

**CONSUMER ARBITRATION PROGRAM FOR FORD MOTOR COMPANY  
POWERSHIFT DPS6 TRANSMISSION**

**GUIDE AND REVISED RULES FOR ARBITRATION**

**I. GENERAL INFORMATION**

As a part of the settlement of class action litigation against Ford Motor Company (“Ford”) involving 2011-2016 Ford Fiesta and 2012-2016 Ford Focus vehicles (“Class vehicles”) equipped with PowerShift transmissions (also known as DPS6 transmissions), you are entitled to arbitrate certain claims based on alleged defects in your PowerShift transmission (the “Program”).<sup>1</sup> In an arbitration, a dispute is submitted to an impartial person known as an Arbitrator to make a final decision.

This document sets forth the rules that determine whether you are eligible for arbitration and the rules and procedures that the Arbitrator must apply to determine if you are entitled to relief.<sup>2</sup> As explained below, depending on the repair history of your Class Vehicle, the Arbitrator may award (1) repurchase or replacement of your Class vehicle; (2) repairs to transmission defects covered by Ford’s New Vehicle Limited Warranty or extensions of that warranty; and (3) reimbursement of out-of-pocket expenses incurred to repair transmission defects that should have been paid by Ford pursuant to Ford’s New Vehicle Limited Warranty or extensions of that warranty.

You should read this guide in its entirety. Otherwise, you may not fully understand your rights and responsibilities under the Program. If, after reviewing the Program details, you are still unsure about your rights to arbitration, you may contact the Program Administrator or Class Counsel. Their contact information is listed on the last page of this guide.

**II. ADMINISTRATION**

**A. CAP-Motors & Associates, Ltd.**

DeMars Associates, Ltd. (DeMars”) administers the Program through its process known

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<sup>1</sup> The litigation includes *Vargas, et al. v. Ford Motor Co.*, Case No. 2:12-cv-08388-AB-FFMx (C.D. Cal.), *Klipfel, et al. v. Ford Motor Co.*, Case No. 2:15-cv-2140-AB-FFMx (C.D. Cal.), *Cusick, et al. v. Ford Motor Co.*, Case No. 2:15-cv-8831-AB-FFMx (C.D. Cal.), and *Anderson v. Ford Motor Company*, No. 1:16-cv-01632 (N.D. Ill.).

<sup>2</sup> The settlement provides other benefits in addition to this arbitration program. Those additional benefits are administered by the Settlement Administrator. Further information about these benefits is available on the Settlement Website, [www.FordTransmissionSettlement.com](http://www.FordTransmissionSettlement.com).

as the Consumer Arbitration Program for Motor Vehicles (CAP-Motors). CAP-Motors is responsible for the overall administration of the Program, including collecting necessary documents, facilitating pre-arbitration settlement efforts, and, when needed, scheduling the arbitration hearing and providing you with an impartial, qualified Arbitrator. CAP-Motors does not decide cases. CAP-Motors provides a forum for hearing and resolving your dispute using an impartial Arbitrator.

Program fees, including the Arbitrator's fees, are paid by Ford. If you appeal the Arbitrator's decision, you will be responsible for any fees associated with your appeal. However, if you succeed on appeal, Ford will refund those fees.

DeMars & Associates, Ltd., CAP-Motors and the Arbitrators are exempt from civil liability as a result of any act or omission in connection with the arbitration conducted under the Program. The parties are prohibited from calling the Arbitrator or any employee or agent of CAP-Motors as a witness or expert in any proceeding involving the parties related to a dispute subject to this Program. Further, no party can subpoena any notes or other materials generated by the Arbitrator.

## **B. Program Timeline**

After the Effective Date of April 7, 2020, CAP-Motors will, as expeditiously as possible, process all arbitration claims submitted prior to the Effective Date, including holding arbitration hearings and issuing decisions on such claims. Once those claims are resolved, CAP-Motors will make its best efforts to ensure that the arbitration hearing of a subsequently-received eligible consumer claim takes place within thirty (30) days from the date CAP-Motors receives a claim. The 30-day timeline can be extended in any of the following circumstances:

- 1) For ten (10) days if you have not attempted to seek resolution directly from Ford;
- 2) If the delay is due to your failure to promptly provide your:
  - name,
  - address,
  - vehicle make and model information,
  - vehicle identification number, or
  - a statement summarizing the defect or concern being reported;
- 3) For a period not to exceed thirty (30) days to permit CAP-Motors the opportunity to respond to an Arbitrator's request for additional information, including an independent vehicle inspection by an Automotive Service Excellence (ASE) certified technician.

