

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

IN RE VOLKSWAGEN TIMING CHAIN  
PRODUCT LIABILITY LITIGATION

**Consent Order and Amendment of  
Preliminary Approval Order**

Civil Action No. 16-2765 (JLL)(JAD)

Lead Class Counsel for Plaintiffs and Counsel for Defendants hereby submit this proposed Consent Order and Amendment to Preliminary Approval Order of the Settlement,<sup>1</sup> which provides expanded relief pertaining to the Warranty Extension portion of the Settlement of the Parties.

1. Pursuant to the Settlement preliminarily approved by this Court on June 14, 2018 (Dkt. No. 83), effective on the Notice Date (August 27, 2018), Volkswagen Group of America, Inc. (“VWGoA”) extended its original New Vehicle Limited Warranties applicable to the Settlement Class Vehicles to cover repair or replacement of a failed Settlement Class Vehicle Timing Chain and/or Timing Chain Tensioner, by an authorized VW or Audi dealer, during a period of ten (10) years or one hundred thousand (100,000) miles (whichever occurs first) from the In-Service Date of the Settlement Class Vehicle, provided that the Settlement Class member submits, to the dealer, Proof of Adherence to the Vehicle’s Maintenance Schedule. The Warranty Extension includes the Timing Chain and Timing Chain Tensioner and all parts and labor necessary to effectuate that repair. *See* Settlement Agreement, Dkt. No. 80 (Exh. A), Section II.A.

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<sup>1</sup> The defined terms of the Parties’ preliminarily approved Settlement Agreement are applicable to the extent used here.

2. As an added benefit to Settlement Class Members, and subject to sliding scale percentages (below) based upon the time from In-Service Date and mileage of the particular vehicle, VWGoA has agreed to expand the scope of the Warranty Extension to also cover a percentage of the cost of repair or replacement (parts and labor), by an authorized VW or Audi dealer, of a damaged or failed engine of a Settlement Class Vehicle that is determined to have been directly caused by the failure of the vehicle's Timing Chain and/or Timing Chain Tensioner, within the same above 10-year or 100,000 mile (whichever occurs first) Extended Warranty period from the In-Service Date of the vehicle, and subject to the following time/mileage percentage limits:

Time from in-service date	Less than 60,000	60,001 to 75,000	75,001 to 85,000	85,001 to 100,000
5 years or less	100% Covered	70% Covered	60% Covered	45% Covered
5-7 years	70% Covered	60% Covered	50% Covered	35% Covered
7-10 years	60% Covered	50% Covered	40% Covered	25% Covered

3. The Parties agree, and the Court directs, that all other terms, conditions and limitations of the Warranty Extension, as set forth in the Settlement Agreement, Section II.A., remain the same and apply in all respects to the added relief described above. This includes, but is not limited to, the requirements that (a) the repair must be performed by an authorized VW dealer (for VW Settlement Class Vehicles) or Audi dealer (for Audi Settlement Class Vehicles), (b) the Settlement Class member submits, to the dealer, Proof of Adherence to the Vehicle's Maintenance Schedule, and (c) if the Timing Chain and/or Timing Chain Tensioner failure occurs more than thirty (30) days after the Notice Date and within 10 years or 100,000 miles (whichever occurs first) from the In-Service Date of the Settlement Class Vehicle, the Settlement

Class Member must take the vehicle to an authorized VW or Audi dealer for repair/replacement, pursuant to the terms of the Extended Warranty, regardless of whether the repair or replacement is to the Timing Chain, Timing Chain Tensioner and/or a damaged or failed engine determined to be directly caused by a failed Timing Chain and/or Timing Chain Tensioner. There is and shall be no reimbursement under the Settlement Agreement (Sections II.B. and/or II.C.) for any out-of-pocket costs or expenses of any repair(s)/replacement(s) performed more than thirty (30) days after the Notice Date by persons or entities other than an authorized VW or Audi dealer, with respect to the Timing Chain, Timing Chain Tensioner and/or a damaged or failed engine directly caused by a failed Timing Chain and/or Timing Chain Tensioner.

4. The Court hereby accepts this agreed-upon modification of the scope of the Settlement's Extended Warranty. The Court shares the view that this modification increases the overall benefits afforded to the Settlement Class Members.

5. Since this modification constitutes an enhancement of the existing Extended Warranty benefits, and does not materially change the other terms of the Settlement, or have a materially adverse effect on the rights of Settlement Class Members, the Court will not require an additional or supplemental mailed Notice to the Settlement Class.<sup>2</sup>

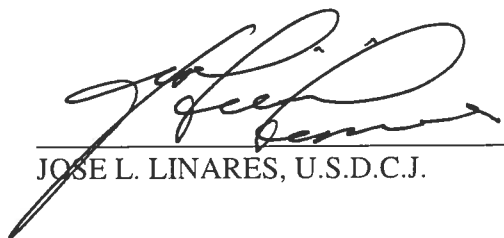
6. The Court hereby directs that the Settlement Class be notified of this enhanced benefit by a posting on the Settlement website, [www.TimingChainLitigation.com](http://www.TimingChainLitigation.com), and deems

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<sup>2</sup> See *In re Diet Drugs (Phentermine/Fenfluramine/Dexfenfluramine) Prod. Liab. Litig.*, 2017 WL 937735, at \*5 (E.D. Pa. Mar. 9, 2017) (“Notice of [an amendment] is only required where the amendment to the settlement agreement would have a material adverse effect on the rights of class members.”) (citing *In re: The Prudential Ins. Co. of America Sales Practices Litig.*, 962 F. Supp. 450, 473 n.10 (D.N.J. 1997)); *In re Nat'l Football League Players' Concussion Injury Litig.*, 307 F.R.D. 351, 386 (E.D.Pa. 2015) (additional notice to class unnecessary where amendments to settlement “improved the deal for Class Members without providing any concessions to the [defendant]”).

this posting to constitute sufficient notice for all purposes. The Claims Administrator shall also be duly notified of this modification so that it may timely and properly address any Settlement Class Member inquiries.

7. In addition, in connection with Section IV.B.8 of the Settlement Agreement, Defendants shall advise each of their VW and Audi Dealers of this modification so that authorized dealers may effectively communicate its substance to Settlement Class Members. Defendants will advise Class Counsel that VW and Audi dealers were provided such notification.



JOSE L. LINARES, U.S.D.C.J.