PE04-078
FORD
1/28/2005
BOOK 4 OF 12
ATTACHMENT F
PART 4 OF 6

9001 Airport Fwy., Ste 500 * N Richland Hills, TX 76180 * *

August 25, 2004

Ford Motor
Attn: Legal Dept
P.O. Box 6248 MD-3NE-B
Deerborn, Mi 48126

OUR INSURED : [redacted]
OUR CLAIM NUMBER : [redacted]
YOUR INSURED : Ford Motor
YOUR INSURED'S ADDRESS: P.O. Bix 6248 MD-3NE-B
Deerborn, Mi 48126

YOUR CLAIM NUMBER : Unknown
DATE OF ACCIDENT : 02-02-2004
COMPANY LOSS : $10,640.00
LESS (SALVAGE) : $1547.00
DEDUCTIBLE : $500.00
TOTAL AMOUNT DUE : $9,593.00

Here are the supporting papers and a request for payment of our subrogation claim. We consider the total amount due listed above to be payment in full, but will promptly notify you if we incur any additional costs. No attorney is representing our subrogation interests at this time. Please forward your check to :

We appreciate your prompt attention to this matter.

NATIONWIDE PROPERTY & CASUALTY INSURANCE COMPANY
Laurie Lee
Claims Department
1-(800)336-0922 Ext. 3026

REMITTANCE: 576641
DATE: 05/20/2004

INSURANCE AUTO AUCTIONS

Insurance Auto Auctions, Inc.
Attn: Settlement Group
850 East Algonquin Rd Suite 100
Schaumburg, IL 60173
Phone: (847) 839-3939
Fax: (847) 839-3978
E-mail: SettlementGroup@IAAI.com

Remittance Payable To:
Nationwide Insurance (EDI) - Dallas/Ft. Wort
4226 E. Main St
Grand Prairie, TX 75050
Attn: Damon Johnson

Salvage Information

IAA Stock #:	000-00502841
IAA Branch:	Dallas/Ft. Worth
Fed. Tax I.D.	864468113
Adjuster:	Damon Johnson
Insured:	[redacted]
Owner:	
Claim #:	
Policy #:	
Vehicle:	2000 FORD LGT CONVTNL 'F'
Damage:	Interior Burn/Engine Burn
VIN:	2FTRF17W6Y[redacted]
ACV:	$9,700.00
NICB Date:	5/19/2004

Buyer Information

A B C Late Model Truck
4007 E Jefferson St
Grand Prairie, TX 75051-2430
Resale Certificate # : 17527232329 (TX)

Account of Sale			% ACV
Sales		$1,700.00	17.53
IAA Charges			
Cycle Time Price	$75.00		0.77
Tow Charge	$55.00		0.57
Re-Run Fee	$0.00		0.00
Storage Fee	$0.00		0.00
IAA - Title Processing Fee	$5.00		0.05
State/Local Transfer Fee	$8.00		0.08
Bundled Enhancement Fee	$0.00		0.00
Less IAA Charges		($153.00)	1.58
Net IAA Return		$1,547.00	15.96
Payment Amount		**$1,547.00**	15.96%

Elapsed Days Analysis

Date of Event:	Date	Days
Loss	2/2/2004	–
Assigned	2/4/2004	3
Released	2/4/2004	1
Pickup	2/5/2004	2
Title Rec'd	4/22/2004	78
Sale Doc. Rec'd	5/13/2004	22
Auction Date	5/18/2004	5
Buyer Payment	N/A	0
Remittance	5/20/2004	3
Elapsed Total Days:		109

ASSIGNMENT

This assignment was received on 2/27/04. Instructions were to conduct a vehicle fire origin and cause investigation. The investigation began on 3/1/04.

ENCLOSURE

1. 34 vehicle photographs with explanation sheet

INSURED VEHICLE

The insured vehicle is a 2000 Ford F150 regular cab pickup with a short bed. This vehicle is identified as a 7700 series vehicle. The vehicle is identified by VIN 2FTRF17W8YC[redacted] The vehicle displays a Texas license plate [redacted] with a validation sticker expiring 9/04. The vehicle displays a Texas MVI sticker expiring 1/05.

The vehicle is powered by a V8 EFI engine with an automatic transmission. This is a 2-wheel drive vehicle.

The vehicle is equipped with power steering, power brakes, power windows, power door locks, power mirrors, tilt steering, cruise control, air conditioning, AM/FM/CD/radio with equalizer, rear sliding window, receiver hitch and stock alloy wheels with tires that are in good condition.

VEHICLE EXAMINATION

This vehicle was photographed and examined at IAA in Grand Prairie, TX. No other parties were present at the scene. It is apparent that part of the radio equipment has been removed from the vehicle. The radio is actually hanging from the dash by the wires. There is wiring that ran to the area behind the seat. It appears that some type of amplifier or similar equipment has been removed from the vehicle. There are no other apparent alterations.

External fire damage to the vehicle is present on the driver's side. There is some fire damage to the fender on the driver's side. Observations indicate that the fire emitted out the area above the front tire on the driver's side and caused some damage to the fender.

There is moderate damage to the hood. A large portion of the driver's half of the hood is consumed. The hood is burned away from the hood hinge on the driver's side. Approximately six inches of the hood material is present along the driver's half of the hood along the grill and along the fender on the driver's side. The remainder of the hood assembly on the driver's half of the hood is consumed. Damage on the hood indicates that the fire radiated from along the bulkhead on the driver's side of the vehicle.

The remainder of the hood was raised. Damage is heavier on the driver's side of the engine than on the passenger side of the engine. There is heavy damage to electrical components and all items located along the inner fender on the driver's side of the vehicle. The brake fluid reservoir is consumed. The majority of the metallic end of the brake booster assembly is missing. Observations would indicate that it melted and burned during the fire and is not present with the vehicle at this time.

The fuel lines for the vehicle are located at the rear of the engine on the driver's side. The metallic lines are present and not damaged. The nonmetallic line is separated from the metallic line. The nonmetallic portion of the lines are still resting against the side of the engine below the metal part of the lines. Observations would indicate that the fire did not originate from the fuel delivery system components on the driver's side of the engine.

An inspection of the passenger side of the engine indicates that large portions of hoses and other combustible components are still present. There is no fire damage along the passenger side of the engine to indicate that the fire spread from the passenger side of the engine.

Observations of the damage indicate that the fire spread from the area of the brake system components which are mounted on the bulkhead on the driver's side of the vehicle.

I looked at the fuses in the interior fuse block to determine whether or not the speed control module fuse and brake interlock fuse are still intact. I found that fuse #13 is a 20amp fuse and controls the speed control module. That fuse is blown. Fuse #15 also services the speed control module which includes some of the same components as fuse #13. That fuse is still intact.

Observations of the damage to the vehicle indicate that the fire spread from the brake system components located on the bulkhead of the vehicle on the driver's side. Damage is consistent with the fire spreading due to a failure of the switch assembly that controls the speed control module and the brake interlock assembly. No remains of the switch assembly were found at the vehicle and the components of the brake system components that the switch mounts to was not present. It appears that the switch assembly was destroyed during the fire event or was lost at the fire scene when the vehicle was moved after the fire event.

An inspection was made of the vehicle interior. The dash and seating materials are still present. There is heat and smoke damage within the vehicle interior. There is some fire damage underneath the dash along the bulkhead on the driver's side. It is apparent that this damage occurred when the heat radiated through the bulkhead during the ongoing fire.

INVESTIGATION

Information obtained from [redacted] at Nationwide Insurance indicates that the insured told him that the vehicle was parked when the fire occurred. The vehicle had been parked for a couple of hours prior to the fire. He was sleeping in his residence. Neighbors came to his door and woke him and told him that the vehicle was on fire.

Information obtained from [redacted] indicates that the vehicle was purchased by the insured in October 2002. The vehicle burned at the residence of the insured.

I contacted the insured by phone. I learned that a neighbor woke him and told him his vehicle was on fire. When he looked he saw a column of fire coming up through the hood.

I asked if there had been any electrical problems or operational problems with the vehicle. He said there had been none.

DETERMINATION OF ORIGIN AND CAUSE

Based on my examination of the vehicle and available information, it is my opinion that this fire is accidental in nature.

The fire originated in the engine compartment of the vehicle. The fire originated along the bulkhead on the driver's side in the area of the brake system components.

Observations of the damage suggests that the fire occurred when a failure occurred with the control switch for the speed control module and brake interlock system which is mounted on the brake booster assembly.

Although the switch assembly was not found, fuses associated with this component are blown.

Further evaluation by a qualified electrical engineer may produce other evidence to support my opinion as to the fire origin; however, no components of the switch assembly were found at the time of my vehicle inspection and it will be difficult to prove the exact ignition of the fire without any of the switch components. If further evaluation is required by an electrical engineer, proper personnel from Ford Motors should be notified so that they could have representatives present before any further evaluation is made of the vehicle.

COMMENTS

No additional investigation is anticipated. If you have any questions, comments, or additional instructions please contact me. I may be reached at 972/434-3809, 940/458-4533, or via my mobile number at 214/384-9357.

Respectfully submitted,

Mike Keller

Mike Keller, CFI/CFEI, CFII, CVFI
For The Firm

PHOTOGRAPH EXPLANATION SHEET

1 - 4	exterior of the vehicle
5	VIN plate
6	manufacturer's data tag
7	MVI sticker and license validation sticker
8 - 10	overall view of the vehicle interior
11, 12	wiring that ran for some type of radio equipment that had been mounted behind the seat
13, 14	radio equipment that had been pulled from the dash
15	damage to the front driver's fender
16	damage to the front end assembly of the vehicle
17	overall view of the top of the hood
18	view looking down on the hood
19	bottom side of the hood
20 - 22	overall view of the engine compartment
23	passenger side of the engine compartment
24, 25	driver's side of the engine compartment
26	overall view of the fire area around the bulkhead in the engine compartment on the driver's side
27	view of the engine side indicating that the fire did not spread from the fuel connections
28, 29	fuel lines