- 4) Due to the COVID-19 pandemic, there will be a delay in resolving all claims in which the claimant requests an in-person hearing, or either party or the arbitrator requests a vehicle inspection or a test drive. All such claims will be processed as expeditiously as possible once CAP-Motors determines that in-person hearings, vehicle inspections and test drives can be held without endangering the health or safety of participants.
- 5) If other unavoidable delays result from the COVID-19 pandemic, CAP-Motors will provide notice to all claimants and as long as claimants submitted their requests for arbitration within the applicable deadlines, their claims will be considered timely submitted.

### **III. WHO QUALIFIES FOR THE ARBITRATION PROGRAM?**

In order to qualify for the Program, you must meet all of the following criteria:

1. You are a current or former owner or lessee of a new or used 2011-2016 Ford Fiesta or a new or used 2012-2016 Ford Focus;
2. Prior to receiving notice of the Settlement, you did not file a lawsuit against Ford alleging problems with the PowerShift Transmission in Class Vehicles or, if you did file such a lawsuit, you opted-in to the Settlement and dismissed your lawsuit;
3. You have not opted out of the Settlement;
4. You have not previously executed and delivered to Ford releases of claims based on the PowerShift Transmission, except with respect to releases signed as part of Voluntary Arbitration Program implemented by CAP-Motors in October 2018 or in connection with monetary compensation offered by Ford before the arbitration for the purpose of attempting to resolve the dispute;
5. At least ten (10) days prior to filing a claim for arbitration, you gave direct notice to Ford by calling 1-888-260-4563 or submitting a notice form through the Settlement Website; and
6. One of the following is true:
  - a. You claim that Ford failed to repair a transmission failure or malfunction in your Class vehicle as required by Ford's New Vehicle Limited Warranty, or any extensions of that warranty; or
  - b. You claim that a Ford Dealer charged you for a transmission repair to your Class vehicle that should have been paid for by Ford pursuant to

Ford's New Vehicle Limited Warranty, or any extensions of that warranty,  
or

c. You seek to have Ford repurchase or replace your Class Vehicle based  
in whole or in part on alleged defects in the PowerShift Transmission.

No other claims, including claims for personal injury or collision damage, are eligible for  
arbitration.

#### **IV. RULES OF ARBITRATION**

This section sets forth the rules the Arbitrator must follow to resolve your claims.

##### **A. Claims for Repurchase or Replacement.**

1. State Lemon Law Claim. Most states have "lemon laws" that require manufacturers to repurchase or replace a vehicle if it malfunctions or fails and a manufacturer is unable to repair it within a reasonable time or within a reasonable number of repair attempts. An Arbitrator may award a repurchase or replacement of your Class vehicle if the Arbitrator finds that you are entitled to a repurchase or replacement under the provisions of the lemon law for the state where you took delivery of your vehicle ("your state's lemon law"). The items and amounts to be refunded or the terms under which your vehicle is replaced, including deductions for use, shall be determined by your state's lemon law. Applicable provisions of state lemon law shall apply except as follows:
  - a. Regardless of the statute of limitations for a lemon law claim, your claim for repurchase or replacement will be deemed timely if your claim is filed within six (6) years after the delivery of your vehicle to the first retail customer, or 180 days after the Effective Date, whichever is later.
  - b. If you made a claim for cash payments to the Settlement Administrator, any amount awarded by the Arbitrator for a repurchase under this provision shall be reduced by any cash payments awarded to you by the Settlement Administrator (other than cash payments awarded by the Settlement Administrator to reimburse you for clutch repairs).
  - c. If you made a claim for a Vehicle Discount Certificate to the Settlement Administrator, any amount awarded by the Arbitrator for a repurchase under this provision shall be reduced by the face value of any Vehicle Discount Certificates that you used to purchase a new Ford Vehicle. Any award by the Arbitrator for a repurchase shall also either be reduced by the value of unused and unexpired Vehicle Discount

