

# CONSUMER ARBITRATION PROGRAM FOR FORD MOTOR COMPANY POWERSHIFT DPS6 TRANSMISSION

## GUIDE AND 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 the DPS6 or dual clutch “PowerShift” automatic transmissions (“PowerShift Transmission”), 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 the PowerShift Transmission covered by Ford’s New Vehicle Limited Warranty or extensions of that warranty; and (3) reimbursement of out-of-pocket expenses incurred to repair the PowerShift Transmission that should have been paid by Ford pursuant to Ford’s New Vehicle Limited Warranty or extensions of that warranty.

Please read this guide in its entirety to ensure that you fully understand your rights and responsibilities under the Program. If, after reviewing the Program details, you still have questions 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. DeMars & Associates, Ltd.

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

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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).

known 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 and, when needed, scheduling the arbitration hearing and providing you with an impartial, qualified Arbitrator. CAP-Motors itself does not decide cases but provides a forum for hearing and resolving your dispute using an impartial Arbitrator.

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

DeMars, 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**

The arbitration hearing of an eligible Class Member claim will typically take place within thirty (30) days from the date CAP-Motors receives the claim. The 30-day period can be extended in any of the following circumstances:

- 1) The time to schedule the hearing may be extended by ten (10) days if the Class Member has not provided direct notice to Ford of the intent to submit a claim to the Program;
- 2) The time to schedule the hearing may be extended in order to correct deficiencies in a submission if the Class Member fails promptly to provide any of the following information:
  - name,
  - address,
  - vehicle make and model information,
  - vehicle identification number, or
  - a statement summarizing the defect or concern being reported;
- 3) Prior to the arbitration hearing, you may request an Independent Inspection of your class vehicle. CAP-Motors will arrange for an Automotive Service Excellence certified mechanic to inspect your vehicle. The mechanic will file a report which CAP-Motors will send to you and to Ford. The cost of the inspection

will be paid by Ford.

- 4) The time to schedule the hearing may be extended for up to thirty (30) additional 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.

### **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 July 14, 2017, you did not file and serve 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 by September 5, 2017;
3. You have not opted out of the Settlement;
4. You have not previously executed and delivered to Ford any release of claims based on the PowerShift Transmission;
5. At least ten (10) days prior to filing a claim for arbitration in the Program, 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 PowerShift 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 PowerShift 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 failures or malfunctions 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 you still own or lease your vehicle at the time of an Arbitration hearing and the claim is submitted within six (6) years after the delivery of your vehicle to the first retail customer or 180 days after the Approval Date, whichever is later. If you sell your vehicle or return a leased vehicle before the Approval Date and your state’s lemon law permits such a claim, you must submit your claim for Arbitration before the applicable statute of limitations expires and within 180 days after the Approval Date, whichever is earlier. If you sell your vehicle or return a leased vehicle on or after the Approval Date and your state’s lemon law permits such a claim, you must submit your claim for Arbitration before the applicable statute of limitations expires and within 180 days after the date on which you sold or returned the vehicle, whichever is earlier.
  - b. 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, excluding only cash payments awarded by the Settlement Administrator to reimburse you for clutch repairs.
  - c. Any amount awarded by the Arbitrator for a repurchase under this provision shall be reduced by the face value of any Vehicle Discount Certificates awarded to you by the Settlement Administrator and used to

purchase a new Ford Vehicle. Any award by the Arbitrator for a repurchase shall cancel any unused and unexpired Vehicle Discount Certificate issued to you.

d. The amount of any monetary compensation offered by Ford and accepted by you before the arbitration for the purpose of attempting to resolve the dispute shall be deducted from any later award for a repurchase claim ordered by the Arbitrator.

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

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 award a repurchase under the Program if you still own or lease your vehicle, and (i) while you owned or leased your vehicle, it was repaired on four (4) Service Visits within 5 years/60,000 miles of delivery of the vehicle to the first retail customer (whichever occurs first), (ii) on each of those visits an authorized Ford Dealer performed a Transmission Hardware Replacement, and (iii) the PowerShift Transmission still malfunctions.<sup>3</sup> The four (4) Transmission Hardware Replacements do not need to be for the same part. 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. 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, excluding only cash payments made by the Settlement Administrator to reimburse you for clutch repairs.

