369898/CYLINDER-HEAD--COVER/AUTV04-1010A.html#10235) Full Diagram (/a/Mazda_/105510463_9369898/CYLINDER-HEAD--COVER/AUTV04-1010A.html)</p>  <p>#10235 Required: 1</p> <hr/> <p>GASKET, HEAD COVER</p>
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<p>DIAGRAMS AND KITS</p> <hr/> <p>WHAT THIS FITS</p> <hr/> <p>ATTACHMENTS</p> <hr/> <p>PRODUCT TYPES</p>	<p>CYLINDER HEAD & COVER (/a/Mazda_/105510463_9369899/CYLINDER-HEAD--COVER/AUTV07-1010A.html#10235) Full Diagram (/a/Mazda_/105510463_9369899/CYLINDER-HEAD--COVER/AUTV07-1010A.html)</p>  <p>#10235 Required: 1</p> <hr/> <p>GASKET, HEAD COVER</p>
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Recommended Products

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Remote Engine Start. Module (Service Part)

00008FZ01

\$ 91.95

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

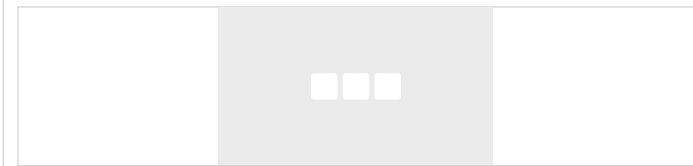


Front Mask. Front Mask Hardware Kit.

00008GG03

\$ 11.95

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



Remote Engine Start. Antenna (Service Part)

00008FZ10

\$ 7.95

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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

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Side Step Tubes. Black

00008TG01

\$ 464.95

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MSRP

\$ 30.46

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Fresno Mazda

Distance: 4.96 mi

(<https://parts.myfresnomazda.com/p/GASKET-HEAD-COVER/105510463/PY8W-10-235.html?referer=parts.mazdausa.com&machineIDT1=ezwrt43nbgcqu5oegvejije>)

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=ezwrt43nbgcqu5oegvejije>)

Maita Mazda







Distance: 157.83 mi

(<https://parts.maitamazda.com/p/GASKET-HEAD-COVER/105510463/PY8W-10-235.html?referer=parts.mazdausa.com&machineIDT1=ezwrt43nbgcgu5oegvejje>)

Zip Code

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

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

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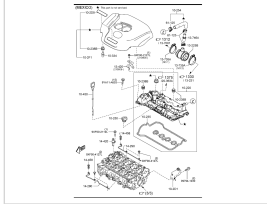
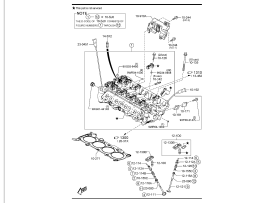
SEAL, EXHAUST VALVE

Part Number: **PY8W101F5**

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

SEAL, EXHAUST VALVE

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

DIAGRAMS AND KITS	<p>CYLINDER HEAD & COVER (/a/Mazda_/120620718_9369900/CYLINDER-HEAD--COVER/AUTV08-1010A.html#10155D) Full Diagram (/a/Mazda_/120620718_9369900/CYLINDER-HEAD--COVER/AUTV08-1010A.html)</p>  <p>#10155D Required: 8</p> <p>SEAL, EXHAUST VALVE 20210913-99999999</p>
WHAT THIS FITS	
ATTACHMENTS	
PRODUCT TYPES	
	<p>CYLINDER HEAD & COVER (2500CC) (W/TURBO) (/a/Mazda_/120620718_9369930/CYLINDER-HEAD--COVER-2500CCWTURBO/AUBA18-1010AC.html#10155D) Full Diagram (/a/Mazda_/120620718_9369930/CYLINDER-HEAD--COVER-2500CCWTURBO/AUBA18-1010AC.html)</p>  <p>#10155D Required: 8</p> <p>SEAL, EXHAUST VALVE 20210913-99999999</p>

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MSRP

\$ 1.38

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- 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
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Exhibit F

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11 Joshua Markovits (admitted *pro hac vice*)
12 Lemberg Law, LLC
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14 Wilton, CT 06897
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18 E-mail: jmarkovits@leberglaw.com
19 *Attorneys for Plaintiffs*

20 UNITED STATES DISTRICT COURT
21 CENTRAL DISTRICT OF CALIFORNIA

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

27 Plaintiffs,

28 vs.