Certificate issued to you, or those certificates will be voided by the Arbitrator.

d. If you accepted any monetary compensation offered by Ford before the arbitration for the purpose of attempting to resolve the dispute, the amount of that compensation shall be deducted from any award later ordered by the Arbitrator.

e. No punitive damages may be awarded. The Arbitrator may not award civil penalties unless your state law authorizes them and if you establish that Ford (i) knew of its obligation under state law or the Settlement Agreement (including the amendment) to repurchase your vehicle and (ii) prior to the Arbitrator's award, declined to do so after being provided with your notice of intent to proceed with arbitration. The Arbitrator is forbidden from awarding civil penalties if he or she finds that Ford reasonably and in good faith believed that the facts did not require an offer to replace the vehicle or refund the lease payments. And the award of civil penalties cannot exceed the repurchase amount awarded by the Arbitrator.

f. If you elect to be represented by an attorney, the Arbitrator may award reasonable attorney fees to you if you succeed on your repurchase or replacement claim, but such fees may not exceed \$6,000.

2. Repurchase Claim Based on Transmission Hardware Replacements.

Regardless of your state's lemon law, or if your state has no lemon law, the Arbitrator may also award a repurchase under the Program if (i.) while you owned or leased your vehicle, it was repaired on four (4) occasions and on each of those occasions an authorized Ford Dealer performed a Transmission Hardware Replacement within 5 years/60,000 miles of delivery of the vehicle to the first retail customer (whichever occurs first), and (ii.) the transmission still malfunctions (or, if you no longer possess your vehicle, continued to malfunction at the time the vehicle was disposed of).<sup>3</sup> The four (4) Transmission Hardware Replacements do not need to be for the same part. Claims for repurchase under this provision must also be filed within six (6)

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<sup>3</sup> A Transmission Hardware Replacement is defined to mean replacement by a Ford Dealer, within 5 years or 60,000 miles of the initial sale or lease of your vehicle to its first retail customer, whichever comes first, any of the following parts of the PowerShift Transmission: (1) 7B546 Disc Asy-Clutch; (2) 7Z396 Control Mod Trans (TCM); (3) 7052 Oil Seal-Trans Rear; (4) 7000 Transmission Asy-Aut; (5) 7C604 Motor-Frt Clutch; (6) 7A508 Rod-CI/Slave Cyl Pus; (7) 6K301 Seal/RetC/Shft Oil; (8) 7060 Shaft/Bshg Asy-Out; (9) 7048 Seal-Input Shaft Oil; and/or (10) 7515 Lever Asy-Clutch Rel. Parts replaced as part of a safety or non-safety recall do not count as Transmission Hardware Replacements.

years after delivery of your vehicle to the first retail customer. If the Arbitrator determines that you are eligible for a repurchase under this provision but not under your state's lemon law (or if your state has no lemon law), the following conditions apply:

a. If you made a claim for cash payments to the Settlement Administrator pursuant to the Settlement Agreement, any amount you are awarded by the Arbitrator for a repurchase under this provision shall be reduced by any cash payments already awarded to you by the Settlement Administrator (other than cash payments made by the Settlement Administrator to reimburse you for clutch repairs).

b. If you made a claim for a Vehicle Discount Certificate to the Settlement Administrator, any amount awarded to you by the Arbitrator for a repurchase under this provision shall be reduced by the face value of any unexpired Vehicle Discount Certificates that you used to purchase a new Ford Vehicle. Any award by the Arbitrator for a repurchase shall also cancel any unused and unexpired Vehicle Discount Certificate issued to you.

c. Ford will refund the actual amount of all payments you made for your vehicle (not including any modifications or additions after the vehicle's purchase or lease), including finance charges, less a reasonable allowance for use.