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<sup>3</sup> A Transmission Hardware Replacement is defined to mean the 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, of any of the following parts: (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-Cl/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.

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

c. Ford will refund the actual amount of all payments you made for your vehicle (excluding the cost of any modifications or additions made after the vehicle's purchase or lease), including finance charges, less a reasonable allowance for use.

If you leased your Class Vehicle, Ford will refund the payments you made to the lending institution or lessor, plus net trade-in and cash down payment (excluding rebates), 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:  $(\text{The mileage on your vehicle's odometer at the time of the third Transmission Hardware Replacement} \div 120,000) \times \text{Purchase Price}$ .

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 later award to you 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.

j. You may submit a claim seeking repurchase under this provision for

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.

3. **Timing.** Under the Program rules, claims submitted to arbitration will ordinarily be resolved within 30-60 days.
4. **Additional Opportunity for Ford to Repair.** If you submit a claim for repurchase or replacement under your state's lemon law and Ford or its authorized dealer(s) made no more than three (3) attempts to repair your PowerShift Transmission, you must first provide Ford with an opportunity to attempt a single, additional repair at no charge to you. If Ford or its authorized dealer(s) made four (4) or more attempts to repair your PowerShift Transmission, you have no obligation to provide Ford with any additional attempts. If you and Ford disagree about the number of attempts made to repair your PowerShift Transmission, your claim may proceed to arbitration, where Ford can assert failure to comply with this provision of the Arbitration Rules as an affirmative defense to your claim. If the Arbitrator rules that Ford or its authorized dealer(s) did not have at least four (4) opportunities to repair your PowerShift Transmission, your claim in arbitration will be dismissed without prejudice. You may re-submit your claim for arbitration once this section's requirements have been met and do not need to submit a Notice of Intent or wait for the 10-day notice period to expire.
5. **Documentation Required.** You must submit proof that you owned your Class 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.
6. **Prior Arbitration.** If, prior to the Effective Date of the Settlement,<sup>4</sup> you were denied an arbitration claim under any other arbitration program, such as the Better Business Bureau ("BBB Auto Line"), you may still submit a claim under this Program.
7. **Second Arbitration.** If your claim for repurchase was denied under this Program (for example, you had fewer than three (3) repair attempts), but you subsequently incur additional repair attempts or Transmission Hardware Replacements (as defined above), you are eligible for a second arbitration at no cost to you and may submit a new claim, subject to the same conditions

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<sup>4</sup> The Effective Date will be posted on the Settlement website at [www.FordTransmissionSettlement.com](http://www.FordTransmissionSettlement.com) when it is available.

and restrictions.

8. Appeal. You may appeal the Arbitrator's decision within thirty (30) days of that decision, but you are responsible for paying 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 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 problems with your PowerShift Transmission 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>5</sup>
2. Reimbursement. If you paid for a repair to your PowerShift Transmission, the Arbitrator may order Ford to reimburse you for any amount that should have been paid by Ford pursuant to Ford's New Vehicle Limited Warranty and/or any extensions of that warranty. The Arbitrator may award reimbursement for 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;

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<sup>5</sup> As of the date these Rules were established, Ford had issued two programs which extended the warranty on certain components of the PowerShift Transmission: Program 14MO1 (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) and Program 14MO2 (which extended the warranty on the Transmission Control Module to 10 years/150,000 miles).