30 diagram of the fuse block from the owner's manual

31 fuse location guide from the owner's manual

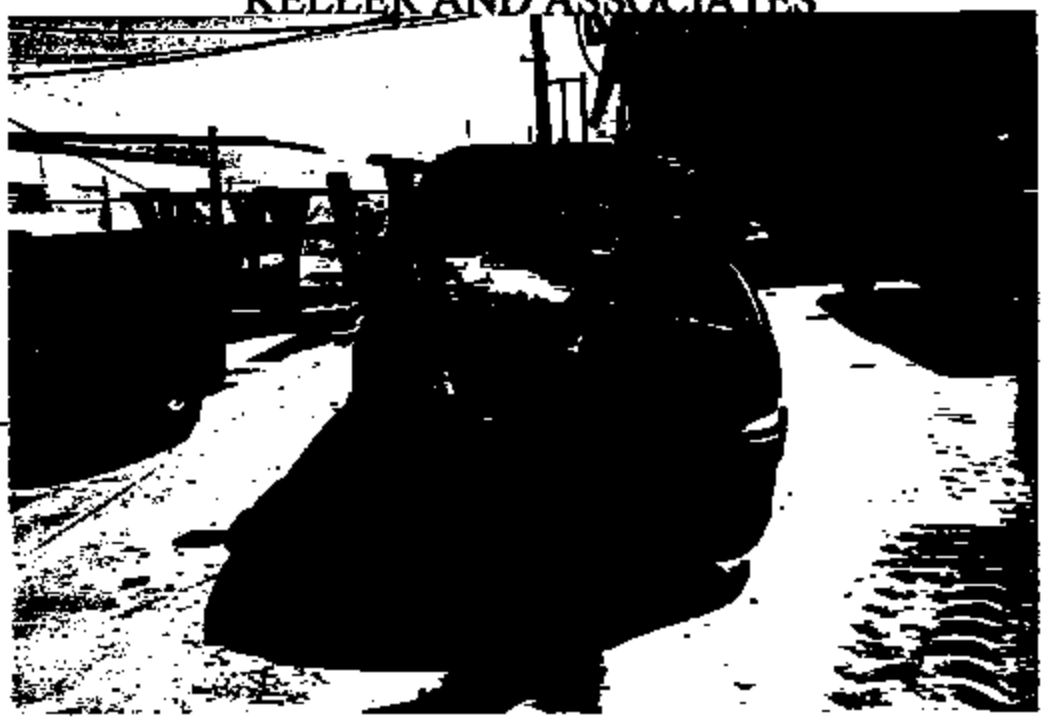
32 fuse block

33 speed control module and shift interlock fuses

34 fuse #13 (20amp fuse) blown

KELLER AND ASSOCIATES

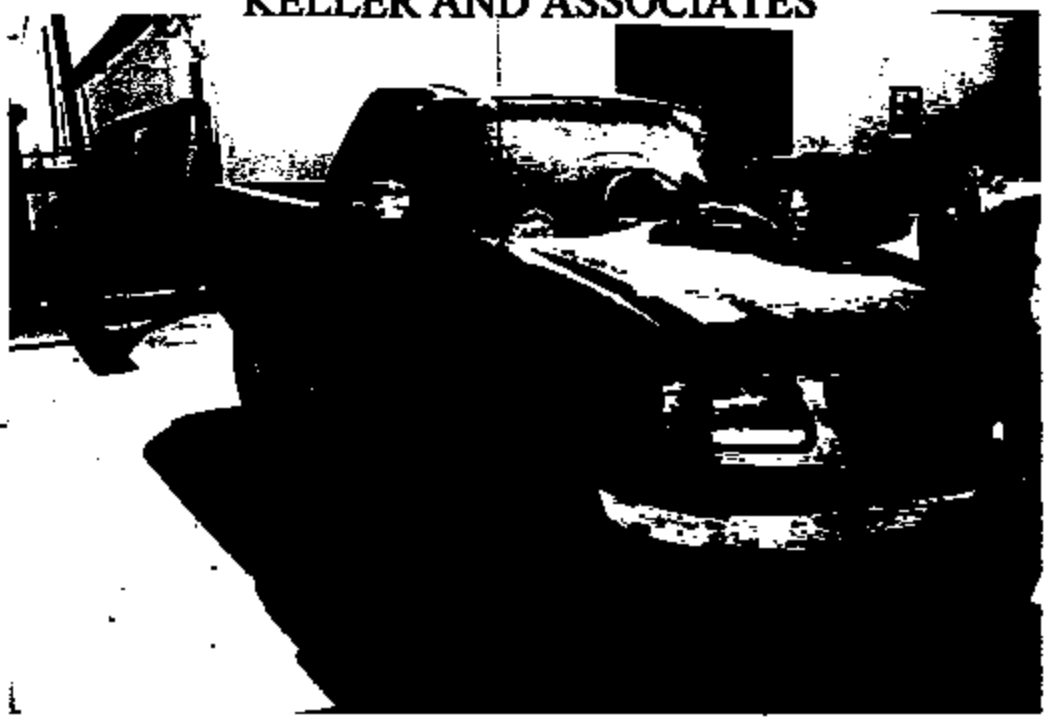
No. 1



No. 2

KELLER AND ASSOCIATES

No. 3



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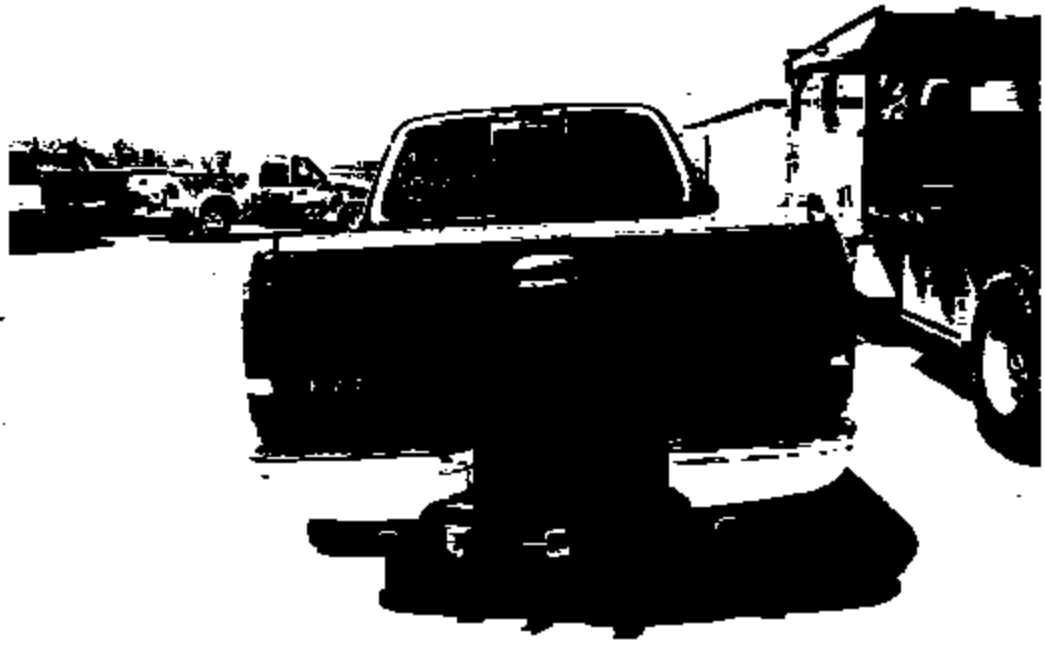

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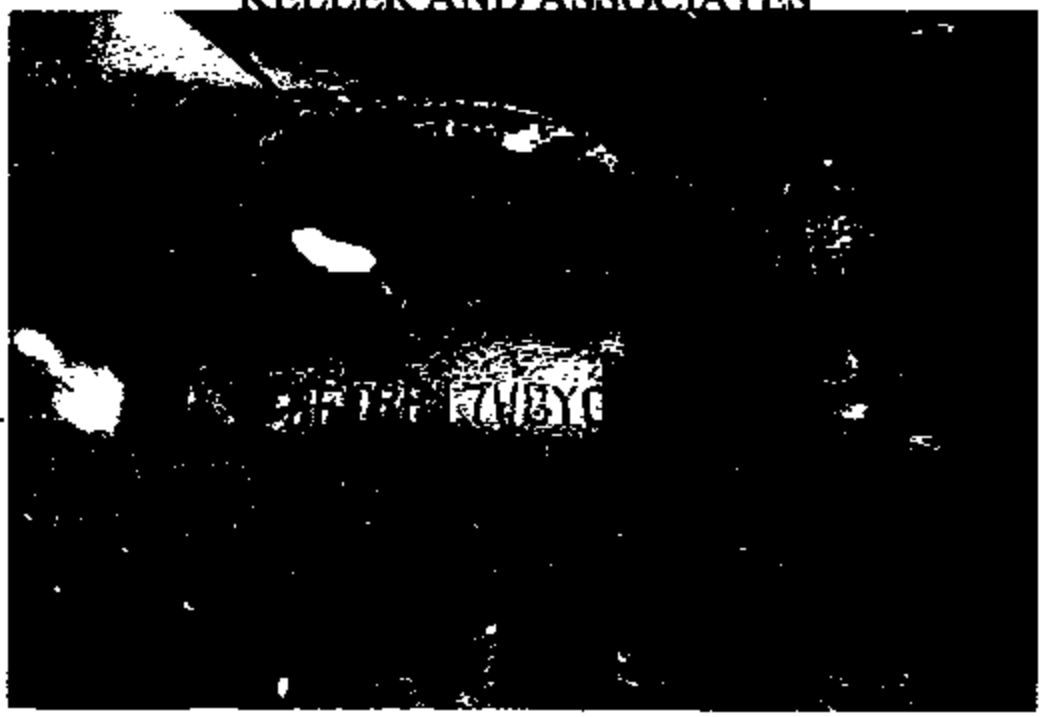

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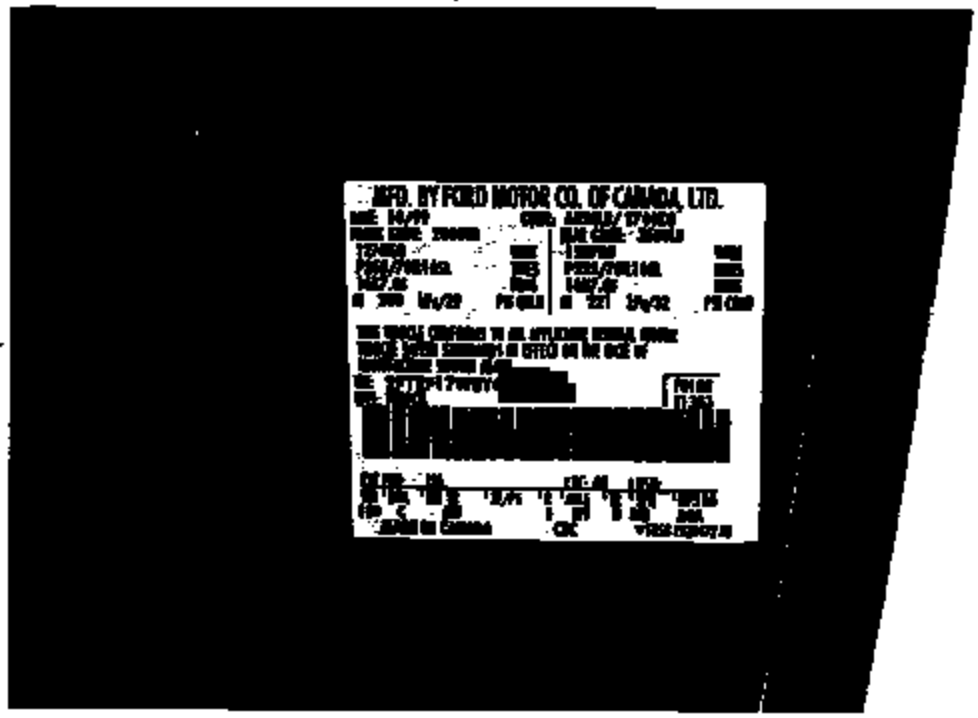
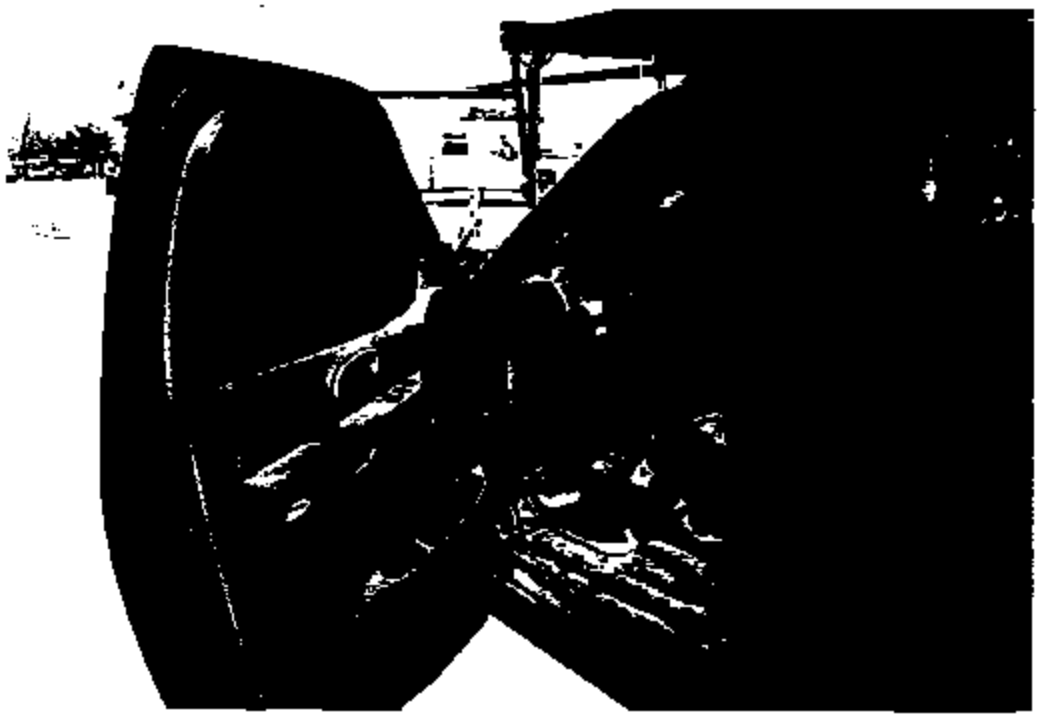