If you leased the vehicle, Ford will refund the payments you made to the lending institution or lessor, plus net trade-in and cash down payment (not including rebates, if any), and less a reasonable allowance for use. For both purchased and leased vehicles, Ford will also provide the pay-off amount to the lienholder or lessor in accordance with the financing or lease agreement.

d. If the vehicle being repurchased is covered by a Ford Extended Service Plan that you purchased, that plan will be cancelled and its pro-rated cost refunded. If the vehicle is covered by a non-Ford service contract, you will be responsible for obtaining any refund that may be available from the issuer of that non-Ford plan.

e. Ford will also refund sales tax, original license fees, original registration fees, and original title fees.

f. A portion of your use of the vehicle will be deducted according to the following formula: (The mileage on your vehicle's odometer at the time

of the third Transmission Hardware Replacement  $\div$  120,000)  $\times$  Purchase Price.

g. If you accepted any monetary compensation offered by Ford before the arbitration for the purpose of attempting to resolve the dispute, the amount of that compensation shall be deducted from any award to you later ordered by the Arbitrator.

h. No punitive damages or civil penalties may be awarded.

i. If you elect to be represented by an attorney, the Arbitrator may award reasonable attorney fees to you if you succeed on your repurchase or replacement claim, but such fees may not exceed \$6,000.

3. **Timing:** You may submit a claim seeking repurchase up to six (6) years after delivery of your vehicle to the first retail customer or six (6) months after the Effective Date of the Settlement, whichever is later. Under the Program, claims submitted to arbitration should ordinarily be resolved within 30-60 days.
4. **Documentation Required.** You must submit proof that you owned your vehicle at all relevant times. In addition, you must submit repairs orders or other documentation sufficient, at the discretion of the Arbitrator, to support your claims. If you are seeking a vehicle buyback, you must provide copies of all of the following documents:
  - a. Bill of sale or lease contract with customer signature;
  - b. Copy of valid vehicle registration, if vehicle is registered in California;
  - c. If vehicle is paid off, copy of vehicle title (if a buyback is awarded, the original title must be surrendered at the time the vehicle is turned in);
  - d. If vehicle is not paid off and is registered outside of California, a copy of the title or title application;
  - e. A loan payoff statement on the lender's letterhead, and statement must include per diem, address to which payoff payment would be sent, and account number;
  - f. A vehicle loan payment history;
  - g. If a buyback is awarded, a copy of the class member's driver's license must be provided to the dealer at the time the vehicle is turned in.

5. **Prior Arbitration.** If prior to the Effective Date of the Settlement, April 7, 2020, you were denied an arbitration claim under any other arbitration program, such as the Better Business Bureau (“BBB”), you may nevertheless submit a claim under this Program.
6. **Second Arbitration.** If your claim for repurchase was denied under this Program or under the Voluntary Arbitration Program (for example, you had fewer than three (3) repairs), but you have subsequently incurred additional Transmission Hardware Replacements (as defined above), you are eligible for a second arbitration at no cost to you.
7. **Appeal.** You may appeal the Arbitrator’s decision within thirty (30) days of that decision, but you are responsible for the fee for the appeal. If you prevail on the appeal, Ford will reimburse the fee. Ford has no right to appeal an arbitration award, except it may, at its own expense, appeal within 30 days any award of civil penalties. The appeal will be determined by a neutral third party assigned through JAMS (Judicial Arbitration and Mediation Service). Information about filing an appeal will be provided with the Arbitrator’s decision.

**B. Claims for Repairs or Reimbursement Based on Breach of Ford’s New Vehicle Limited Warranty or Extensions of that Warranty.**

1. **Repairs.** If you are having transmission problems with your vehicle that should have been, but were not, repaired under Ford’s New Vehicle Limited Warranty, or any extension of that warranty, the Arbitrator may require Ford to make such repairs. However, the Arbitrator may not order a change in the vehicle’s options or its design.<sup>4</sup>
2. **Reimbursement.** If you have paid for a transmission repair, the Arbitrator may order Ford to reimburse you for any amount you paid that should have been paid by Ford pursuant to Ford’s New Vehicle Limited Warranty or any extensions of that warranty. The Arbitrator may award reimbursement for

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<sup>4</sup> As of the date of these Revised Rules, Ford issued three programs which extended the warranty on certain components of the PowerShift Transmission: Program 14M01 (which extended the warranty on the input shaft seal, clutch assembly and firmware to 7 years/ 100,000 miles for excessive transmission clutch shudder during light acceleration); Program 14M02 (which extended the warranty on the Transmission Control Module to 10 years/150,000 miles) and Program 19N08 (which extended the warranty on the clutch on additional Class Vehicles to 7 years/100,000 miles).



money paid for the repair of defects covered by the Ford New Vehicle Limited Warranty, or any extension of that warranty, only if Ford or its dealer declined to repair the defects under warranty or to reimburse under the warranty's emergency repair provisions.