- 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 regarding your PowerShift Transmission, the amount of that compensation shall be deducted from any later award to you ordered by the Arbitrator.
  5. **Time Within Which Claims Must Be Made.** You must make claims for breach of warranty within the statute of limitations for breach of express warranty in the state where you took delivery of your Class Vehicle.
  6. **Attorney Fees.** The Arbitrator may not award attorneys’ fees for pursuing a claim for breach of warranty 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 Arbitration Initiation forms to CAP-Motors. The forms are available from CAP-Motors at [www.consumerarbitrationprogram.com](http://www.consumerarbitrationprogram.com), or by calling CAP-Motors at (800) 279-5343. When it receives your forms, CAP-Motors will assign a case number and set a date for a document review to determine your eligibility. This review is not a hearing on the merits of the case. The document review may be cancelled if CAP-Motors is notified that a settlement agreement has been reached between you and Ford. If your claim is 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 your claim was determined to be ineligible in error, an Arbitrator will consider a written appeal if your application and supporting documents are received within thirty (30) days from the date you receive the letter notifying you that your claim was deemed ineligible.

When you submit your forms you will be asked which of the following you prefer:

1. A documents-only review, with no oral presentations;
2. An online hearing with oral presentations via a WebEx scheduled meeting;

3. A telephone conference hearing with oral presentations; or
4. An in-person hearing with oral presentations.

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

If your claim is deemed eligible, CAP-Motors will provide the parties with the following information:

- a) the name of the assigned Arbitrator;
- b) the hearing date, time, and location;
- c) a notice that if one party fails to appear at the agreed-upon hearing, the other party may still present its evidence;
- d) for any in-person hearing for a claim for repurchase or replacement, a request to the Class Member that the Class Vehicle be brought for inspection by the Arbitrator. The Class Member must also provide proof of current liability and collision insurance. Vehicle inspection is not available in a documents-only review, but you may submit photos and videos. For any WebEx hearing, the Arbitrator may request that you prepare a video or photo presentation to make at the hearing.
- e) the applicable Program forms.

**2. Repurchase/Replacement Pre-Arbitration Hearing Information Form.**

For repurchase claims, both you and Ford are required to complete a Pre-Arbitration Hearing Information Form ("Form") and send it to CAP-Motors at least seven (7) days before the scheduled hearing. The Form, available at [www.consumerarbitrationprogram.com](http://www.consumerarbitrationprogram.com), requests information necessary to resolve the dispute, including:

- a) whether you will be represented by an attorney;
- b) whether you will be using an interpreter;
- c) any change to your written statement regarding your PowerShift Transmission, including additional information;
- d) any change to Ford's written summary of its position, including additional information;
- e) any witnesses you or Ford will call;

- f) any documents you or Ford want the Arbitrator to review that were not included with your Arbitration Initiation Forms;
- g) whether you or Ford wants the Arbitrator to inspect or test-drive your Class Vehicle, if you selected 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 your vehicle; and
- i) completed usage calculation worksheet.

CAP-Motors must receive the signed Forms at least seven (7) days before the hearing. If either Form is not received by the deadline, the hearing will still take place, but the Arbitrator may consider the fact that the Form was not received.

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

3. **Appointment of Arbitrator.** A single Arbitrator will be assigned by CAP-Motors to hear and decide your claim. CAP-Motors will provide the Arbitrator with all relevant documents submitted to CAP-Motors by you and by Ford at least five (5) days before the hearing.
4. **Arbitrator Disclosure and Challenge Procedure.** Any 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 such disclosure is received, CAP-Motors shall communicate the information to you and to Ford, as well as to the Arbitrator if the disclosure is made by another source. If you or Ford objects to the assigned Arbitrator, the objecting party must send a letter stating its objection and the reason for the objection within seven (7) days from the date of receipt of the letter assigning the Arbitrator. If CAP-Motors receives a written objection from you or from Ford about the Arbitrator assigned to your claim, CAP-Motors shall determine whether the Arbitrator should be disqualified and inform you and Ford 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 after consulting with the Arbitrator. When the hearing is in-person, the arbitration will be held at an independent site reasonably convenient to you. If your claim is for repurchase or replacement, you should bring your Class Vehicle to the hearing. You must also bring proof of current liability and collision insurance.
7. **Withdrawal of Your Claim.** You may withdraw your claim up to five (5) days before your scheduled hearing date. If you withdraw your claim, CAP-Motors will close your case file and will notify Ford and the Arbitrator of the withdrawal. Withdrawing your claim shall be the same as if you had never submitted it.
8. **Representation by Attorney.** You may be represented in arbitration by an attorney. Your Pre-Arbitration Hearing Information Form must include your attorney's name, address, and telephone number. Your attorney or any other person representing you for purposes of arbitration must have settlement authority.
9. **Evidence.** You and Ford may provide testimony and documents related to your claim, including 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 consider any objection about relevancy made by the other side and give the evidence the weight the Arbitrator decides is appropriate.