Mazda Motor of America, Inc.,
Defendant.

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

**DECLARATION OF STEPHEN
TAYLOR IN SUPPORT OF
MOTION FOR PRELIMINARY
APPROVAL**

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I, Stephen Taylor, under penalty of perjury under the laws of the United States of America, affirm and state as follows:

1. I am a partner at Lemberg Law, LLC, of Wilton, Connecticut, and counsel to Plaintiffs in this action. I have personal knowledge as to all matters set forth in this Declaration and could testify to the same if called to do so.

2. In addition to being licensed to practice law in the states of Connecticut and New York, I am admitted to the following Federal District Courts: the Southern, Eastern, Western and Northern Districts of New York; the Southern, Eastern, and Northern Districts of Texas; the District of Colorado; the Central and Northern Districts of Illinois; the Eastern District of Michigan and the District of Connecticut. I am a member in good standing in both Connecticut and New York and appear in this matter *pro hac vice*.

3. I am a 2007 graduate of Tulane University School of Law and a 2003 graduate from Boston College. I am a former judicial clerk and worked for the Connecticut firm the Law Office of Norman Pattis before joining Lemberg Law in 2009.

4. I have extensive experience in consumer rights litigation including matters brought under the Telephone Consumer Protection Act (“TCPA”), the Fair Debt Collection Practices Act (“FDCPA”) the Magnuson Moss Federal Act, the Truth in Lending Act, and a variety of state consumer protection statutes.

5. I have extensive experience in class action litigation and have been certified as class counsel in numerous cases. *See, e.g., Sager, et al. v. Volkswagen Group of America, Inc., and Audi of America, Inc.*, 18-cv-13556 (D.N.J) (settlement class counsel representing nation-wide class of approximately 340,000 members alleging breach of various warranties and state consumer law owing to allegedly defective after-run electric coolant pumps); *Seekamp v. It’s Huge, Inc.*, 2012 WL 860364 (N.D.N.Y. Mar. 13, 2012) (certifying auto fraud class action); *Johnson v.*

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. We have litigated this case with and on behalf of Plaintiffs and the
20 putative class since March 2022. When each Plaintiff contacted us, they and we
21 agreed to pursue their claims on a class action basis.

22 7. Before filing the Complaint, we investigated the Plaintiffs' claims, the
23 nature of the alleged defect, the affected Class vehicle models, interviewed Class
24 Vehicle owners and lessees, reviewed documents published by Mazda and made
25 available to NHTSA, investigated other Class Vehicle owner complaints, and
26 analyzed potential legal claims.
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8. In addition to our own investigations, we have engaged in discovery on the merits and on class claims. This includes serving interrogatories and requests for the production of documents on Mazda regarding the individual and class claims and the requirements of Rule 23; reviewing extensive document productions from Defendant outlining, *inter alia*, Defendant’s investigation into the root cause of the Defect, the scope of the Defect, and Defendant’s repair regarding the Defect including the efficacy of the repair; repeatedly conferring with Defendant 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

9. On May 1, 2023, the Parties attended a mediation in Los Angeles, California before Hon. Dickran M. Tevrizian (Ret.) of JAMS.. The session was productive but did not result in a settlement. Further discussions between the Parties and through Judge Tevrizian resulted in a settlement in principle as to the benefits for the Class, which was subsequently memorialized in a term sheet and the Settlement. As a condition of settlement, additional discovery on class size, Mazda’s investigation into the defect, and the efficacy of its repair was conducted by the Parties.

10. We recommended to the Class Representatives that the terms of the Settlement Agreement should be accepted as a fair and reasonable resolution of class claims. All the Class Representatives have been very engaged in this case; aiding us in our investigation, providing discovery responses and maintaining regular contact.