3. Exclusions. The Arbitrator may not award reimbursement or repairs under this provision for the following:
  - maintenance and wear items not covered by the New Vehicle Limited Warranty;
  - damage caused by alterations or modifications of the vehicle after it leaves the control of Ford;
  - damage caused by tampering with the vehicle, its emissions systems, or other parts that affect these systems; and
  - damage caused by the installation or use of a non-Ford part or of any part designed for "off-road" use installed after the vehicle leaves the control of Ford.
4. If you accepted any compensation offered by Ford before the arbitration for the purpose of attempting to resolve the dispute, the amount of that compensation shall be deducted from any award to you later ordered by the Arbitrator.
5. Time Within Which Claims Must Be Made. You must make claims for reimbursement or repair within the statute of limitations for breach of express warranty in the state where you took delivery of your vehicle.
6. Attorney Fees. The Arbitrator may not award attorneys' fees for pursuing a claim for repairs or reimbursement under this section.
7. Finality. The Arbitrator's decision with respect to repairs and reimbursements under this Section is final and binding on both parties with no right of appeal.

## V. ARBITRATION PROCEDURES

1. **Beginning Arbitration.** To begin arbitration, you must submit the appropriate forms to CAP-Motors. The forms are available from CAP-Motors at [www.consumerarbitrationprogram.com](http://www.consumerarbitrationprogram.com). When CAP-Motors receives your forms, CAP-Motors will assign a case number and set a date for a document review to determine eligibility. This review is for eligibility only. It is not a hearing on the merits of the case. The document review will take place unless CAP-Motors is notified that a settlement agreement has been reached between you and Ford. If your claim is initially deemed ineligible because it does not

meet the Program's criteria, as outlined in Section III, above, CAP-Motors will notify you in writing. If you believe the initial ineligibility determination was made in error, an Arbitrator will consider a written appeal if your application and supporting appeal documents are received within thirty (30) days from the date you received the ineligible notice letter.

When you file your forms you will be asked if you prefer:

1. An review of documents only, with no oral presentations;
2. An online hearing with oral presentations provided via a WebEx scheduled meeting;
3. A telephone conference hearing with oral presentations; or
4. An in-person hearing.

You may change your decision regarding your preferred meeting type at any time, but at least two weeks' notice is required to facilitate the scheduling of an in-person hearing.

CAP-Motors provides the parties with the following information:

- a) the identity of the assigned Arbitrator;
  - b) the scheduled arbitration hearing date, time, and location;
  - c) a notice that if one party fails to appear at the agreed upon time and place, the presentation by the other party may still be allowed;
  - d) a request to the consumer that the vehicle be brought to the in-person arbitration hearing for inspection by the Arbitrator together with proof of current liability and collision insurance. No inspection is available in a documents-only review, but you may submit photos and videos. In a WebEx hearing, the Arbitrator may request that you make a video or photo presentation at the time of the hearing.
  - e) the applicable Program forms.
2. **Pre-Arbitration Hearing Information Form.** Each party is required to complete a Pre-Arbitration Hearing Information Form ("Form") and send it to CAP-Motors. The Form requests information necessary to resolve the dispute such as:
- a) whether you will be represented by an attorney;

- b) whether you will be using an interpreter;
- c) any change or additional information to your written statement regarding the alleged defect or other complaint being reported;
- d) any change or additional information to Ford's written summary of its position;
- e) any witnesses to be called by a party;
- f) any documents the parties want the Arbitrator to review that have not already been included;
- g) whether a party wants the Arbitrator to inspect or test-drive the vehicle at an in-person hearing, or wants to request an independent vehicle inspection by an ASE certified mechanic;
- h) if a test drive is requested, proof of insurance coverage on the vehicle; and
- i) completed usage calculation worksheet.