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 still proceed under these circumstances. All documents submitted by you and Ford to CAP-Motors and to each other before the hearing shall be made a part of your case file, excluding any the Arbitrator determines are irrelevant or redundant.

Whenever possible, evidence shall be labeled and placed in your case file. The Arbitrator will include a written summary of any other evidence in the case file. The Arbitrator will send all evidence included in the case file to CAP-Motors after the hearing.

Again, if your claim is for repurchase or replacement, you should bring your Class Vehicle to the in-person hearing with proof of current liability and collision insurance. If you feel your vehicle cannot be operated safely, you will need to advise CAP-Motors before the hearing and explain. You may be requested to trailer the vehicle to the hearing at your own expense. If you prevail at the arbitration, the Arbitrator may award you the cost of trailering your vehicle. The Arbitrator may inspect your vehicle if requested by you or by Ford or if the Arbitrator decides it is necessary.

Additionally, at his or her discretion, the Arbitrator may test-drive the vehicle. You and Ford must be present for an inspection or test-drive at the hearing, unless either of you waives your right to be present. The Arbitrator will include information from the inspection or test drive in the case file. In the event you do not make your vehicle available for inspection at the hearing, and the Arbitrator determines an inspection is necessary, the Arbitrator may delay rendering a decision in the matter for up to thirty (30) days or until such time as you can make the vehicle available for inspection.

10. **Communication with Arbitrator.** Neither you nor Ford shall communicate directly with the Arbitrator other than at the hearing, except as specifically permitted within this guide. Any other communication, either oral or written, from you or Ford to the Arbitrator shall be sent to CAP-Motors at [www.consumerarbitrationprogram.com](http://www.consumerarbitrationprogram.com) or by calling (800) 279-5343. 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 disruptive.
12. **Oral Presentations and Arbitration in the Absence of a Party.** The Program allows for oral presentations by both you and Ford. You each have the right to be present for the other party's oral presentation. If one of you fails to appear at the time set for the hearing, the Arbitrator may still allow the presentation by the other party.

If you or Ford fails to appear at the scheduled time, the Arbitrator, at his or her discretion, may either resolve the claim 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 to avoid any influence by Ford on the decision of the Arbitrator or the performance of the Program Staff.

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

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

If you have selected a documents only review CAP-Motors will send a copy of the case file to you approximately one (1) week before the scheduled hearing.

a.) The Arbitrator will record a description of the exhibits, and the hearing record shall include:

- the executed Oath of the Arbitrator;
- the date, time, and place of the hearing;
- the name of the case;
- the names and addresses of parties, attorneys, and witnesses; and  
written testimony

b.) The Arbitrator will make a statement clarifying the issues involved and describing the condition of your vehicle.

c.) The Arbitrator will summarize your position.

d.) The Arbitrator will summarize Ford's position.

The Arbitrator has the discretion to vary this procedure but shall give a full and equal opportunity to both you and Ford to present any relevant and material evidence.

If you have selected a WebEx, conference call or in person hearing CAP-Motors will send a copy of the case file to you approximately one (1) week before the hearing. Please bring your copy of this case file to the hearing. The Arbitrator will record a description of the exhibits.

a.) the arbitration hearing will be opened by:

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

b) The Arbitrator may, at the beginning of the hearing, ask for statements from you and from Ford clarifying the issues involved and describing the condition of your 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 time for oral presentations at his/her discretion.

e) You or your attorney will present 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 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, if your claim is for repurchase or replacement and your vehicle can be operated safely, the Arbitrator will decide whether he/she will inspect and/or test-drive the vehicle. After the inspection and/or test-drive is completed and all persons have returned to the hearing room, both you and Ford will have the opportunity to offer additional testimony about the inspection and/or test-drive on the record.

k) You and Ford shall then each 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 to present any relevant and material evidence.

