



State Farm Mutual Automobile Insurance Company



P.O. Box 20707
Murfreesboro, TN 37129

April 09, 2004

CLAIMS AFFAIRS
SECTION

4 APR 15 10:01

Ford Motor Company
18800 Executive Plaza Drive
Box 6248
Dearborn, MI 48126

FORD MOTOR COMPANY
RECEIVED
APR 15 2004
GENERAL COUNSEL

Re: Claim Number [REDACTED]
Our Insured: [REDACTED]
Date of Loss: 3-22-04
Vehicle: 2001 Ford F-150 Super Crew Lariat
VIN: 1FTRW08LX1 [REDACTED]

The 2001 Ford F-150 Super Crew Lariat reference above, owned by [REDACTED] and is insured by State Farm Mutual Automobile Insurance Company. This vehicle experienced an interior fire that started in the console. This vehicle had a factory installed VCR in the console.

State Farm would like to give you an opportunity to inspect the vehicle and give you advance notice of our potential subrogation claim.

Please contact me at 1-800-266-5820 ext 3093 to set up a time for your inspection.

Sincerely,

Kinsey Roberts-Howerton

Kinsey Roberts-Howerton
Claim Representative

- 3/22/04
- 101 F-150
- VIN



Office of the General Counsel

PRIVILEGED & CONFIDENTIAL

Ford Motor Company
Parklane Towers West
Suite 300
Three Parklane Boulevard
Dearborn, Michigan 48124-2568

April 21, 2004

State Farm Insurance
PO BOX 20707
Memphis, TN 37129
ATTENTION: KINSEY ROBERTS-HOWERTON



RE: Claimant: [Redacted]
Your Claim #: [Redacted]
DOI: 03-22-2004

Dear Ms. Roberts-Howerton:

We acknowledge your recently submitted subrogation claim. In order to assist us in evaluating your claim, we request that you provide us with the following information: (Please note that the information requested is in regard to the Ford manufactured vehicle.)

- 1. Attach your insured's statement with a complete description of the incident, including events that occurred prior to and subsequent to the loss.
- 2. A copy of the police and/or fire report.
- 3. Original color photographs of the vehicle's collision/fire damage & the alleged defective parts, from several different angles.
- 4. Original color photographs of the inside of the vehicle showing the steering wheel, dash and roof areas.
- 5. Original color photographs of the accident / fire scene from several different angles.
- 6. Attach a copy of your expert's report and the expert's original photographs.
- 7. Attach the repair estimate, repair order, or your total loss worksheet for the vehicle's damage and any losses associated with this incident, and copies of draft payments.
- 8. Attach the complete service history for the subject vehicle, including any tune-ups or oil changes.

Please answer the following in the space provided. If you need additional space, please use the back of the form;

- 9. What was the city and state of occurrence: Leitchfield, KY
- 10. The 17 digit vehicle identification number: 1FTR08LX1K [Redacted]
NA
- 11. What was the mileage at time of occurrence: 38,038
- 12. What is the alleged defect: Factory installed VCR.

13. Has the alleged defective part been repaired or replaced? (circle one) Yes or No
14. What is the current location of the vehicle? Kentuckyana Auto Salvage
15. List all after market additions or modifications that were made to the vehicle:
Front Window tinted
Bug Shield
16. Was the engine running? (circle one) Yes or No
17. Were the keys in the ignition? (circle one) Yes or No
18. Was this vehicle purchased new or used: Used
If purchased used, provide the date of purchase, mileage at the time of purchase, and from whom the vehicle was purchased: November 22, 2003, 33,372
Bob Swape in Elizabethtown, KY

Once we are in receipt of the requested information, it will be reviewed and you will be notified of our decision concerning your claim. Should you not send all of the requested information and materials, we will assume that you are not interested in pursuing a claim and we will close our file. Please note that your vehicle will not be inspected until all the above information has been submitted and a determination has been made as to whether an inspection is warranted.

Please be advised that all necessary steps should be taken to ensure that the subject vehicle and all of its component parts are maintained and preserved for trial. Ford Motor Company has the right to inspect the vehicle and remove and test any component part that you claim to be defective, and to be present with the vehicle and the subject component part(s) at the time of trial, should litigation ensue from this informal claim.

If you propose to repair the vehicle for continued usage, such repairs may not be performed until after Ford Motor Company has inspected the vehicle and removed and tested any component part you claim to be defective or advised you in writing that it does not intend to perform such inspection and/or testing at this time. But even in that event, Ford Motor Company will insist that all components claimed to be defective are maintained and preserved for trial.

Sincerely,


Shawn L. Norton
Claims Analyst /
Litigation Assistant

This is Kinsey Roberts. I am interviewing [redacted] regarding a vehicle fire that occurred March 22nd, 2004. Uh, today is May 3rd, 2004 at approximately 2:28 p.m. Central Time.