KELLER AND ASSOCIATES

No. 7

No. 8



PE84-878 C 1243

KELLER AND ASSOCIATES

No. 9

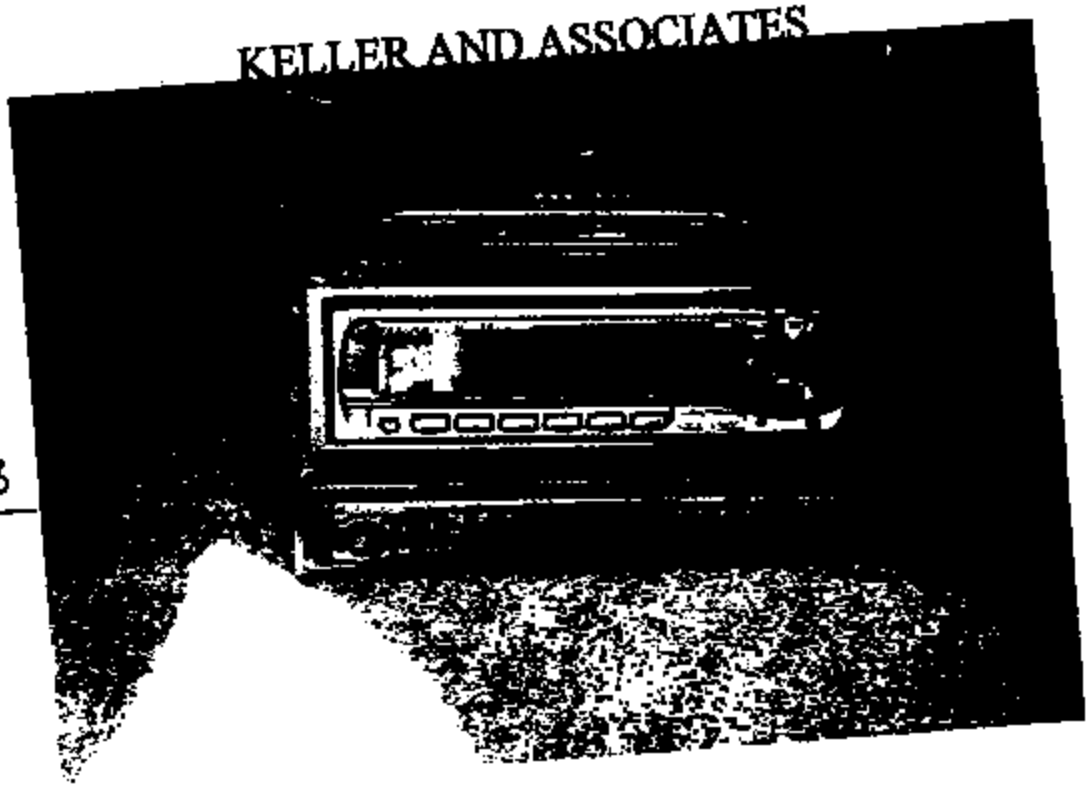
No. 10

KELLER AND ASSOCIATES

No. 11

No. 12

KELLER AND ASSOCIATES



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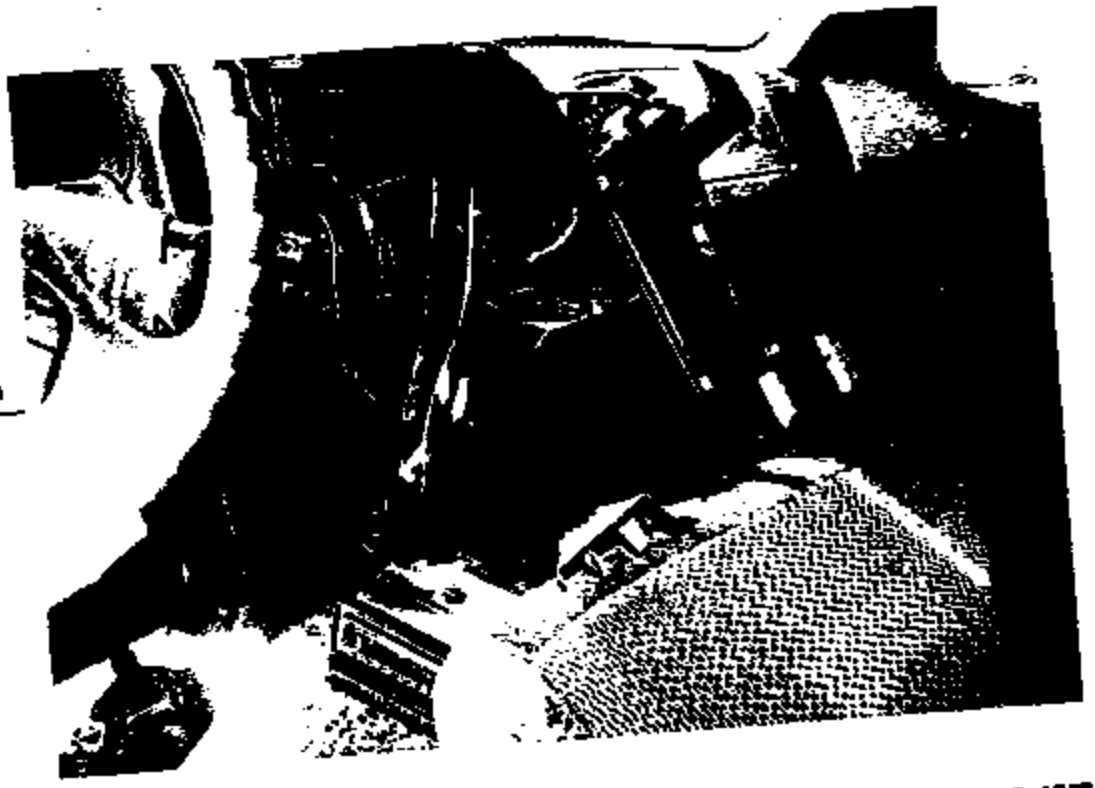


No. 14

KELLER AND ASSOCIATES

No. 15

No. 16

PEB4-878 C 1247

No. 17

No. 18

KELLER AND ASSOCIATES

No. 19

No. 20

PE84-878 C 1248

KELLER AND ASSOCIATES

No. 21

No. 22

KELLER AND ASSOCIATES

No. 23

No. 24

PE04-078 C 1251

KELLER AND ASSOCIATES

No. 25

No. 26

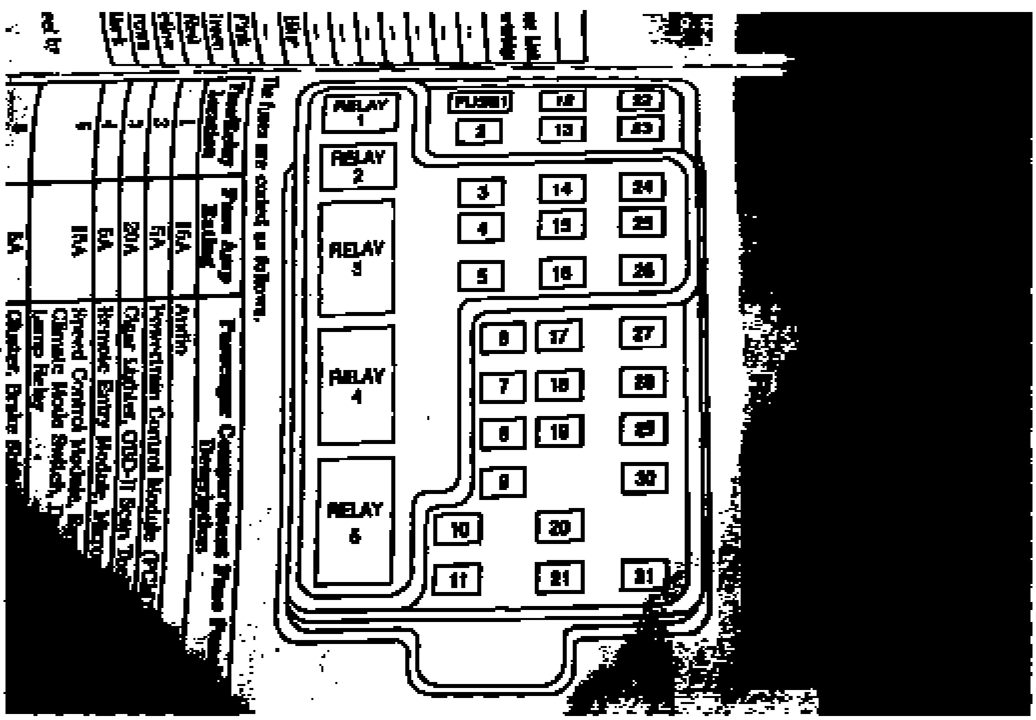
No. 27

No. 28

KELLER AND ASSOCIATES

No. 29

No. 30



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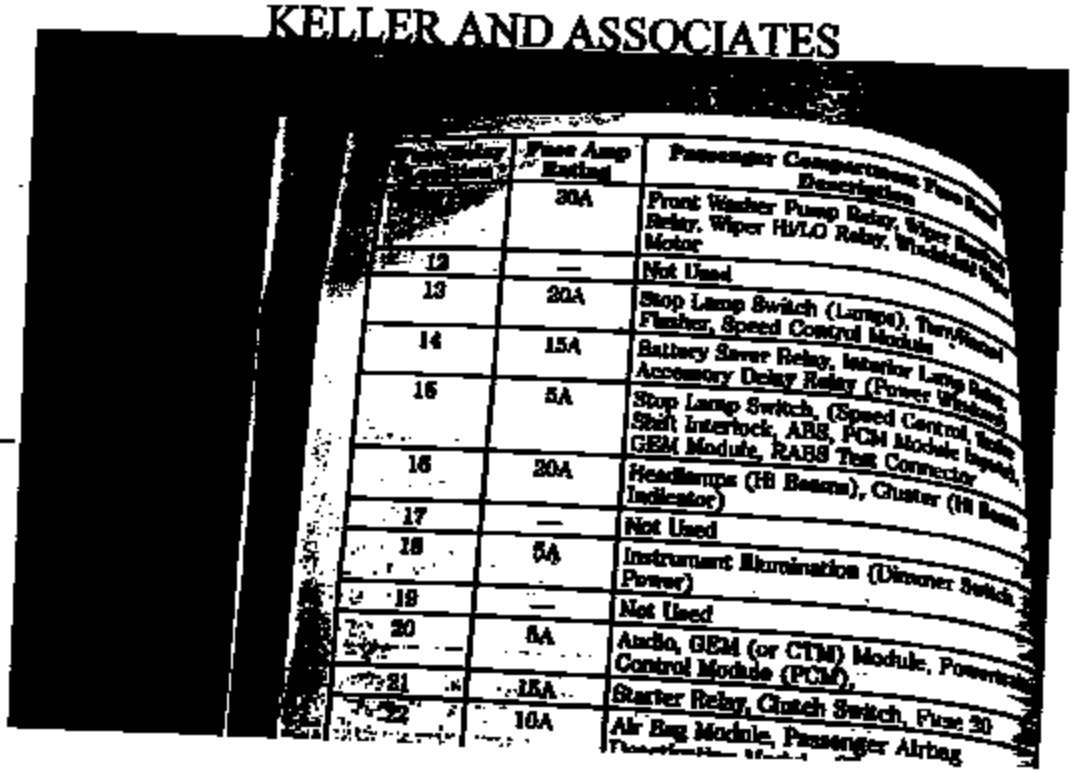
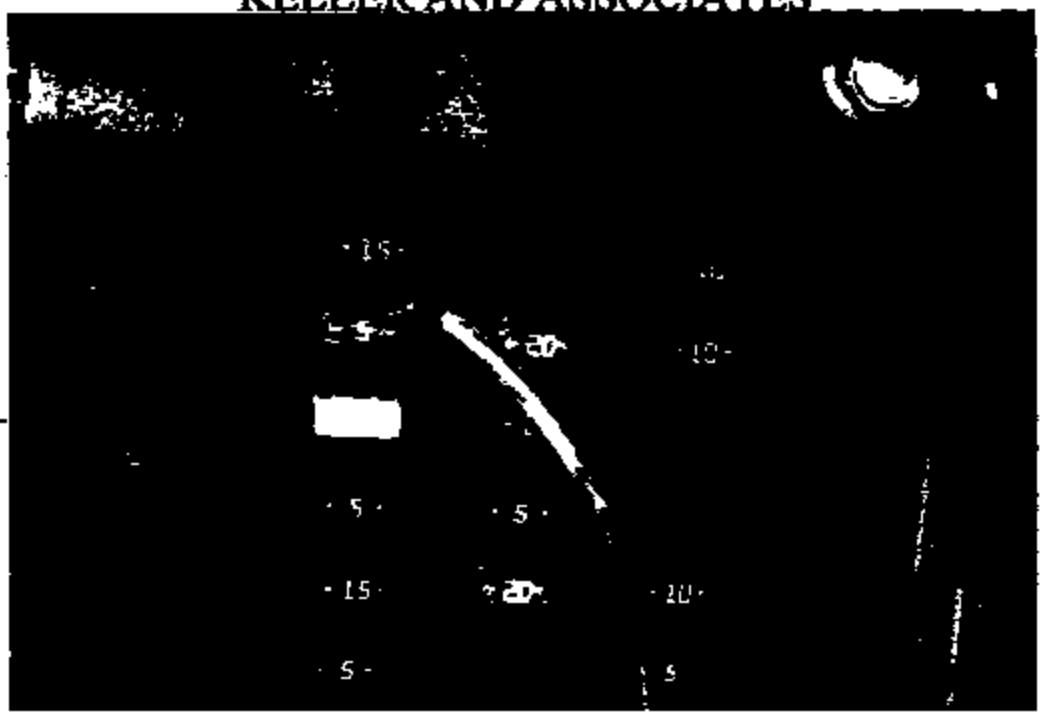