11. My recommendation that these terms be accepted is based on my extensive familiarity with the case. We have aggressively pursued this case and discovered all facets necessary to make a well-informed decision on the merits of this settlement. Given my knowledge of the case, its strengths and weaknesses, and my assessment of the risk to any recovery were the matter to proceed to summary

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 3 Suite 1250
 4 Orange, California 92868
 Telephone: (480) 247-9644
 5 Facsimile: (480) 717-4781
 6 E-mail: tkent@leberglaw.com

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

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 JOSHUA
 MARKOVITS IN SUPPORT OF
 MOTION FOR PRELIMINARY
 APPROVAL**

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

3 1. I am an associate attorney at Lemberg Law, LLC and counsel to Plaintiffs
4 in this action. I have personal knowledge as to all matters set forth in this Declaration
5 and could testify to the same if called to do so.

6 2. I am a 2010 graduate of Brandeis University and a 2015 graduate of the
7 Benjamin N. Cardozo School of Law.

8 3. I am a member in good standing to practice law in the state of New York
9 and before the United States District Courts for the Southern, Eastern and Western
10 Districts of New York; the Northern District of Illinois; and the District of Colorado.

11 4. I am admitted to appear in this matter pro hac vice.

12 5. During law school, I served as a legal intern in the chambers of both a
13 federal court and a New York Supreme Court judge. I also served as a legal intern in
14 the U.S. Commodity Futures Trading Commission’s Division of Enforcement.

15 6. Since graduating from law school, I have exclusively worked on class
16 action and individual consumer protection lawsuits asserting claims under a variety of
17 state consumer protection laws, the Magnuson Moss Warranty Act, the Telephone
18 Consumer Protection Act (“TCPA”) and the Fair Debt Collection Practices Act
19 (“FDCPA”).

20 7. I have been certified as class counsel in automotive and other consumer
21 protection class actions in state and federal court. *See, e.g., Jefferson v. Gen. Motors,*
22 *LLC*, 344 F.R.D. 175 (W.D. Tenn. 2023), *modified on reconsideration*, 2023 WL
23 5662596 (W.D. Tenn. Aug. 31, 2023) (contested certification of class of vehicle
24 purchasers and lessees asserting breach of warranty claims regarding alleged common
25 defect with shifter assemblies); *Pollard v. Windham Professionals, Inc.*, Case No:
26 1978CV00033 (Mass Super. Oct. 28, 2021) (final approval of class settlement for
27 alleged violations of Chapter 93A and 940 C.M.R. § 7.04(1)(f)); *Virgne v. C.R.*

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1 *England, Inc.*, Case No. 1:19-cv-02011-SEB-MDJ (S.D. Ind. Jan. 13, 2021) (ECF No.
2 124) (final approval of class settlement in TCPA action).

3 8. Before filing the Complaint, we investigated the Plaintiffs' claims, the
4 nature of the alleged defect, the affected Class vehicle models, interviewed Class
5 Vehicle owners and lessees, reviewed documents published by Mazda and made
6 available to NHTSA, investigated other Class Vehicle owner complaints, and analyzed
7 potential legal claims.

8 9. In addition to our own investigations, we have engaged in discovery on
9 the merits and on class claims. This includes serving interrogatories and requests for
10 the production of documents on Mazda regarding the individual and class claims and
11 the requirements of Rule 23; reviewing extensive document productions from
12 Defendant outlining, inter alia, Defendant's investigation into the root cause of the
13 Defect, the scope of the Defect, and Defendant's repair regarding the Defect including
14 the efficacy of the repair; repeatedly conferring with Defendant regarding the scope of
15 its production and need for additional discovery; and taking the deposition of a Rule
16 30(b)(6) designee regarding the same areas and to confirm that the redesigned valve
17 stem seals correct the Defect

18 10. On May 1, 2023, the Parties attended a mediation in Los Angeles,
19 California before Hon. Dickran M. Tevrizian (Ret.) of JAMS. The session was
20 productive but did not result in a settlement. Further discussions between the Parties
21 and through Judge Tevrizian resulted in a settlement in principle as to the benefits for
22 the Class, which was subsequently memorialized in a term sheet and the Settlement.
23 As a condition of settlement, additional discovery on class size, Mazda's investigation
24 into the defect, and the efficacy of its repair was conducted by the Parties.

25 11. Over the next several months, that discovery was completed, the
26 Settlement Agreement and its exhibits were drafted, finalized.

