



Portfolio Media, Inc. | 111 West 19th Street, 5th floor | New York, NY 10011 | www.law360.com
Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Ford Drivers Push For Approval Of \$77M Settlement

By **Emily Field**

Law360 (January 27, 2020, 8:59 PM EST) -- Ford drivers pushed a California federal judge to approve a \$77 million settlement over defective transmissions in certain models, saying that class members have already received more than \$47 million in payments.

The drivers on Friday said that under an arbitration program, class members have received more than \$47.4 million for repurchase claims, which makes it reasonable to expect that many additional members will receive cash payments after final approval of the deal. Under the arbitration process, drivers can receive up to \$25,000 for returning a car and in some circumstances, they might not have to possess the car in order to receive a payment.

"This is a boon to class members," the drivers said. "In most class action settlements involving alleged automotive defects, such claims are completely extinguished in exchange for a modest payment or reimbursement for out-of-pocket expenses."

The deal ends claims that Powershift transmissions in 2011 to 2016 Ford Fiesta models and 2012 to 2016 Ford Focus models were defective, making the cars buck or jerk when accelerating.

"We also have a separate cash payment that has a guaranteed minimum of \$30 million," Ryan Wu of Capstone Law APC told Law360 on Monday. "Overall, the settlement's value will easily surpass \$100 million. We're hopeful that, given the tremendous value delivered by the settlement, Judge [Andre] Birotte will finally approve it."

Drivers who made three or more service visits to Ford dealers can receive payments for up to \$2,325, or a discount certificate toward the purchase of a new Ford, according to the motion.

Ford also agreed to pay up to \$8,856,600 in attorney fees and costs, according to the motion.

U.S. District Judge Birotte initially **approved** the deal in 2017, which was then valued at \$35 million, but it was met by objectors who claimed the deal was too small.

Those drivers have now withdrawn their objections and support the deal, according to the motion.

The amended settlement removed limitations under which drivers could receive money for repurchase claims, such as a previous requirement that allowed Ford to make one final try at a repair after receiving an arbitration notice from a driver who had made three or fewer attempts at repair, according to the motion.

"Due to the settlement's consumer-friendly rules and speed of resolution, most class Members would do better under the arbitration program rather than in court," the drivers said. "And Ford has already paid \$47.4 million to class members for claims proceeding under the settlement's repurchase remedy."

A Ford representative said the company believes the settlement is fair and reasonable and it expects it will be approved by the court.

Ford is represented by John M. Thomas, Tamara A. Bush and Krista L. Lenart of Dykema Gossett PLLC.

The drivers are represented by Ryan H. Wu of Capstone Law APC, Russell D. Paul of Berger & Montague PC and Thomas A. Zimmerman of Zimmerman Law Offices PC.

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

—Editing by Amy Rowe.