CAP-Motors must receive the signed Form from each party at least seven (7) days prior to the arbitration hearing. If the Form is not received by the deadline, the hearing will still take place and the Arbitrator will take into consideration the fact that the Form was not received.

The parties must provide a written list of witnesses, other than rebuttal witnesses, at least five (5) days prior to the arbitration hearing. Except for rebuttal evidence, any document not attached to the Form, or otherwise supplied to CAP-Motors at least seven (7) days prior to the arbitration hearing, may be excluded from evidence. The Arbitrator makes this decision. The Arbitrator's decision is final.

3. **Appointment of Arbitrator.** A single Arbitrator will be assigned by CAP-Motors to hear and decide the arbitration dispute. CAP-Motors will provide the Arbitrator with all relevant documents that have been submitted to CAP-Motors by the parties before the arbitration hearing at least five (5) days prior to the hearing.
4. **Arbitrator Disclosure and Challenge Procedure.** A person appointed as an Arbitrator shall disclose to CAP-Motors any circumstance likely to affect his or her impartiality. This may include any bias or any financial or personal interest in the result of the arbitration. This may also include any past or present relationship with the parties or their representatives. If this information is received from the Arbitrator or another source, CAP-Motors

shall communicate the information to the parties and the Arbitrator. If a party objects to the assigned Arbitrator, it must send a letter stating the objection, and the reason for the objection, within seven (7) days from the date of the letter assigning the Arbitrator. If CAP-Motors receives a written objection about the assigned Arbitrator, CAP-Motors shall determine whether the Arbitrator should be disqualified and shall inform the parties of its decision. This decision shall be final and binding.

5. **Arbitrator Vacancies.** If for any reason the Arbitrator becomes unwilling or unable to perform his or her duties, CAP-Motors may declare the position vacant and appoint a new Arbitrator.
6. **Date, Time and Place of Arbitration Hearing.** CAP-Motors shall set the date, time, and place for each hearing upon consulting with the Arbitrator. When the arbitration is in-person, the hearing will be held at an independent site reasonably convenient to you. You should bring the vehicle to the arbitration hearing, together with proof of current liability and collision insurance.
7. **Withdrawal of Your Claim.** You may withdraw your claim up to five (5) days prior to the arbitration hearing date. If the claim is withdrawn, the case file will be closed and notice will be submitted to CAP-Motors. If you decide to file another claim, you must contact CAP-Motors, who will determine if you are eligible to file another claim. Withdrawing your claim shall be the same as if you had never filed it.
8. **Representation by Attorney.** You may be represented by an attorney. You must include the attorney's name, address, and telephone number on the Pre-Arbitration Hearing Information Form. All representatives must have settlement authority.
9. **Evidence.** The parties may provide testimony and documents related to the dispute. The parties shall provide any evidence the Arbitrator may reasonably decide is necessary to understand and decide the dispute. The Arbitrator may receive and consider the statements of witnesses by affidavit, which is a signed, written statement. The Arbitrator shall give the information the weight the Arbitrator decides is appropriate after consideration of any objection about relevancy made by the other side.

The Arbitrator shall judge the relevance of the evidence presented. Legal rules of evidence do not apply. Evidence shall be taken in the presence of all the parties. An exception will be made where a party does not attend after being notified of the date, time, and place of the hearing or has waived the

right to attend. The hearing may proceed under these circumstances. All documents submitted by the parties to CAP-Motors and to each other prior to the hearing shall be made a part of the case file, unless excluded by the Arbitrator as irrelevant or redundant.

Whenever possible, evidence is labeled and placed in the case file. The Arbitrator will include a written summary of any other evidence in the case file. All evidence included in the case file will be sent to CAP-Motors following the hearing.

Again, you should bring your vehicle to the arbitration hearing together with proof of current liability and collision insurance. If you feel your vehicle is not capable of being safely operated, you will need to advise CAP-Motors prior to an in-person hearing, along with an explanation. You may be requested to trailer the vehicle to the hearing at your own expense. If you prevail at the arbitration, the Arbitrator may include the costs of trailering your vehicle. The Arbitrator may inspect your vehicle if requested by a party or if the Arbitrator decides it is necessary.