27 12. We recommended to the Class Representatives that the terms of the
28 Settlement Agreement should be accepted as a fair and reasonable resolution of class

1 claims. All the Class Representatives have been very engaged in this case; aiding us in
2 our investigation, providing discovery responses and maintaining regular contact.

3 13. My recommendation that these terms be accepted is based on my extensive
4 familiarity with the case. We have aggressively pursued this case and discovered all
5 facets necessary to make a well-informed decision on the merits of this settlement.
6 Given my knowledge of the case, its strengths and weaknesses, and my assessment of
7 the risk to any recovery were the matter to proceed to summary judgment or trial, I find
8 the settlement to be a fair and reasonable resolution of disputed claims.

9 14. My recommendation is also grounded in my experience in class action
10 litigation which informs my judgment that the terms of the settlement are fair and
11 reasonable.

12 15. Based on the foregoing, I respectfully request the Court preliminarily
13 approve the class settlement agreement, direct notice be sent to the class and schedule
14 a fairness hearing.

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

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19 Dated: January 19, 2024

By: /s/ Joshua Markovits
Joshua Markovits

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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,*

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

8 Plaintiffs,

9 vs.

10 Mazda Motor of America, Inc.,

11 Defendant.

12
13 **DECLARATION OF JENNIFER M. KEOUGH REGARDING PROPOSED**
14 **NOTICE PLAN AND ADMINISTRATION OF CLASS ACTION**

15 I, Jennifer M. Keough, under penalty of perjury under the laws of the United
16 States of America, affirm and state as follows:

17 1. I am the Chief Executive Officer and Co-Founder of JND. JND is a legal
18 administration service provider with extensive experience in all aspects of legal
19 administration and has administered hundreds of class action settlements. The
20 following statements are based on my personal knowledge as well as information
21 provided by other experienced JND employees working under my supervision.

22 2. JND develops and executes class action notice plans and administers a
23 wide variety of class actions including consumer, automotive, securities, government,
24 employment and mass torts. JND’s class action department provides all services
25 necessary for the effective implementation of class action settlements, including: (1) all
26 facets of legal notice such as outbound mailing, email notification, and design and
27 implementation of media programs including through digital and social media

1 platforms; (2) website design and deployment, including online claim filing
2 capabilities; (3) call center and other contact support; (4) secure class member data
3 management; (5) paper and electronic claims processing; (6) calculation design and
4 programming; (7) payment disbursements through check, wire, PayPal, merchandise
5 credits and other means; (8) qualified settlement fund tax reporting; (9) banking
6 services and reporting; and (10) all other functions related to the secure and accurate
7 administration of class action settlements.

8
9 **EXPERIENCE**

10 3. I have more than 20 years of legal experience creating and supervising
11 notice and claims administration programs and have personally overseen well over 500
12 matters. I have personally overseen the administration of high-profile and complex
13 administration engagements, including the \$20 billion Gulf Coast Claims Facility, \$10
14 billion BP Deepwater Horizon Settlement, \$3.4 billion Cobell Indian Trust Settlement,
15 \$3.05 billion VisaCheck/MasterMoney Antitrust Settlement, \$2.67 billion Blue Cross
16 Blue Shield antitrust settlement; \$1.5 billion Mercedes-Benz Emissions Settlements,
17 \$1.3 billion Equifax Data Breach Settlement and \$1 billion Stryker Modular Hip
18 Settlement among others.

19 4. In addition, JND has been recently appointed to handle notice and claims
20 administration tasks for class action matters in the following automotive cases:
21 *Chapman, et al. v. General Motors LLC* No. 19-cv-12333-TGB-DRG (E.D. Mi.),
22 *Hickman v. Subaru of America* No. 1:21-cv-02100 (D.N.J.), *In re: Volkswagen “Clean*
23 *Diesel” Marketing, Sales Practices, and Products Liability Litigation* No. 3:15-md-
24 2672 (N.D. Ca.), *Raymo, et al. v. FCA US LLC & Cummins Inc.* No. 2:17-cv-12168-
25 TGB-SDD (E.D. Mi.), *Gjonbalaj v. Volkswagen Group of America, Inc.* No. 2:19-cv-
26 7165 (E.D. N.Y.), *In re: Subaru Battery Drain products Liability Litigation* No. 1:20-
27 cv-03095-JHR-MJS (D.N.J).