Q. Do you understand that we are recording this conversation?

A. Yes.

Q. And will everything you say be true to the best of your knowledge?

A. Yes.

Q. And is this recording made with your full knowledge and consent?

A. Yes, it is.

Q. Okay. Please state your name and spell your last.

A. [redacted]

Q. What is your age?

A. I'm [redacted] years old.

Q. Uh, are you married?

A. No. I'm divorced.

Q. What is your home address?

A. [redacted]

Q. What city?

A. Litchfield, Kentucky uh, [redacted]

Q. And what is your telephone number?

A. It's uh [redacted]

Q. And are you employed?

A. Yes, I am.

Q. And what position do you hold on your job?

A. What was that?

Q. What position do you hold on your job?

A. I'm a techstodian (sic) at one job and a (Inaudible) over at the other.

Q. Okay. And what day did your accident happen?

A. Uh...

Q. Do you remember what month it was?

A. Uh, it was February the 22nd I think.

Q. Okay. Um, where did this accident occur?

A. Uh, at the parking lot at the [redacted] County High School.

Statement of: [redacted]

Claim: [redacted]

- Q. Okay. And why was your vehicle parked there?
A. Uh, 'cause that's where I park when I go to work. I mean it's just...no particular reason. That's just where I park it at.
- Q. Okay. And what was the weather like on the day that your vehicle caught fire? Was it raining, or had it stormed, or was it clear out?
A. Uh, the best of my knowledge it was just a cool uh, fall day.
- Q. Okay.
A. Or not fall day. Just winter day. Just cool day.
- Q. Okay. And um, approximately what time did the accident happen?
A. It was reported to me at 12:30.
- Q. A.m. or p.m.?
A. Uh, p.m.
- Q. Okay. And who discovered this?
A. A truck driver for [REDACTED] uh, Distributors.
- Q. Okay. And what was that person doing at the school?
A. They were delivering uh, uh, food for the school.
- Q. And did they know you, or did they just come in and say a vehicle was on fire or...
A. They come in and told one of the ladies in the lunchroom that there was a truck out back with uh, smoke comin' out of it.
- Q. And then that person notified you?
A. Yes.
- Q. Was this uh, reported to the fire department or to the police department?
A. No. We...I just put it out myself. We opened the door, and I put a fire extinguisher on it to put the fire out.
- Q. Okay. When you first saw the fire describe the color of the smoke.
A. Just a...a white grayish smoke.
- Q. Okay. And where was the smoke comin' from?
A. When they came and got me it was comin' out from under the hood and underneath the truck.
- Q. Okay. Were there flames?
A. No. Just smoke.
- Q. No flames?
A. No flames 'til I opened the door.
- Q. Okay. Then what happened?
A. Uh, I saw the flames between the seat.

Statement of: [REDACTED]

Claim: [REDACTED]

Page 2

- Q. Okay.
A. And I shot the fire extinguisher on it and put it out.
- Q. Was there ca...flammable containers or anything flammable in the console that you were carrying?
A. No. There was...there was nothin' in there really.
- Q. And what all was in the console as far as equipment that came on the...on the truck?
A. Just the VCR is all that was in there.
- Q. Was there a CD changer?
A. No. It's behind the backseat.
- Q. Okay. And what was the mileage at the approximate time?
A. What was the what?
- Q. Mileage on the vehicle.
A. I believe it was around 37,000.
- Q. Okay. Had you put any aftermarket modifications done to the vehicle or any aftermarket parts on this vehicle?
A. Just the bug shield, and I tinted the windows.
- Q. Which windows?
A. The two front windows.
- Q. Okay. Was the engine running at the time of the accident?
A. No. It had been shut off since six o'clock that mornin' when I arrived at work.
- Q. Okay. And were the keys in the ignition?
A. No.
- Q. Was this vehicle purchased new or used?
A. Used.
- Q. And approximately when did you purchase the vehicle?
A. Um, the later part of November.
- Q. Okay. And approximately what was the mileage on it then?
A. 33,000.
- Q. Okay. And uh, where did you purchase this vehicle from?
A. Uh, Bob Swolt Ford in E Town, Kentucky.
- Q. Okay. And have uh...had you had this vehicle serviced since you owned it?
A. No, ma'am. I never had...I was gettin' ready to have it serviced, but I never had done anything to it.