Additionally, at his or her discretion, the Arbitrator may test-drive the vehicle. The parties must be present for such inspection or ride, unless a party waives its right to be present. The Arbitrator will include information from the test drive in the case file. In the event the vehicle is not made available for inspection at the hearing and the Arbitrator determines an inspection is necessary, the Arbitrator may choose to delay rendering a decision in the matter for up to thirty (30) days or until such time as the vehicle is made available for inspection.

The Arbitrator may extend time for hearing by ordering either party to produce documents or other evidence relevant to the claim.

10. **Communication with Arbitrator.** There shall be no direct communication between the parties and Arbitrator other than at the oral hearing, except as specifically permitted within this guide. Any other oral or written communication from the parties to the Arbitrator shall be sent to CAP-Motors. CAP-Motors will forward the communication to the Arbitrator.
11. **Attendance at the Arbitration Hearing.** Arbitration hearings shall be open to the public, but Arbitrators may exclude anyone who is disrupting the hearing.
12. **Oral Presentations and Arbitration in the Absence of a Party.** The Program allows for oral presentations by both parties to the dispute. Each party has the right to be present for the other party's oral presentation. If one

party fails to appear at the time set for the hearing, the Arbitrator may still allow the presentation by the other party.

Should a party fail to appear at the scheduled time, the Arbitrator, at his or her discretion, may either decide the dispute or give the absent party an opportunity to rebut any contradictory evidence or submit additional information before a decision is made. The Arbitrator has the authority to make a decision whether or not an oral presentation is made.

Ford and CAP-Motors shall take all steps necessary to ensure that the Program, the Program Staff, and Arbitrators, are sufficiently insulated from Ford, so that the decision of the Arbitrator and the performance of the Program Staff are not influenced by Ford.

**13. Preparation for Arbitration Hearing.** All parties should come to the hearing prepared to present testimony, documents, and other evidence about the dispute. This will include information about what you are asking the Arbitrator to award. You should bring with you to the hearing your copies of every document you have submitted to the Program and to the other side, and every document you have received from the Program and the other side.

**14. Order of Proceedings at the Arbitration Hearing.**

a) The arbitration hearing will be opened by:

- the filing of the oath of the Arbitrator via WebEx or in-person;
- the recording of the date, time, and place of the hearing;
- the name of the case; and
- the names and addresses of parties, attorneys, and witnesses present.

CAP-Motors will send a copy of the case file to you approximately one (1) week before the hearing. You should bring your copy of this case file to the hearing. The Arbitrator will record a description of the exhibits.

b) The Arbitrator may, at the beginning of the hearing, ask for statements clarifying the issues involved and condition of the vehicle.

c) The Arbitrator shall administer an oath or affirmation to all persons present who will give testimony.

d) The Arbitrator will limit the oral presentation to two (2) hours for each side of the dispute for a total of up to four (4) hours. The Arbitrator may extend the oral presentation time at his/her discretion.

e) You or your attorney will present, uninterrupted, testimony and documents to support your claim.

f) Ford's representative(s) or attorney(s) will have the opportunity to question you and your witnesses about their testimony after each one testifies.

g) Ford will then present, uninterrupted, testimony and documents supporting its defense.

h) You or your attorney will have the opportunity to question Ford's witnesses about their testimony after each one testifies.

i) The Arbitrator may question any witness at any time during the hearing.

j) After all testimony, the Arbitrator will decide whether he/she will inspect and/or test-drive the vehicle, if the vehicle is capable of being safely operated. After the inspection and/or test-drive is conducted, and all persons have returned to the hearing room, the parties will have the opportunity to offer additional testimony about it on the record.

k) Each party shall then have an opportunity to make a brief closing statement.

The Arbitrator has the discretion to vary this procedure but shall give a full and equal opportunity to all parties for the presentation of any material and relevant evidence.

**15. Post-hearing Filing of Documents or Other Evidence.** If the Arbitrator directs that documents or other evidence be submitted to the Arbitrator after the arbitration hearing, they shall be filed with CAP-Motors. CAP-Motors will send the documents to the Arbitrator. The Arbitrator shall set a deadline for the documents to be submitted.