Fuse Amp Rating	Passenger Compartment Fuse Block Description
30A	Front Washer Pump Relay, Wiper Speed Relay, Wiper HI/LO Relay, Windshield Wiper Motor
—	Not Used
20A	Stop Lamp Switch (Lamps), Turn/Hazard Flasher, Speed Control Module
15A	Battery Saver Relay, Interior Lamp Relay, Accessory Delay Relay (Power Windows)
5A	Stop Lamp Switch, (Speed Control, Shift Interlock, ABS, PCM Module Inputs, GEM Module, RABS Test Connector
20A	Headlamps (HI Beams), Cluster (HI Beam Indicator)
—	Not Used
5A	Instrument Illumination (Dimmer Switch, Power)
—	Not Used
5A	Audio, GEM (or CTM) Module, Powertrain Control Module (PCM),
15A	Starter Relay, Clutch Switch, Fuse 20
10A	Air Bag Module, Passenger Airbag

No. 32

KELLER AND ASSOCIATES

No. 33



No. 34

PE84-878 C 1250

FARMERS

National Document Center
P.O. Box 268992
Oklahoma City, OK 73126-8992
claimsdocument@farmersinsurance.com
Fax : 877-217-1389

12/15/2004

Shawn Norton
Ford Motor Co.
P O Box 6248 Md-3ne-B
Dearborn , MI 48126

RECEIVED DEC 23 2004

504344

DEC 22 P2:34

CONSUMER AFFAIRS SECTION

Re: Our Insured: [redacted]
Loss Date: 10/26/2004
Claim Number: [redacted]
Total Amount Owed: $18,892.38

Dear Ms. Norton

We previously advised you of our subrogation rights for the damages listed above. We asked you to furnish us with your liability insurance information or to advise how you plan to satisfy this claim. Enclosed herewith is a copy of our cause and origin report.

If you fail to respond to this letter within ten (10) days, we will forward this file to a our attorney to proceed with litigation.

Please be aware that no partial payment to Mid-Century Insurance Company of Texas that is less than the full amount claimed herein will be considered in any way an acceptance of benefits, a notation or accord and satisfaction of this claim without an express written release of our claim executed by an individual who is a member of our subrogation department. Therefore, our legal rights to enforce collection on the remaining amount of claim shall not be waived or estopped due to a partial payment by you or someone action on your behalf.

Sincerely,
Mid-Century Insurance Company of Texas

Scott Sheff

Scott Sheffield
Special Subrogation Representative
512-238-5739

BOW 3 yrs 11/30/03

- F105
- EXP
- Houston, TX

PE04-878 C 1258

The ProNet Group, Inc.

2470 Gray Falls Drive
Suite [illegible]
Houston, Texas 77077-6398
281.496.2866 (phone)
281.496.9694 (fax)
800.216.7288 (toll free)
pronet1@flash.net (e-Mail)
www.pronetgroup.com

REPORT OF FINDINGS

Claim No: [redacted]
Date of Loss: 10/26/04

VEHICLE FIRE EVALUATION

INSURED: HARDY POLLARD
2000 FORD [illegible]

Prepared for:

FARMERS INSURANCE GROUP
480 NORTH SAM HOUSTON PARKWAY EAST, SUITE 320
HOUSTON, TEXAS 77060

Randy Callison, ASE, CFEI, CVFI
Project Manager

November 9, 2004

ProNet File No. 7660

PE04-878 C 1258

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- PASSENGER COMPARTMENT
- ENGINE COMPARTMENT
- RECALLS
- SUMMARY
- RECOMMENDATIONS

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I. INTRODUCTION

On October 26, 2004, a fire occurred involving a Ford vehicle. On October 29, 2004, The ProNet Group, Inc., was retained by Mr. Russ Rowan of Farmers Insurance Group to inspect the vehicle and determine the origin and cause of the fire.

On November 2, 2004, The ProNet Group inspected the vehicle at Tommy Vaughn Ford, located at 1145 North Shepherd in Houston, Texas. During this visit, the vehicle was inspected and photographs were taken to document our observations. The observations described and pictured in this report are representative of the conditions observed during our visit. This report will not reflect all conditions of the vehicle, but will demonstrate typical conditions observed. All photographs are available for review.

II. BASIS OF REPORT

This report is based on the following:

1. Inspection of the vehicle.

2. Research of the National Highway Traffic Safety Administration (NHTSA) records to identify any preliminary evaluations, engineering analyses, or recalls on 2000 Ford Expedition vehicles.

3. Review of the fire incident report (see Attachment A).

4. Information and observations as noted in this report.

This report is based upon information available to us at this time, and is not necessarily final. Should additional information be presented or discovered, we reserve the right to review and, if necessary, revise this report and our conclusions in light of that information. We also reserve the right to be present and observe any and all inspections or testing by any other concerned parties.

III. CONCLUSION

Based on our findings and observations as noted in this report, it is our opinion the 2000 Ford Expedition vehicle fire originated in the left rear quadrant of the engine compartment. The fire was caused by an electrical short circuit/electrical overheating of the speed control deactivation switch.

V. DISCUSSION

INTERVIEW

Our interview with Mr. Hardy [illegible] of the Ford Expedition, revealed:

1. He went to work and parked. Approximately ten (10) minutes later his vehicle was on fire.

2. Fire was observed coming from the driver's side of the engine compartment.

3. The speed control had stopped working approximately two (2) months prior to the fire.

P504-018 c 1262

VEHICLE DESCRIPTION

The vehicle was identified as a green four-door 2000 Ford Expedition bearing Vehicle Identification No. 1FMRU1767Y[redacted] and Texas license plate No. [redacted]

EXTERIOR INSPECTION

Our inspection of the exterior of the vehicle revealed:

1. All glass had shattered or melted. Some windshield glass remained on the right A-pillar.

2. The roof panel was void of paint.

3. All combustibles on the front face of the vehicle were consumed.

4. The hood was consumed with the exception of the right rear corner adjacent to the hood hinge. The windshield wiper motor evidenced intense burn that consumed the combustibles and melted the aluminum components.

5. The front fenders were void of paint with the exceptions of the rear vertical edges. The left front fender had evidence of the most burn.

6. The outside mirrors were melted. The left outside mirror exhibited the most damage.

7. In areas, the upper third section of the right side door panels was void of paint.

8. The upper edges of the quarter panels were void of paint.

9. The majority of the rear lift gate was void of paint.

10. The front tires were deflated and evidenced burn to the exterior surfaces. The left front tire evidenced the greatest amount of burn.

11. The burn patterns observed are consistent with a fire originating in the engine compartment left of the vehicle's centerline.

PASSENGER COMPARTMENT

Our inspection of the passenger compartment revealed an intense burn that consumed nearly all of the trim panels and the seats leaving only the steel skeleton and the majority of the dash. The burn patterns in the passenger compartment are consistent with a fire that propagated from the engine compartment into the passenger compartment after consuming the firewall (bulkhead) access hole seals.

ENGINE COMPARTMENT

Our inspection of the engine compartment revealed:

1. An intense lower to upper level burn, which was more intense in the right third section of the compartment.

2. The vehicle was equipped with a fuel injected V-8 engine coupled to an automatic transmission.

3. The fuel supply and return hoses located at the upper rear face of the engine and left of the centerline was still connected to the fuel rails and their securing clips were in place.

4. The air filter, housing and air intake tube were consumed.

5. The condenser core was consumed and all that remained of the radiator was the left lower corner. The burn to the radiator is consistent with a fire that traveled from the left third section of the engine compartment to the right third section.

6. The fan shroud, plastic cooling fan blade and the upper radiator hose were consumed. The majority of the lower radiator hose was consumed.

7. The battery, located on the right fender-well, was burned exposing the lead plates within.

8. The right half of the timing chain cover was basically intact with slight melting of the bosses. The upper third section of the left half of the timing chain cover had melted indicative of a fire that was more intense in the left third section of the compartment.

9. The right front upper control arm bushing was burned but basically intact. The left rear upper control arm bushing was consumed indicative of a fire that was more intense in the left rear corner of the compartment than the right front corner of the compartment.

10. The brake master cylinder and brake fluid reservoir were consumed.

P004-078 C 1203

5. NHTSA Engineering Analysis No. EA02-025. The subject of this analysis was speed control deactivation switch fires involving the 1992-1997 Town Car, Crown Victoria and Grand Marquis vehicles. (The same type switch is used in this 2000 Ford Expedition vehicle).

6. The documented cases where the speed control deactivation switch has caused fires in numerous 1997–2001 Ford F-150, Explorer and Expedition vehicles.

__RECOMMENDATIONS__

We recommend that the 2000 Ford Expedition vehicle be retained, secured and protected regarding any further testing or inspection by other interested parties.

