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Ford will pay \$35M to end class action

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A California federal judge approved a \$35 million settlement between Ford Motor Co. and Ford Focus and Fiesta drivers who sued after claiming the transmission in certain vehicles were defective.

U.S. District Judge Andre Birotte Jr. gave the green light to a class-action settlement on Oct. 18 that was preliminarily approved in April. Lawsuits from Illinois and California were consolidated in the Central District of California.

The case included 86,000 Illinois drivers out of 1.5 million nationwide.

Thomas A. Zimmerman Jr., of Zimmerman Law Offices P.C., said the settlement was a “substantial relief” to its more than 1 million class members.

Tamara A. Bush, of Dykema Gossett PLLC’s Los Angeles office, one of the attorneys who represented Ford, did not respond for comment as of press time.

Birotte said he determined that the settlement was fair and reasonable and none of the objections presented convinced him otherwise. Objections were made about the cash payment, the arbitration procedure, the valuation and attorney fees.

Vehicles included in this settlement were new or used 2011-2016 Fiestas and 2012-2016 Focuses.

The Ford drivers claimed their PowerShift Transmission malfunctioned in a way that would cause it to slip, buck, kick, jerk, stutter, suddenly accelerate or delay in acceleration, which eventually could lead to transmission failure.

Even though Ford offered customer service programs including free repairs and warranty extensions for potential class members, the lawsuit claimed they never directly notified customers of known problems with the transmission.

Ford has continued to deny any wrongdoing.

“The PowerShift Transmission was a new technology that Ford rushed to the market without disclosing the PowerShift Transmission’s known problems to its customers or the general public,” according to the lawsuit.

Zimmerman said people would continue to bring their cars in. Ford would perform a software update and say the transmission problem was a “normal thing” to be expected from this type of vehicle.

“Ford was lying to them and telling them that it was some normal issue when it was, in fact, not normal,” he said.

Ford ordered about 6 million replacement parts for roughly 1.5 million vehicles, according to the settlement.

The settlement includes at least \$200 for drivers who have had their transmission repaired at least three times or a discount toward the purchase of another Ford vehicle.

Drivers will be able to collect \$2,325 in cash payments or up to \$4,650 in discount certificates toward a new Ford purchase. It also provides cash payments for software repairs and an arbitration process for drivers who want Ford to repurchase their vehicles.

“If it were not for the class-action mechanism these vehicle owners would be stuck having to drive with this defective transmission which put them at serious risk of injury,” Zimmerman said.

Capstone Law APC in Los Angeles, Berger & Montague P.C., headquartered in Philadelphia, and Zimmerman, which represented the class, will receive \$8.5 million in attorney fees and about \$326,000 for costs.

The 18 named plaintiffs will each get between \$5,000 to \$10,000.

The case is *Omar Vargas, et al., v. Ford Motor Co.*, 2:12-cv-08388, in the U.S. District Court for the Central District of California.

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