15. **Post-hearing Filing of Documents or Other Evidence.** If the Arbitrator directs that documents or other evidence be submitted after the hearing, they shall be submitted to CAP-Motors at [www.consumerarbitrationprogram.com](http://www.consumerarbitrationprogram.com) on or before the deadline set by the Arbitrator. CAP-Motors will send the documents to the Arbitrator.
16. **Closing of Arbitration Hearing.** Before closing the hearing, the Arbitrator shall ask all parties if they have any additional evidence to offer or witnesses to be heard. If neither you nor Ford has any, the Arbitrator shall declare the hearing closed if satisfied that the record is complete.
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 you and Ford, except that if your claim is for a repurchase or replacement, you may appeal the decision. (See “Post Decision Proceedings” below). Requests for rehearing will not be considered, except to correct technical errors. (See “Technical Corrections” below.)
18. **Time and Form of Decision.** The decision will be made by the Arbitrator no later than ten (10) days from the date of closing the 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. Decisions are to be made within forty (40) days of your application to the program, unless the time to schedule the hearing was delayed, pursuant to Section II.B., or the Arbitrator defers the decision for more information, which delay shall not exceed thirty (30) additional days.
19. **Delivery of Decision to Parties.** CAP-Motors will send both you and Ford a copy of the Arbitrator’s decision via first class mail. Your copy will be sent either to your last known address or to your attorney's last known address. Both you and Ford are entitled to copies of all the Program's claim-related records, at a reasonable cost.
20. **Post-Decision Proceedings, Appeal, and Compliance.** The Arbitrator’s decision regarding a claim for repurchase or replacement 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. The Arbitrator's decision regarding a claim for breach of warranty is final and binding on both you and Ford with no right to appeal.

You can accept the Arbitrator's award by signing the appropriate form and submitting it to CAP-Motors at [www.consumerarbitrationprogram.com](http://www.consumerarbitrationprogram.com). If your claim was for breach of warranty and you fail to submit the acceptance form, you will be deemed to have accepted the award thirty (30) days after your receipt of the Arbitrator's decision. If your claim was for repurchase or replacement, you fail to submit the acceptance form, and you fail to file an appeal from the decision within thirty (30) days, you will be deemed to have accepted the award thirty (30) days from your receipt of the Arbitrator's decision. 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 from Ford the relief specified in the decision. Approximately ten (10) days after the deadline for compliance has passed, CAP-Motors will contact you to determine if Ford completed the award to your satisfaction.

If the Arbitrator requires or awards a repair to your PowerShift Transmission, you may contact CAP-Motors at [www.consumerarbitrationprogram.com](http://www.consumerarbitrationprogram.com) or by calling (800) 279-5343 to request that the Arbitrator reconsider the decision if 1) Ford fails to make the repair within the specified time frame, or 2) you assert that the repair has not resolved the problems with your PowerShift Transmission. CAP-Motors will investigate the dispute and treat it as a new claim. However, all phases of the process will be expedited to the extent possible, and, if reasonably possible, the same Arbitrator will decide the dispute. If your claim is for breach of warranty, the Arbitrator awards you a repair to your PowerShift Transmission, and you assert that the repair has not resolved the problems with your PowerShift Transmission, you may submit a new claim if Ford or its authorized dealer refuses to make additional repairs.

21. **Technical Corrections.** Either you or Ford may request that the Arbitrator make a technical correction to the decision by submitting a written request to CAP-Motors at [www.consumerarbitrationprogram.com](http://www.consumerarbitrationprogram.com) within ten (10) days of receipt of the decision. CAP-Motors will send a copy of the request to all opposing parties within ten (10) days of receiving the request. 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 before the hearing date. If you are 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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