V. ATTACHMENTS

A. FIRE INCIDENT REPORT

11/01/2004 16:24:57

HOUSTON FIRE DEPARTMENT
INCIDENT REPORT
RUN NUMBER 0410260067

Incident No	Date/Time	Ref No.	Call Type	Alarm level	Alarm Method
0410260067	10/26/2004 05:55:42		FFINAE	0	9

District | Station | Shift | Call Sign

	Resources Apparatus	Personnel
Suppression	1	4
EMS	0	0
Other	0	0

Dates and Times

Dispatch	10/26/2004 05:56:59
[illegible]	10/26/2004 06:00:02
On Scene	10/26/2004 06:04:41
Clear	10/26/2004 06:25:16
[illegible]	00:05:42

Duration 0 Hours 27:17 Minutes

Casualties	Deaths	Injuries
Fire Service	0	0
Civilian	0	0

Location Type	Location			
STREET	3930	KIRBY	DR	100

(Cross Street:)

HO TX Verified: Y

Map One	Map Two	Map Three	Parcel No.	Census Tract	Census Block
492Y					

EMS District	Fire District	X-Coordinate	Y-Coordinate	EMS Zone	Fire Zone
		-95418653	29731728		

EXPOSURE No.	Incident Type	Primary Action	Additional Action	Additional Action	Aid Type	Aid Agency
0	VEHICLE	EXTINGUISH			NO AID	

Their Incident No.	Mixed Property Use	Property Use	Detector	Under Control Time	Special Study	Hazmat Rls
		PARKING AREA				

Agency	Officer in Charge	Name	Rank	Assignment
F	099548	WOOD,MERRELL		

Agency	Report By	Name	Rank	Assignment
F				

Property Total	Loss	Saved	Contents Total	Loss	Saved
15000	15000	0	500	500	0

Exposure Location

Location Type	Location			
STREET	3930	KIRBY	DR	100

(Cross Street)

HO TX

Map One	Map Two	Map Three	Parcel No.	Census Tract	Census Block
492Y					

EMS District	Fire District	X-Coordinate	Y-Coordinate	EMS Zone	Fire Zone
		-95418653	29731728		

11/01/2004 16:24:57

HOUSTON FIRE DEPARTMENT
INCIDENT REPORT
RUN NUMBER 0410260087

ALL FIRE

No. Resid Units	No. Buildings	Acres Burned	Origin Area	Heat Source	First Item Ignited	Spread
			OTHER	UNDETER	UNDETERMINED	N

Material Type	Equip Involved	Ignition Cause	Ignition factor(1)	Ignition factor(2)
UNDETER	NO EQUIP INV	UNDETER		

On-Site Material(1)	Type	On-Site Material(2)	Type	On-Site Material(3)	Type

Fire Suppression Factor(1)	Fire Suppression Factor(2)	Fire Suppression Factor(3)

Equipment Brand	Model	Serial No.	Year	Power Source	Portability

Human Factor

Asleep N Possible Impaired by alcohol or drugs N Unattended Person N Possible mentally disabled N

Physically Disabled N Multiple persons involved N Age was a factor N Estimate Age 3xx

Local Use

Pre-Fire Plan Available N Arson Report Attached N Police Report Attached N

Coroner Report Attached N Other Report Attached N

Involvement	Role	Tag No	State	Make	Model
INV BURNED	REGISTERED	UNKNOWN	[illegible]	[illegible]	

V. ATTACHMENTS

B. NHTSA SEARCH RESULTS

V. ATTACHMENTS

C. PHOTOGRAPHS

1. View showing the front of the 2000 Ford Expedition vehicle.

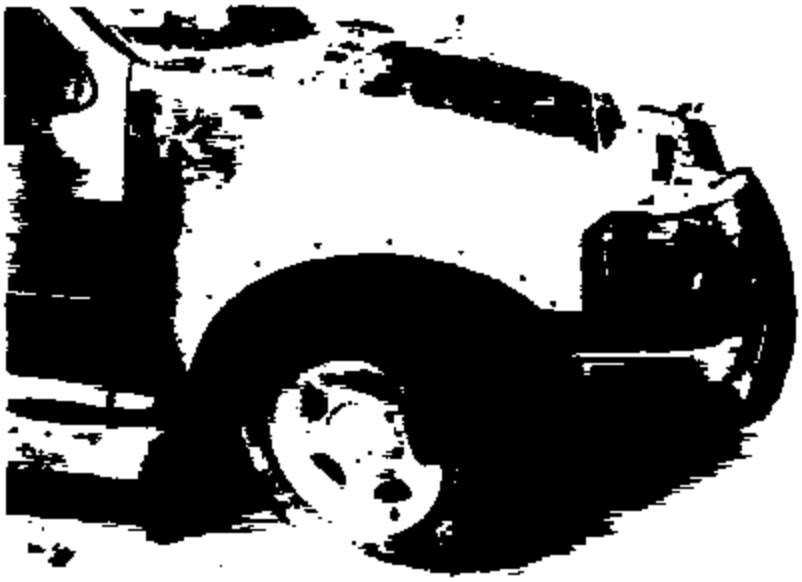
2. Rear view of the vehicle.

3. Right side view of the vehicle.

4. Left side view of the vehicle.

5. View of the vehicle identification number.

6. View showing the right front fender.



7. View showing the left front fender.

8. Front to rear view along the right side of the vehicle.

9. Front to rear view along the left side of the vehicle.
→

10. Right to left view of the cargo area.

11. Left to right view of the cargo area.

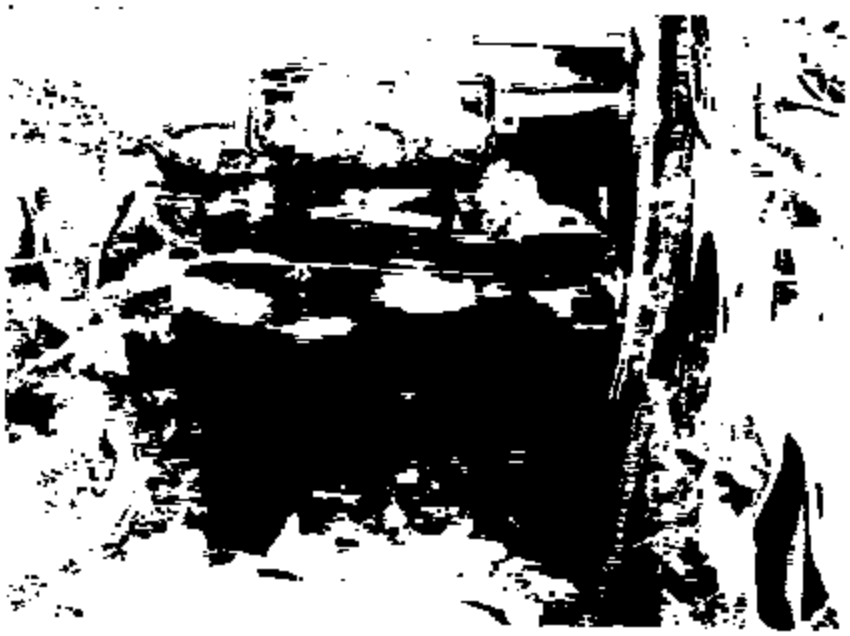
12. Right to left view of the rear passenger area.

13. Left to right view of the rear passenger area.

14. Right to left view of the front passenger area.

15. Left to right view of the front passenger compartment.

16. View showing the right third of the dash.



17. View showing the center third of the dash.

→

18. View showing the left third of the dash.

←

19. Overview of the engine compartment.

20. Right to left view of the engine compartment.

21. Left to right view of the engine compartment.

22. View of the radiator.

23. Closer view of the radiator.

24. View of the front face of the engine.

25. View of the battery.

26. View of the ABS unit.

27. Closer view of the ABS unit.

28. View of the power distribution center.

29. Closer view of the power distribution center.

30. View of the remains of the speed control servo.

PE04-078 C 1266

31. Closer view of the remains of the speed control servo.

32. View of the fuel supply and return hoses.

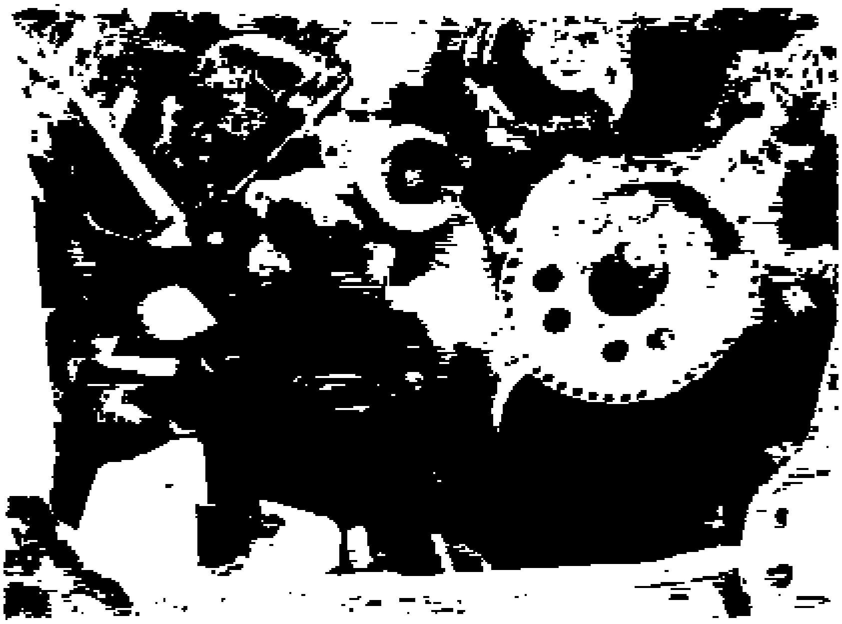
33. View of the right front upper control arm bushing.

34. Closer view of the right front upper control arm bushing.

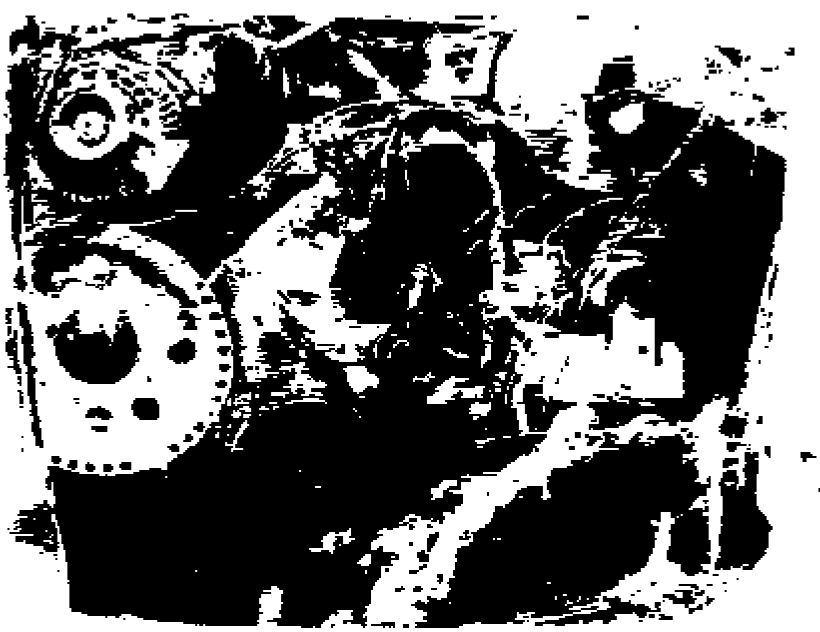
35. View of the left rear upper control arm bushing.

36. Closer view of the left rear upper control arm bushing.

37. View of the right half of the timing chain cover.



38. View of the left half of the timing chain cover.



39. View of the inboard side of the right front tire.

40. Closer view of the inboard side of the right front tire.

41. View of the inboard side of the left front tire.

42. Closer view of the inboard side of the left front tire.

RECEIVED
NOV 22 2004

FARMERS

National Document Center
P.O. Box 268992
Oklahoma City, OK 73126-8992
claimsdocument@farmersinsurance.com
Fax : 877-217-1389

11/12/2004

Ford Motor Co.
Attn: Shawn Norton
P O Box 6248 Md-3ne-B
Dearborn , MI 48126

FORD MOTOR COMPANY
NOV 23 2004
OFFICE OF THE GENERAL COUNSEL

CONSUMER AFFAIRS SECTION
2004 NOV 19 P 2:53

Re: Our Insured: [redacted]
Loss Date: 10/26/2004
Claim Number: [redacted]
Total Amount Owed: $18,892.38

Dear Ms. Norton:

A review of the facts of the above loss indicates that your product failed and caused damage to our insured's property. We have made payment to our insured for these damages, and now seek reimbursement from you. WE RESPECTFULLY ASK THAT YOU NOT RESPOND TO OUR REQUEST WITH A FORM LETTER.

You will find this correspondence and its enclosures contain substantive information and support adequate for your firm to make a decision concerning your liability. ***This vehicle will be available for your inspection during the next 60 days. Afterwards, we will be required to attempt to sell the salvage.***

The entities in the stream of commerce, such as you, a manufacturer, are liable in both negligence and product liability. As you know, your obligation is to properly design and test, manufacture, and give appropriate instructions for installation and use of your product.

Your product did not meet the expectations of my insured, the consumer. Your product failed and caused the loss resulting in damages of 18,892.38. Attached are documents substantiating payment.