**16. Closing of Arbitration Hearing.** The Arbitrator shall specifically ask all parties whether they have any additional evidence to offer or witnesses to be heard. Upon receiving negative replies or, if satisfied that the record is complete, the Arbitrator shall declare the arbitration hearing closed.

**17. Scope of Decision.** The Arbitrator will render a fair decision based upon the information gathered by the Program, the information provided by the parties,

and the Rules of Arbitration set forth above. The decision is based solely upon the case file, documents, and testimony presented during the hearing, and the test-drive and vehicle inspection, if any. The decision of the Arbitrator is final and binding upon both parties, unless you appeal. (See “Post Decision Proceedings” below). Requests for rehearing are not considered by the Arbitrator, or CAP-Motors, except for technical corrections. (See “Technical Corrections” below.)

18. **Time and Form of Decision.** The decision will be made promptly by the Arbitrator, but no less than ten (10) days from the date of closing the arbitration hearing. The decision will be in writing, will include a brief statement of the reasons for the decision, and will be signed by the Arbitrator. If a repurchase is awarded, the Arbitrator shall state the amount of the repurchase award. Subject to the considerations identified in Section II.B. above, CAP-Motors will make its best efforts to ensure that decisions are made within forty (40) days of your application to the program, unless the Arbitrator defers the decision for more information, which shall not exceed thirty (30) additional days.
19. **Delivery of Decision to Parties.** The parties will be mailed a copy of the Arbitrator’s decision via first class mail to the party or its attorney’s last known address. Parties are entitled to receive copies of all the Program’s records related to the dispute, at a reasonable cost.
20. **Post-Decision Proceedings, Appeal, and Compliance.** The decision of the Arbitrator is binding on Ford once you accept it. If you reject the decision, you may appeal, but you must pay the fee for the appeal. If you prevail on the appeal, Ford will reimburse the fee. The appeal will be determined by a neutral third party assigned by JAMS.

You can accept the Arbitrator’s award by signing the appropriate form and submitting it to the Arbitrator. You will be deemed to have accepted the order unless you file an appeal, and pay the required fee, within thirty (30) days of your receipt of the Arbitrator’s decision. If you do not file an appeal, Ford must comply with the decision within thirty (30) days of the date it receives notice that you have accepted the award. Compliance occurs on the date you receive the relief specified in the decision. Approximately ten (10) days after the thirty (30) days for compliance has passed, CAP-Motors will contact you to determine if the award was completed to your satisfaction.

If Ford fails to carry out a further repair award within the specified time frame, or if you assert that the further repair attempt has not resolved the concern(s), you may contact CAP-Motors to request that the Arbitrator



reconsider the decision. CAP-Motors will investigate the dispute and treat it as a new dispute. However, all phases of the process will be expedited to the extent possible, and if reasonably possible, the same Arbitrator will decide the dispute.

21. **Technical Corrections.** Either party may request that the Arbitrator make a technical correction to the decision by filing a written request with CAP-Motors. CAP-Motors will send a copy of the request to all opposing parties within ten (10) days after receipt of the written decision. Technical corrections shall be limited to arithmetic errors, corrections of a party's name or information regarding the vehicle, and typographical or spelling errors. Technical correction of a decision shall not extend the time for appeal or compliance by Ford.
22. **Special Accommodations.** Persons needing special accommodations to participate in the arbitration hearing should contact CAP-Motors no later than ten (10) days prior to the conference or hearing date. If hearing impaired, contact CAP-Motors via TTY Relay Service at 800-947-3529. An interpreter will be provided by CAP-Motors upon request.
23. **Continuing Review.** The Program is subject to Demars' own internal audit, and review requirements. Class Counsel and Ford shall continue to monitor the Program and shall mutually agree on revisions to the Program and to the Arbitration Procedures, as necessary.

If you have any questions or are uncertain about any part of this Program, please contact CAP-Motors:

CAP-Motors & Associates, Ltd.  
P.O. Box 925  
Haslet, TX 76052-0925(800) 279-5343  
info@demarsassociates.com

You may also contact Lead Class Counsel:

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1875 Century Park East, Suite 1000  
Los Angeles, CA 90067  
(855) 310-9583  
info@fordpowershiftlawsuit.com or Tarek.Zohdy@capstonelawyers.com (if you have an urgent issue)