Statement of:

Client:

Page 3

Q. Okay. And is there anything you wish to add to this statement?

A. No.

Q. And has everything you've said been true to the best of your knowledge?

A. Yes, ma'am.

Q. And do you understand that we have recorded this conversation?

A. Yes, I do.

Q. Was this recording made with your full knowledge and consent?

A. Yes.

Q. Thank you. This concludes the recorded interview.

[REDACTED]

Statement of: [REDACTED]

Claim: [REDACTED]

Page 4

EMCS-005-LC1-4138



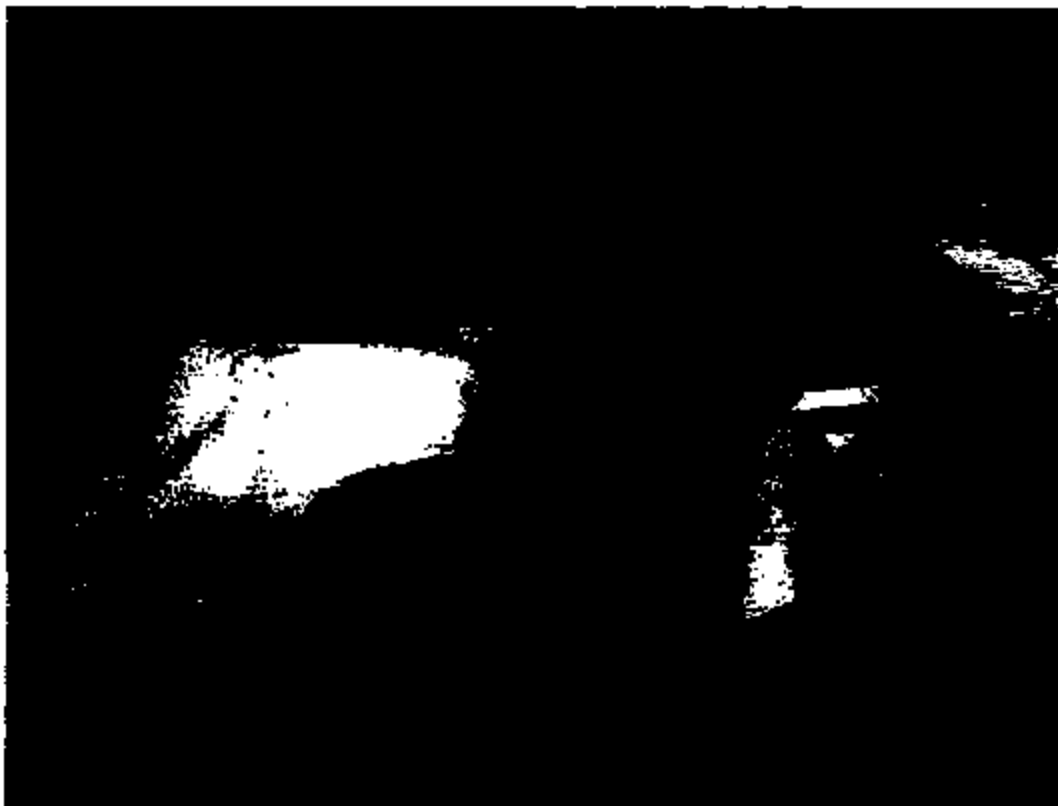
EP05-805-LC1-4137



EROS-885-LC1-4138



EA85-885-LC1-4139



8085-805-LC1-4148



ERG-003-LC1-4141





NATIONWIDE

ARBITRATIONS & INSPECTIONS

INSURED

:



CLAIM NUMBER

:



PREPARED FOR

:

Angela Brandford

COMPANY

:

Allstate

Claim Number:

[REDACTED]

Purpose of the Assignment:

The purpose of this assignment was to determine the origin and causa of a fire in the below referenced 2001 Ford Expedition, hereafter referred to as the subject vehicle, that reportedly occurred shortly after the vehicle had been parked.

Preliminary Remarks:

Master ASE certified technician and Certified Vehicle Fire Investigator, Richard Metzger, Florida investigator license [REDACTED] arrived at Copart, [REDACTED] Avenue, Opa-Locka, Florida, on April 6, 2004, at approximately 1:30 PM, to commence the field inspection of the subject vehicle. The receptionist informed the Inspector that control number 3142494 had been assigned to a 2001 Ford Expedition, which had been placed in the viewing area at the north end of the main storage lot for the inspection.

The following are results of the inspection.

Description of the Vehicle:

The subject vehicle was a white-colored, four-door, 2001 Ford Expedition and was positively identified by the V.I.N. 1FMRU17W01L [REDACTED] found at the base of the left B-pillar. The subject vehicle did not carry a license plate at the time of the inspection and the current in-service mileage could not be established because the odometer in the dashboard instrument cluster had been consumed by fire.