It is our desire to settle this claim without causing you the additional time and cost of litigation or arbitration. After reviewing the enclosed, please call me to discuss resolving this matter.

Sincerely,
Mid-Century Insurance Company of Texas

Scott Smith

- $ 18,892.38
- 10/26/04
- '00 Expd
- VIN
- WSD-11/30/99
- CSR-NO
- 60002 (N)
- 9xpt.

PE04-078 D 1283

Scott Sheffield
Auto Subrogation Representative
512-238-5739

ENCLOSURES

FARMERS

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4 SEP -2 AM 11:29

08/27/2004 RECEIVED SEP - 8 2004

Ford Motor Company
P O Box 6248 Md-3ne-B
Dearborn, MI 48126

FORD MOTOR COMPANY RECEIVED
SEP 0 2 2004
OFFICE OF THE GENERAL COUNSEL

Re: Our Insured: [redacted]
Loss Date: [redacted]
Claim Number: [redacted]
Total Amount Owed: $16,774.38

Dear Ford Motor Company,

We previously advised you of our subrogation rights in regards to the above-noted claim. Pursuant to your request enclosed herewith is our expert's report, which also included a description of the incident.

If you have any questions do not hesitate to contact me. Your prompt payment of our claim will be appreciated.

Sincerely,
Mid-Century Insurance Company of Texas

Scott Sheffield

Scott Sheffield
Subrogation Representative
512-238-5739

- vehicle 00EW
- ECD-TX yes
- expt Rpt
- TX
- BW + UCC 4yrs
- NO VRH

PE04-078 C 1286

REPORT OF FINDINGS

Claim No: [redacted]
Date of Loss: 06/28/04

VEHICLE FIRE EVALUATION

INSURED: RAFAEL MENDOZA
2000 FORD EXPEDITION

Prepared for

FARMERS INSURANCE GROUP
480 NORTH SAM HOUSTON PARKWAY, SUITE 320
HOUSTON, TEXAS 77060

Randy Callison, ASE, CFEI, CVFI
Project Manager

August 10, 2004

ProNet File No. 7466

PE04-878 C 1297

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	- EXTERIOR INSPECTION	
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	- PASSENGER COMPARTMENT	
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I. INTRODUCTION

On June 28, 2004, a fire occurred involving a Ford vehicle. On July 1, 2004, The ProNet Group, Inc., was retained by Ms. Jennie Daniels of Farmers Insurance Group to inspect the vehicle, evaluate the damage, and determine the origin and cause of the fire.

On July 7, 2004, The ProNet Group inspected the vehicle at Insurance Auto Auction, located at 2535 West Mount Houston Road, Houston, Texas. During this visit, the vehicle was inspected and photographs were taken to document our observations. The observations described and pictured in this report are representative of the conditions observed during our visit. This report will not reflect all conditions of the vehicle, but will demonstrate typical conditions observed. All photographs are available for review.

The electrical connector for the cruise control deactivation switch (CCDS) was collected during this inspection and is currently stored by ProNet.

II. BASIS OF REPORT

This report is based on the following:

1. Inspection of the vehicle.

2. Research of the National Highway Traffic Safety Administration (NHTSA) records to identify any preliminary evaluations, engineering analyses, or recalls on 2000 Ford Expedition vehicles.

3. Information and observations as noted in this report.

This report is based upon information available to us at this time, and is not necessarily final. Should additional information be presented or discovered, we reserve the right to review and, if necessary, revise this report and our conclusions in light of that information.

III. CONCLUSION

Based on our findings and observations as noted in this report, it is our opinion the 2004 Ford Expedition vehicle fire originated in the engine compartment, was accidental in nature, and caused by electrical overheating at the cruise control deactivation switch.

IV. DISCUSSION

INTERVIEW

On August 10, 2004, an interview was conducted with [redacted] and the following information was obtained:

1. The vehicle had not been driven for two (2) days prior to the fire and had been running perfectly.

2. No warning lights had appeared on the dash.

3. There had been no prior repairs.

4. On June 28, 2004, at 5:00 a.m., [redacted] was awakened to "burning noise." He looked outside and saw fire at the left front portion of the vehicle.

5. He called the fire department and they arrived extinguishing the fire within a few minutes. A fireman informed [redacted] that it appeared an electrical short caused the fire.

VEHICLE DESCRIPTION

The vehicle was identified as a blue, four-door 2000 Ford Expedition bearing Vehicle Identification No. 1FMRU15L6Y[redacted] and Stock No. 788162.

EXTERIOR INSPECTION

Our inspection of the vehicle exterior revealed:

1. A burn pattern consistent with a fire that originated in the engine compartment.

2. The left rear quadrant of the hood was partially consumed. The area of the hood that was consumed was directly above the brake master cylinder.

3. The left front fender was void of paint with the exception of the rear vertical edge.

4. The left front marker lens was slightly melted.

5. The grille had been removed and was located in the front passenger area. It was slightly melted

6. The left front tire was deflated and evidenced exterior surface burn.

7. The left lower quarter windshield was shattered.

ENGINE COMPARTMENT

Our inspection of the engine compartment revealed:

1. A moderate burn that was more intense in the left rear quadrant.

2. The battery had an exterior surface burn and was located in the right rear third of the compartment. An aftermarket electrical wire was attached to the positive (B+) battery cable end and routed into the passenger compartment and wire contained an inline circuit breaker. There was no evidence of electrical short-circuiting or electrical overheating to the wire that would have caused the fire.

3. Aftermarket wiring was routed from the aftermarket trailer brake through the firewall (bulkhead), adjacent to the steering shaft and routed to the rear of the vehicle. This wiring appeared to have been in contact with the steering shaft, but did not exhibit evidence of electrical short-circuiting.

4. The fan shroud was consumed leaving only a small section at the right lower third section of the radiator. The fan blade was melted

5. The radiator and condenser cores were basically intact.

6. The air filter housing was consumed exposing the burned remains of the air filter.

7. The power steering fluid reservoir was melted and lying adjacent to the brake master cylinder.

8. The right front corner of the power distribution center was partially consumed exposing the relays.

9. The brake fluid reservoir was consumed. Some remains of the reservoir were observed in the rear fluid supply port of the master cylinder, but no remains were observed in the front fluid supply port. The brake master cylinder was basically intact, with some burn to the center third section of the housing.

10. The cruise control deactivation switch located on the top face of the brake master cylinder exhibited evidence of intense burn. The electrical wiring and connector for the deactivation switch was located just forward and right of the cruise control servo on the air-filter housing debris.

11. The cruise control servo located forward of the power distribution center had evidence of intense burn at the electrical connector.

12. The ABS electro hydraulic brake control unit was burned at the upper third section of the electrical portion of the unit. This section of the unit is located below the front edge of the brake master cylinder.

PASSENGER COMPARTMENT

Our inspection of the interior revealed:

1. No significant burn.

2. The underside of the left third of the dash revealed melted plastics adjacent to where the steering shaft passes through the firewall.

3. The vehicle was equipped with an aftermarket trailer brake manufactured by *Draw Tite*. The brake control module and its electrical wiring did not exhibit any evidence of electrical short circuiting or overheating.

4. The passenger compartment fuse/relay center evidenced failure of fuse thirteen (13) a twenty 20-amp fuse and fuse fourteen (14) a 15-amp fuse.

MITCHELL REPAIR INFORMATION REVIEW

We contacted the Mitchell Repair Information Co., LLC (Mitchell-on-Demand) to identify the function of Fuses 13 and 14. Review of the Mitchell Repair wiring diagram for 2000 Expeditions vehicles revealed:

1. Fuse 13 was a 20 amp fuse "hot at all times" and supplied 12V to the cruise control deactivation switch mounted on the brake master cylinder.

2. Fuse 14 was a 15 amp fuse "hot at all times" and supplied 12V to the engine compartment lamp (courtesy lamp circuit).

RECALLS

We searched the National Highway Traffic Safety Administration (NHTSA) database to identify any preliminary evaluations, engineering analyses, or recalls on 2000 Ford Expeditions relating to cruise control switch failures that result in engine compartment fires.

A search of their records, as well as technical service bulletins, did not indicate any problems relating to cruise control switch failures resulting in engine compartment fires within 2000 Ford Expeditions at this time.

However, our search of their records did reveal ODI Action No. EA02-025. This ODI is an engineering analysis investigation involving the cruise control deactivation switch failures that result in fires. While the 2000 Ford Expedition was not a listed vehicle in this investigation, it should be noted that the switch is virtually identical to the ones used in the vehicle in question.

SUMMARY

In summary, this 2000 Ford Expedition vehicle fire originated in the left rear quadrant of the engine compartment, specifically in the area of the brake master cylinder, as evidenced by the burn patterns. The only significant electrical component in the area of most intense burn was the cruise control deactivation switch located on the top face of the master cylinder. There was no other evidence suggesting a failure occurred with any other component, OEM or aftermarket, that would have caused this fire.

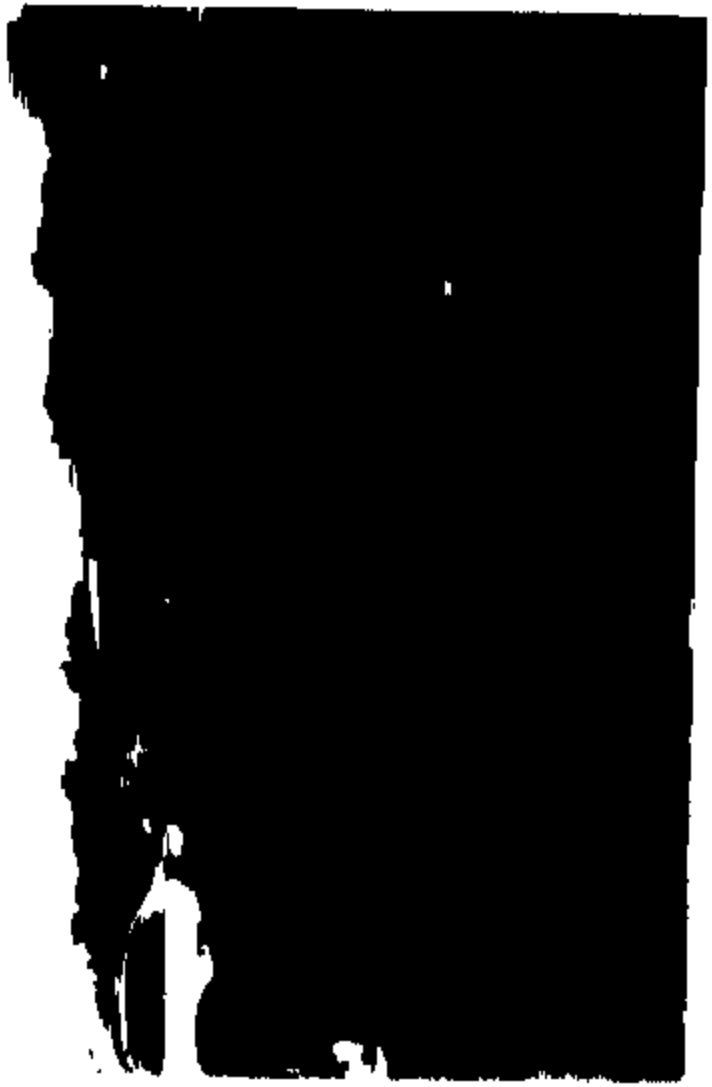
RECOMMENDATIONS

We recommend that the 2000 Ford Expedition vehicle be retained, secured and protected regarding any further testing or inspection by other interested parties. We

