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NELSON MULLINS RILEY &

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

[Assigned to Judge David O. Carter]

DEFENDANT MAZDA MOTOR OF AMERICA, INC. DBA MAZDA NORTH AMERICAN **OPERATIONS' NOTICE OF COMPLIANCE PURSUANT TO** THE COURT'S JUNE 5, 2025 ORDER GRANTING PLAINTIFFS' MOTION TO ENFORCE SETTLEMENT **AGREEMENT**

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Defendant Mazda Motor of America, Inc. d/b/a Mazda North American Operations ("MNAO") respectfully submits this Compliance Report in accordance with the Court's June 5, 2025 Order Granting Plaintiffs' Motion to Enforce Settlement Agreement (Dkt. 186) ("Order").

I. **BACKGROUND**

On June 5, 2025, this Court granted Plaintiffs' Motion to Enforce Settlement Agreement and ordered MNAO to: (1) extend the Mazda Powertrain Limited Warranty for all Class Vehicles as set forth in the Settlement Agreement; (2) reimburse all Class Members who have paid for repairs covered by the Warranty Extension created under the Settlement Agreement; and (3) report to the Court its compliance with the foregoing within twenty-one days.

MNAO, having exercised its appellate rights, filed a Notice of Appeal to the Ninth Circuit Court of Appeals on June 25, 2025 (Dkt. 187), challenging the Court's interpretation of the Settlement Agreement. On June 30, 2025, MNAO filed a Motion to Stay Enforcement of the Court's Order Granting Plaintiffs' Motion to Enforce Settlement Agreement (Dkt. 188). On July 1, 2025, Plaintiffs filed an Opposition to MNAO's Motion to Stay. In the interim, counsel for the parties have conferred in good faith and resolved their dispute over the Court's interpretation of the terms of the classwide settlement. As a result, on July 21, 2025, MNAO filed a Notice of Withdrawal of Motion to Stay (Dkt. No. 192) as well as a Motion to Voluntarily Dismiss Appeal in the Ninth Circuit Court of Appeals (Case No. 25-4012).

In light of the voluntary dismissal of its appeal (9th Cir. Dkt. No. 6.1) and withdrawal of its Motion to Stay (Dkt. No. 192) filed with this Court, MNAO hereby provides this compliance report as previously ordered, outlining the below additional measures to be taken in regards to the Settlement Agreement.

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II. MNAO'S COMPLIANCE WITH THE COURT'S ORDER

a. Extended Warranty Coverage Implementation

In accordance with the Court's Order and Section II(B)(2) of the Settlement Agreement, MNAO will formally extend the Powertrain Limited Warranty to cover all qualifying repairs, not limited to engine or oil-consumption-related repairs. This includes coverage for all powertrain components in the Warranty Booklet under the Powertrain Limited Warranty Parts List (*i.e.* without restriction to engine issues, oil consumption or valve stem seal issues).

i. Dealer Network Notification

In addition to expanding the powertrain limited warranty coverage, MNAO will issue updated instructions to all authorized Mazda dealerships nationwide regarding the expanded interpretation of the Powertrain Limited Warranty Extension. The notification will specifically instruct dealers to honor warranty coverage for all powertrain components listed in the Mazda Warranty Booklet, extended to 84 months or 84,000 miles (whichever comes first) for all Settlement Class Vehicles.¹

¹ At the August 5, 2024 Fairness Hearing, the Court instructed Plaintiffs and MNAO to confer regarding whether the Settlement could provide additional relief to potential Class Members with Class Vehicles that exceed the Powertrain Warranty Extension cap of 84,000 miles. (Transcript of 8.5.24 Hearing Vol. 2, pg. 50-52, attached as Ex. A to Dkt No. 157.) The Parties subsequently negotiated and executed an addendum to the Settlement Agreement addressing this concern by extending the extended warranty period for an additional one (1) year or 12,000 miles to a total of 96 months (8yrs) or 96,000 miles for Class Members at or near the prior cap. As a result, the Parties agreed, and the Court approved, that those Class Members shall be extended an additional (1) year and 12,000 miles to a total of 96 months (8 years) or 96,000 miles, whichever occurs first, to bring their Class Vehicles to an authorized Mazda dealership to have the affected Valve Stem Seals replaced free of charge in accordance with the Program set forth in Section II.A.2 of the Settlement Agreement. (See Dkt. Nos. 157, 166, 167.) Persons with Class Vehicles impacted by this additional extension of the warranty will be able to (1) have their valve stem seals repaired free of charge in accordance with the Repair Program set forth in Section II.A.2 of the Settlement Agreement and (2) be eligible to submit reimbursement for qualifying out of pocket costs (e.g. oil changes) in the one (1) year following Final Approval. (See Dkt No. 157, Ex. B.)

ii. Customer Experience Center Instruction

MNAO will instruct its Customer Experience Center ("CEC") representatives to direct Class Member inquiries regarding the extended coverage to the court-appointed settlement administrator (JND Legal Administration) and confirm eligibility of previously disputed covered repair categories, when applicable, under the Powertrain Limited Warranty without restriction to engine issues, oil consumption or valve stem seal issues.

iii. Class Member Reimbursement Program

MNAO will provide reimbursement for any Class Member who was denied coverage and paid out-of-pocket for a qualifying Powertrain Limited Warranty repair during the applicable period falling under the extended warranty in connection with the classwide settlement. This includes coverage for the transmission repair claim identified by Plaintiffs in their Motion to Enforce Settlement.

MNAO will coordinate with the settlement administrator to implement a streamlined reimbursement process for Class Members who previously paid for qualifying repairs that are now covered under the expanded Powertrain Limited Warranty.

iv. Settlement Website Update

JND Legal Administration will be instructed to update the public settlement website (www.MazdaValveStemSealSettlement.com) to reflect the expanded powertrain limited warranty coverage and continue to provide information on how Class Members can confirm eligibility and submit reimbursement claims.

III. NEXT STEPS AND CONTINUING OVERSIGHT

MNAO has taken substantial steps to comply with the Court's June 5, 2025 Order, implementing the expanded warranty interpretation and establishing comprehensive reimbursement procedures. MNAO has acted in good faith to fulfill its obligations under the Court's Order.

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MNAO remains committed to continuing to provide for its customers and all Class Members. To that end, MNAO will continue monitoring Class Member inquiries and claims volume through its internal warranty team and weekly/periodic reports from JND Legal Administration, who has been submitting weekly/periodic reports to the parties in connection with the settlement.

MNAO will submit an updated or otherwise further compliance status report to this Court within a timeline set by the Court, or without prompting by the Court if there are any material implementation issues.

MNAO appreciates the Court's guidance and affirms its commitment to fully and transparently implementing the terms of the class settlement as interpreted by the Court in its June 5, 2025 Order.

Dated: July 21, 2025 Respectfully submitted,

> NELSON MULLINS RILEY & SCARBOROUGH LLP

By: /s/ Jahmy S. Graham Jahmy S. Graham Michael E. Seager

Attorneys for Defendant MAZDA MOTOR OF AMERICA, INC. d/b/a MAZDA NORTH AMERICAN **OPERATIONS**

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CERTIFICATE OF SERVICE

I hereby certify that on July 21, 2025, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system and I served a copy of the foregoing pleading on all counsel for all Parties, via the CM/ECF system and/or mailing same by United States Mail, properly addressed, and first class postage prepaid, to all counsel of record in this matter.

> /s/ Jahmy S. Graham By: Jahmy S. Graham