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PROPOSED CLASS NOTICE PLAN

5. JND has been retained in this matter to provide class notice and claim administrative services should the Court grant preliminary approval to the Parties’ class action settlement agreement (the “Settlement Agreement”).

6. I understand that after preliminary approval of the Settlement Agreement, Defendant Mazda Motor of America, Inc. d/b/a Mazda North American Operations (“MNAO”) will provide JND with approximately 86,116 Vehicle Identification Numbers (“VINs”) associated with the following year and model vehicles distributed by MNAO for sale or lease in the United States of America, including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands:

- Model Year 2021 Mazda3 (Japan built)
- Model Year 2021 & 2022 Mazda3 (Mexico built)
- Model Year 2021 & 2022 CX-30 (Mexico built)
- Model Year 2021 Mazda6
- Model Year 2021 CX5
- Model Year 2021 CX9

(“Settlement Class Vehicles”, *see also* Section I(P) of the Settlement Agreement).

7. I understand that Settlement Class Member is defined as “all persons and entities who purchased or leased a Settlement Class Vehicle, as defined in Section I(P) of the Settlement Agreement, in the United States of America, including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.”

8. To identify the names and addresses of Settlement Class Members, JND will coordinate with Experian to acquire potential Settlement Class Members’ contact information from Departments of Motor Vehicles (“DMVs”) for all current and previous owners or lessees of Settlement Class Vehicles. The contact information gained using this process is considered particularly reliable because vehicle owners must maintain accurate and up-to-date contact information to pay vehicle registration

1 fees and keep driver’s licenses and voter’s registrations current. The resulting list will
2 be reviewed for duplicates and other possible discrepancies.

3 9. The process of coordinating with Experian and the DMVs through all the
4 relevant jurisdictions in the United States of America, reviewing the information
5 returned, and printing and mailing the notice will take, in my experience, approximately
6 60 days.

7 10. The foregoing is JND’s process for identifying class member addresses in
8 automotive class actions.

9 11. JND will provide individual notice to all Settlement Class Members
10 identified in the above process through mailing of the notice in postcard format.

11 **MAILED NOTICE**

12 12. The postcard notice will be mailed via United States Postal Service
13 (“USPS”). Prior to mailing, JND will use the National Change of Address (“NCOA”)
14 database maintained by USPS to ensure Class Member address information is up-to-
15 date and accurately formatted for mailing.

16 13. JND will track all notices returned undeliverable by the USPS and will
17 promptly re-mail notices that are returned with forwarding addresses. In addition, JND
18 will take reasonable efforts to research and determine if it is possible to reach a Class
19 Member for whom a notice is returned without a forwarding address, by using available
20 skip-tracing tools to identify a new mailing address by which the potential Class
21 Member may be reached.

22 **INFORMATIONAL WEBSITE**

23 14. JND will create and maintain a website dedicated to this action. The
24 website URL address will be included in the mailed notice.
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REQUESTS FOR EXCLUSION OR OBJECTIONS

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21. Settlement Class Members that wish to exclude themselves or submit objections may do so by mail to a Post Office Box that JND will maintain. JND will monitor all mail delivered to that Post Office Box and will track all exclusion requests and objections received, which will be provided to Class Counsel.

CLAIM ADMINISTRATION

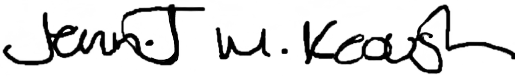
22. Claims for reimbursement will be reviewed by JND in accordance with the Settlement Agreement. In the event JND makes a preliminary determination that the claim submitted is insufficient, JND will send the Settlement Class Member a letter advising of the deficiencies and an opportunity to cure in accordance with the Settlement Agreement.

CONCLUSION

23. It is my opinion, based on my expertise and experience, that the above-described method of class notice provides effective notice in this action, will provide the best notice that is practicable, adheres to Fed. R. Civ. P. 23 and exceeds the requirements of due process.

I declare under penalty of perjury under the laws of the United States of America that the above is true and correct.

Dated: January 19, 2024



JENNIFER M. KEOUGH