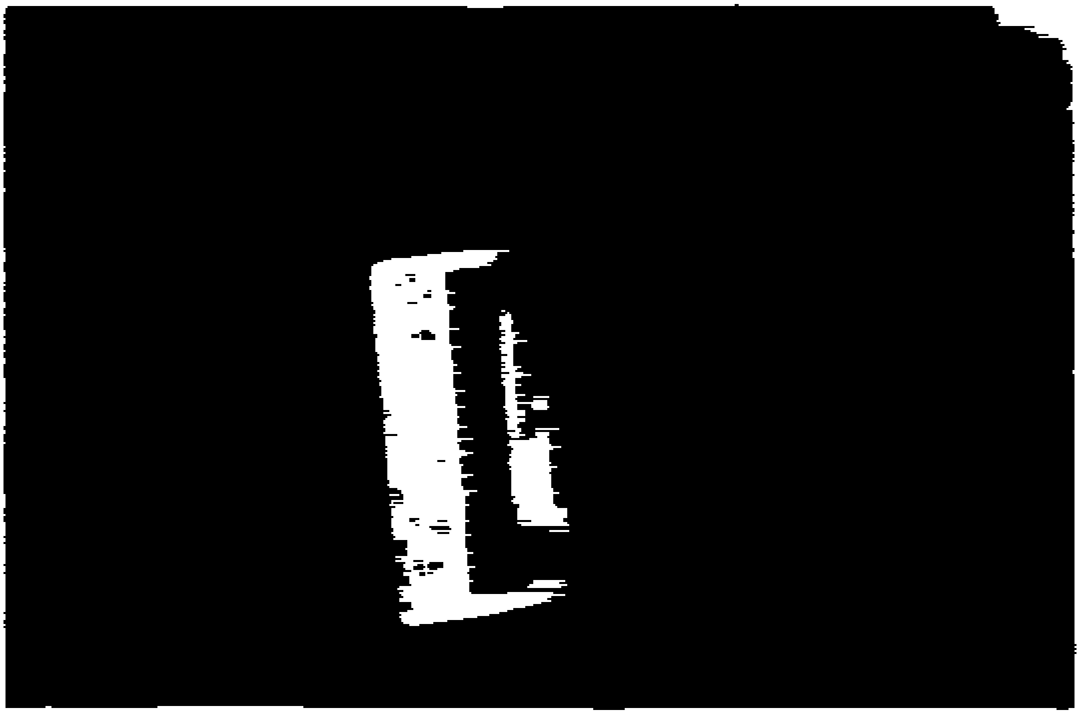
also reserve the right to be present and observe any and all inspections or testing of the Ford vehicle by any other concerned parties.

V. ATTACHMENT

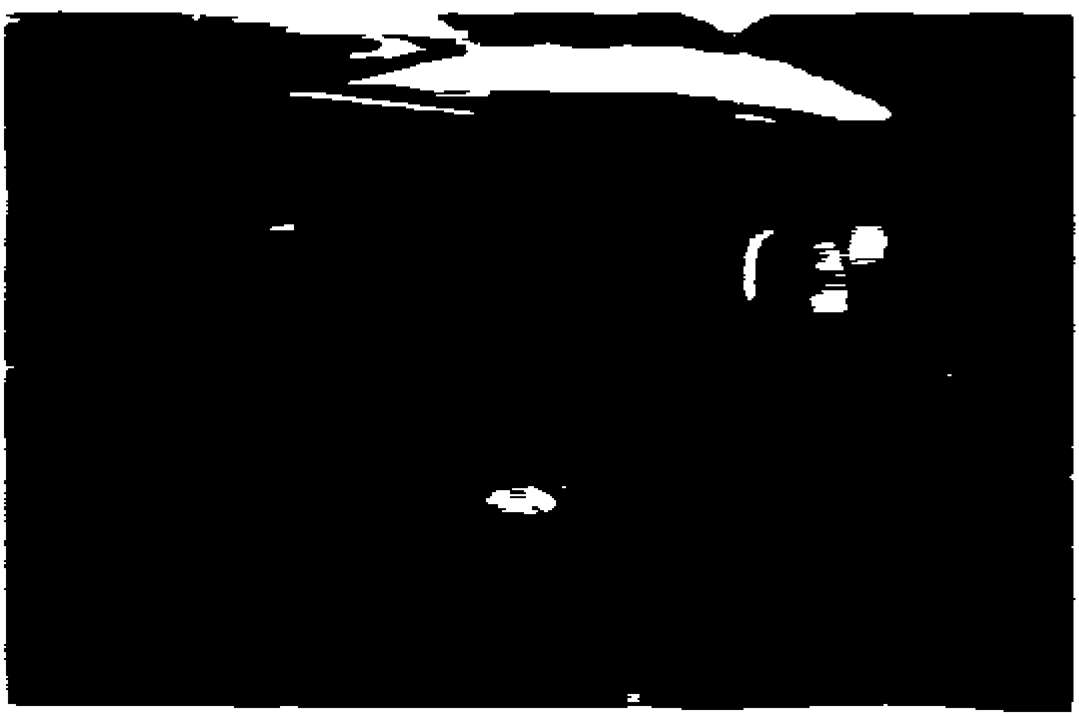
PHOTOGRAPHS



View of [illegible]



View sh[illegible] the [illegible]



FEDH-078 C 1310

FARMERS

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Fax : 877-217-1389

4 AUG -4 AM 10:15

07/28/2004

Ford Motor Company
Attn: Shawn Nortin
P O Box 6248 Md-3ne-B
Dearborn, MI 48126

FORD MOTOR COMPANY
RECEIVED
AUG 05 2004
GENERAL COUNSEL

Re: Our Insured: [redacted]
Our Claim # :
Date of Loss: 06/28/2004
Your Claim # : unknown
Amount Owed: $16,274.38

Dear Ford Motor Company:

We have made payment to our insured for damages resulting from this accident. Our investigation has established that the above loss was caused by the negligence of your driver. By virtue of our subrogation rights this letter is to advise you that we expect payment from you for the amount of damages within 14 days of the receipt of this letter.

Be advised that no partial payment, which is less than the full amount claimed herein, will be considered in any way an acceptance of benefits, a novation or an accord and satisfaction of this claim without the express written release of our claim executed by an individual who identifies himself/herself as a member of our subrogation department. Therefore, our legal rights to enforce collection on the remaining amount of the claim shall not be waived or estopped due to a partial payment by you.

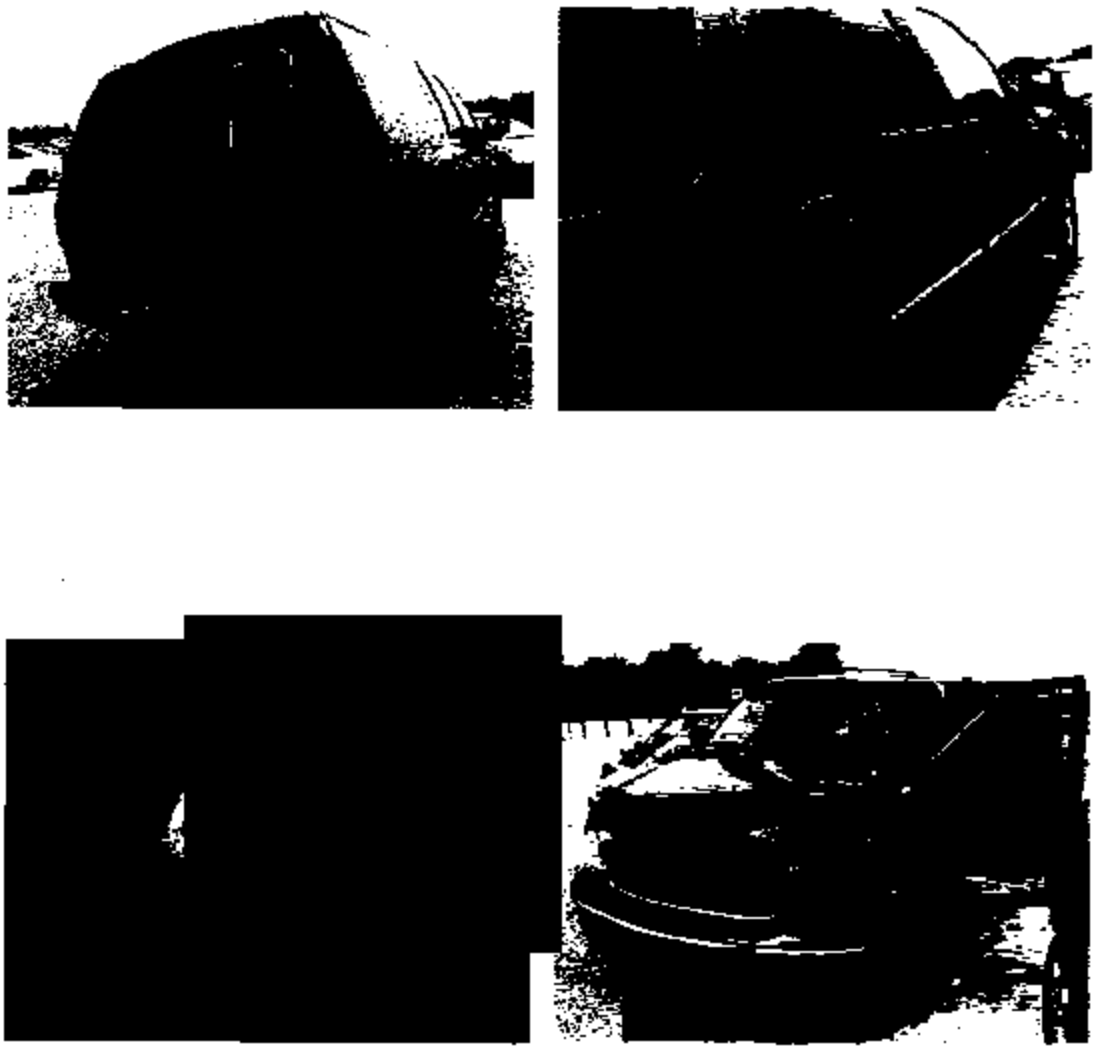
If you need additional support for our claim or require further information, please call me at 512-238-5742 with your FAX number so that the requested information can be sent to you.

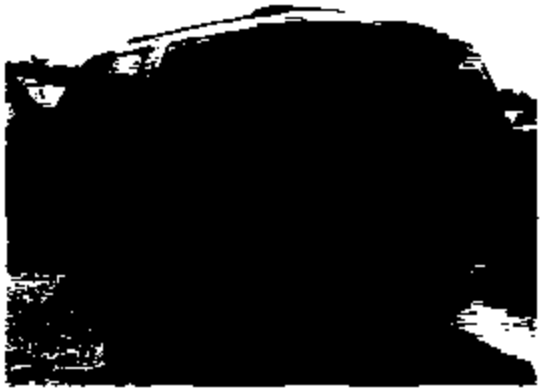
Sincerely,
Mid-Century Insurance Company of Texas

Roberta E DeVore

Roberta De Vore
Subrogation Representative
roberta.devore@farmersinsurance.com
ATTACHMENT(S)

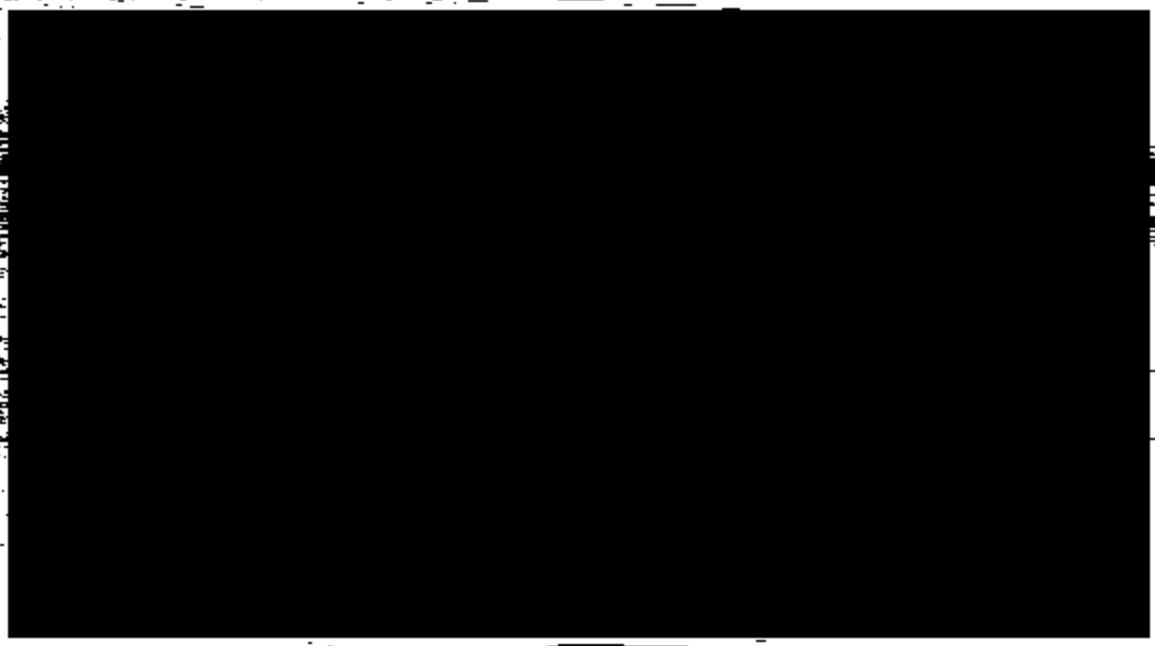
PE84-07B C 1312





LOWER DASH

DENT FT BUMPER



State Farm Insurance Companies

P.O. Box 799011
Dallas, TX 75379-9011
(888) 861-0327
Fax - (888) 257-6076

November 24, 2004

Shawn Norton
Ford Motor Company
3 Parklane Tower West, Ste. 400
Dearborn, MI 48126

New

RE: Claim Number: 53-E424-134/E426-400/E426-421/53-Q775-288
Date of Loss: September 8, 2004
Our Insured: [redacted]
Year/Make/Model: 2000 Ford Expedition
VIN: 1FMRU1768YL[redacted]

Dear Ms. Norton:

This vehicle was insured by State Farm and involved in a fire loss. The claim settled for $72,175.93 (auto & home), which includes our insured's deductible.

Our investigation establishes the cause of loss was due to a defect in the cruise control switch (See 53-E424-134).

Enclosed is our documentation. We will retain the evidence until we conclude this matter with your company. You may contact me to arrange for inspection of the vehicle.

Please consider this notice as our demand for reimbursement.

Sincerely,

Tonya Bedell

Tonya Bedell - Team
Claim Representative
(214) 296-8712 Ext.

State Farm Mutual Automobile Insurance Company

Enclosures

cc: State Farm Lloyds, Michelle Kerr (53-Q775-288)

- 9/8/04
- 00 Expd
- VIN
- $72,175.93
- Sugar Land, TX
- Fire Opt.
- Auto + Home

PE84-878 C 1318

Incident Report

2004-0003848-000

Sugar Land Fire Department

Basic		
Alarm Date and Time	21:09:31	Wednesday, September 8, 2004
Arrival Time	21:16:02	
Controlled Date and Time		
Last Unit Cleared Date and Time	23:44:50	Wednesday, September 8, 2004
Response Time	0:06:31	
Priority Response	Yes	
Completed	Yes	
Reviewed	Yes	
Release to Public	Yes	
Fire Department Station	1	
Shift	C	
Incident Type	131 - Passenger vehicle fire	
Initial Dispatch Code	VEHFIR	
Aid Given or Received	1 - Mutual aid received	
Mutual Aid Department	RTFD	
Alarms	1	
Action Taken 1	11 - Extinguish	
Action Taken 2	12 - Salvage & overhaul	
Action Taken 3	51 - Ventilate	
Apparatus - Suppression	4	
Personnel - Suppression Personnel	12	
Property Loss	$35,000.00	
Contents Loss	$0.00	
Property Value	$35,000.00	
Contents Value	$0.00	
Hazardous Material Released	N - None	
Mixed Use	40 - Residential use	
Property Use	419 - 1 or 2 family dwelling	
Location Type	Address	
Address	[redacted]	
City, State Zip	Sugar Land, TX [redacted]	
District	7002	
Census Tract	8707.	
Directions	[redacted]	

[redacted]

Person Involved/Property Owner - BARGAS, DAVID	
Occupies Property	Yes
Owner	Yes
Involvement Code	8 E[redacted]
Last Name	[redacted]
First Name	
Street Address	
City, State Zip	Sugar Land, TX [redacted]
Phone	[redacted]

Fire	
Number of Residential	1
Number of Buildings Involved	1

Printed 05/14/2014 08:34:02

[redacted]

Incident Report Sugar Land Fire Department

2004-0003648-006

Fire	
Area of Origin	83 - Engine area, running gear, wheel area
Heat Source	40 - Heat from powered equipment, other
Item First Ignited	80 - General materials, other
Cause of Ignition	2 - Unintentional
Human Factors	None
Mobile Equipment Involved	3 - Involved in ignition and burned
Mobile Equipment Type	11 - Passenger car.
Mobile Equipment Make	FO - Ford
Mobile Equipment Model	EXPEDITION
Mobile Equipment Year	2000
Mobile Equipment VIN	1FMRU1768Y[redacted]
Mobile Equipment License	4BL560
Mobile Equipment State	TX

Apparatus - RIE		
Apparatus ID	RIE	
Apparatus Dispatch Date and Time	21:14:38	Wednesday, September 8, 2004
En route to scene date and time	21:15:14	Wednesday, September 8, 2004
Apparatus priority response	Yes	
Apparatus cancelled after dispatch	Yes	
Apparatus Use	1	
Apparatus Action Taken 1	93 - Cancelled en route	
Apparatus Type	11 - Engine	

Apparatus - E1		
Apparatus ID	E1	
Response Time	0:05:09	
En route to scene date and time	21:10:33	Wednesday, September 8, 2004
Apparatus Arrival Date and Time	21:16:02	Wednesday, September 8, 2004
Apparatus Clear Date and Time	23:44:26	Wednesday, September 8, 2004
Apparatus priority response	Yes	
Number of People	4	
Apparatus Use	1	
Apparatus Action Taken 1	11 - Extinguish	
Apparatus Action Taken 2	12 - Salvage & overhaul	
Apparatus Action Taken 3	51 - Ventilate	
Apparatus Type	11 - Engine	
Personnel 1	9077 - Leopold, Scott C	
	Position: LT	
	Personnel Action Taken 1: 81 - Incident command	
Personnel 2	9113 - Valadez, Benito X	
	Position: FF	
	Personnel Action Taken 1: 11 - Extinguish	
	Personnel Action Taken 2: 12 - Salvage & overhaul	
Personnel 3	9120 - Hartenstciner, Robert J	
	Position: FF	
	Personnel Action Taken 1: 58 - Operate apparatus or vehicle	
	Personnel Action Taken 2: 51 - Ventilate	

Apparatus - E1	
Personnel 4	9138 - Cook, Britt Position: FF Personnel Action Taken 1: 11 - Extinguish Personnel Action Taken 2: 12 - Salvage & overhaul

Apparatus - E5	
Apparatus ID	E5
Response Time	0:06:49
Apparatus Dispatch Date and Time	21:14:38 Wednesday, September 8, 2004
En route to scene date and time	21:14:09 Wednesday, September 8, 2004
Apparatus Arrival Date and Time	21:20:58 Wednesday, September 8, 2004
Apparatus Clear Date and Time	21:46:34 Wednesday, September 8, 2004
Apparatus priority response	Yes
Number of People	4
Apparatus Use	1
Apparatus Action Taken 1	73 - Provide manpower
Apparatus Type	11 - Engine
Personnel 1	9091 - Bitz, Mark A Position: E Personnel Action Taken 1: 73 - Provide manpower
Personnel 2	9062 - Hanna, John Position: FF Personnel Action Taken 1: 73 - Provide manpower
Personnel 3	9072 - Inmel, Kenneth W Position: FF Personnel Action Taken 1: 73 - Provide manpower
Personnel 4	9086 - Spiegelhauer, Kevin M Position: FF Personnel Action Taken 1: 73 - Provide manpower

Apparatus - E6	
Apparatus ID	E6
Response Time	917685:21:22
Apparatus Dispatch Date and Time	21:12:19 Wednesday, September 8, 2004
Apparatus Arrival Date and Time	21:21:22 Wednesday, September 8, 2004
Apparatus Clear Date and Time	21:29:11 Wednesday, September 8, 2004
Apparatus priority response	Yes
Number of People	4
Apparatus Use	1
Apparatus Action Taken 1	92 - Standby
Apparatus Type	11 - Engine
Personnel 1	9027 - Delmar, George F Position: LT Personnel Action Taken 1: 92 - Standby
Personnel 2	9019 - Dinges, Milton R Position: E
Personnel 3	9069 - Lambert, Jay A Position: FF

Incident Report Sugar Land Fire Department

2004-0003848-000

Apparatus - E6	
Personnel 4	9146 - Bayes, Randy Position: FF

Authority	
Reported By	9077 - Leopold, Scott C 00:39:56 Thursday, September 9, 2004
Officer In Charge	9077 - Leopold, Scott C 15:06:37 Saturday, September 11, 2004
Reviewer	9009 - Krehmeier, Jeff W 07:55:26 Tuesday, September 14, 2004

Narratives	
Narrative Name	CAD Narrative
Narrative Type	CAD Narrative
Author	-
Narrative Text	CAD Case # : SF0400003848 Location Comments:
Narrative Name	VEHICLE FIRE
Narrative Type	Incident
Narrative Date	00:13:02 Thursday, September 9, 2004
Author	9077 - Leopold, Scott C
Author Rank	LT
Author Assignment	1
Narrative Text	At 2109 hours on Wednesday September 8, 2004 we were dispatched to a passenger vehicle fire. Four units were assigned to this incident. Twelve personnel responded. We arrived on scene at 2116 hours and cleared at 2344 hours. The incident occurred at [redacted] Sugar Land in District 7002. The local station is 1. The general description of this property is 1 or 2 family dwelling. This is a mixed use property described as residential use. The primary task(s) performed at the scene by responding personnel was extinguishment. Mutual aid was received on this incident.

The involved structure is described as an enclosed building. The building was occupied and operating. "Engine area, running gear, wheel area" best describes the primary use of the room or space where the fire originated. This building has two stories above ground. The fire occurred on the first floor. The fire was confined to the object of origin. "Heat from powered equipment" best describes the heat source that caused the ignition. The cause of ignition was unintentional.

Alarm number 0003848 has been assigned to this incident.

E1 arrived to find 2 vehicles burning in the driveway with fire impinging on the house. I established Hanaford command and FF's Cook and [redacted] pulled a 1 3/4" handline up the driveway. One vehicle was a Ford Expedition with its engine compartment heavily involved in fire. The vehicle in front of the Expedition was a white 2001 Acura TL, lp:[redacted] vin#:19UUA56671[redacted] with the rear half of the vehicle involved in fire. The eve of the house was burning just above the vehicles. I asked the homeowner if everyone was out of the house and she said "yes". Residents advised that they saw a glow from outside the kitchen and when they went to see what it was, they saw their Expedition on fire. At this time they exited the house and called 911. Firefighters Cook and Valadez

PE04-078 C 1322

Narratives

began applying water to the fire. I walked inside the residence and found a light haze of smoke. I advised E5 to check the attic for extension upon their arrival. FF Hartmeister placed a PPV fan at the front door to begin ventilation. E5 crew made location and went in to check the attic. I told E6 to stage upon their arrival. Attic crew advised the attic was clear. Engineer Bitz took over accountability. At this time the fire was extinguished and I advised to communications that the fire was out and loss stopped. I called for the County investigator to make location. E6 was released from the scene. E5 crew assisted in Salvage and Overhaul on the residence. We pulled sheetrock in the ceiling of the kitchen to check for extension, none found. E5 filled our truck with water from their tank and returned to service. County investigator Robbie Baker made location. After investigation was complete, Investigator Baker assisted us in restoring power to part of the residence so the owners could stay in the residence overnight. E1 crew wet down the vehicles and the burned portion of the residence, checked for hotspots with the thermal imaging camera, and returned to service.

Other vehicle in driveway with minor damage from radiant heat:
2001 Honda s2000
Red, LP:M19GVP
Vin: JHMAP1 [411] [redacted]

E1 responded without incident.

Special Studies	
Special Study Name	Special Study 1
Special Study ID	1
Special Study Code	ETJ

End of Report