Inspection of the Exterior:

The exterior of the subject vehicle was examined to determine the extent of the total damage and to identify the specific area(s) of the most intense or severe damages including an examination of the vehicle's undercarriage. The subject vehicle sustained severe fire damages. The right side body panels, along with the entire roof panel, were fire-scorched and void of paint. The grille, hood panel and both headlight assemblies had melted. The front chrome bumper was discolored and had turned a shade of blue. Both of the tires mounted on the right side wheels had been mostly consumed with only the metal cords and residual bead materials remaining on the fire scorched wheels. The wheels mounted on the right side had been exposed to intense heat, which had obliterated their chrome plating. The left side of the vehicle sustained only moderate fire damages. There was some of the residual white paint remaining on the lower portion of the left front door and most of the left rear door. The front portion of the quarter panel remained intact, as well. Both of the tires mounted on the left side wheels were deflated, but their chrome wheels remained intact and showed minimal discoloring. The left front fender was void of paint; however, it retained a layer of primer. The rear of the vehicle had sustained severe fire damages. The rear chrome bumper was heat-discolored, and the tailgate was fire-scorched and void of paint. Both



taillight assemblies had melted, with the most severe damages sustained at the right side. The subject vehicle was equipped with a frame mounted receiver trailer hitch. The inspector noted the inner surfaces inside receiver portion of the hitch had no soot on them indicating the insert was removed subsequent to this fire's occurrence. All of the glass in the vehicle had melted, shattered or been broken while extinguishing the fire.

Inspection of the Passenger Compartment:

The components mounted in the passenger compartment had sustained severe fire damages. Most of the combustible materials had been consumed. Some of the carpet along the transmission tunnel and in the center area of the cargo floor had been consumed, which exposed the fire-scorched floor pan. The fire-scorched floor pan would suggest this fire originated from the under the vehicle, somewhere on its undercarriage.

Inspection of the Engine Compartment:

All of the mechanical, electrical, fuel and fluid components in the engine compartment and on the engine were examined for evidence of electrical shorting, fuel or fluid leaks, physical damages or pre-fire damages. The subject vehicle was equipped with a 4.6-liter, fuel-injected, V8 engine and an automatic four speed overdrive 4R70W transmission. The components mounted in the engine compartment had sustained severe fire damages, as well. The radiator and air conditioning condenser had melted and/or fallen out of the vehicle because they were missing. All of the insulation on the wires routed throughout the engine compartment had been consumed. Most of all combustible materials in the engine compartment had been consumed as well. The cowl and both inner fenders were fire-scorched and mostly void of paint. The fire melted the upper portions of the front cover on the engine, which exposed the camshaft, drive chain and sprockets. The fire partially consumed the composite valve cover material on both sides of the engine. The battery and its mounting tray, normally affixed to the right inner fender, were missing. The battery cables and cable ends remained intact. The two fusible links on the positive battery cable were melted and fused, consistent with the type of electrical melting normally caused by excessive amounts of heat, like an electrical short to ground normally produces. Examination of the wiring and the other power feed cables revealed the alternator power supply cable had come in contact with the end of the fuel rail on the right side and was fused to it. This contact appeared to have been secondary to the initial fire, in the absence of heat discoloring of the fuel rail, arc marks and/or a perforation in the rail at the contact point that would have released fuel. The dashboard support panel behind the engine was fire-scorched and void of paint, which suggested this fire originated from the under the vehicle.



Inspection of the Undercarriage:

The subject vehicle was raised in the air with the aid of a forklift to facilitate an inspection of the undercarriage. The undercarriage was fire-scorched from the transmission rearward. Most of the paint on the body panels on the underside of the vehicle had been consumed. The transmission case was fire-scorched and the lower portion of the bellhousing had melted and exposed the torque converter, which was discolored black. There was residual burnt fluid on the torque converter and the inspector noted there was an active fluid leak emanating from behind the torque converter and ATF was dripping onto the ground. There was also burnt fluid and gray soot on the right side catalytic converter, mounted adjacent to the transmission bellhousing. The gray soot on the catalytic converter would normally be consistent with the type residual material that remains after a hydrocarbon-based fluid such as the transmission fluid, burned on it.

Conclusion:

It is the opinion of the inspector that the fire in the above referenced vehicle originated on the right catalytic converter and was caused by the ignition of transmission fluid. The transmission fluid had been leaking from the front transmission seal due to an internal torque converter and/or transmission problem. The fluid made contact with, and ignited on, the hot exhaust components to become the origin of this fire loss.

Comments and Recommendations:

Nationwide Inspections, Inc., recommends that Ford Motor Corporation be placed on notice for potential liability for damages sustained as a result of this fire loss since the fire resulted from a flawed torque converter, and the fluid that was expelled from the converter caused a fire. Nationwide Inspections, Inc., reserves the right to review any additional information, evidence, etc. as it becomes available and to amend this report and its findings further, should it become necessary.



Supervisor

Attachments.





#1 - Left front 3/4 view



#2 - Front view





23 - Right front 3/4 view



24 - Right rear 3/4 view





25 - Trailer hitch



26 - Left rear 3/4 view





87 - Left side view



88 - The passenger compartment damages as viewed through the windshield opening



ERG5-000-1C1-4149

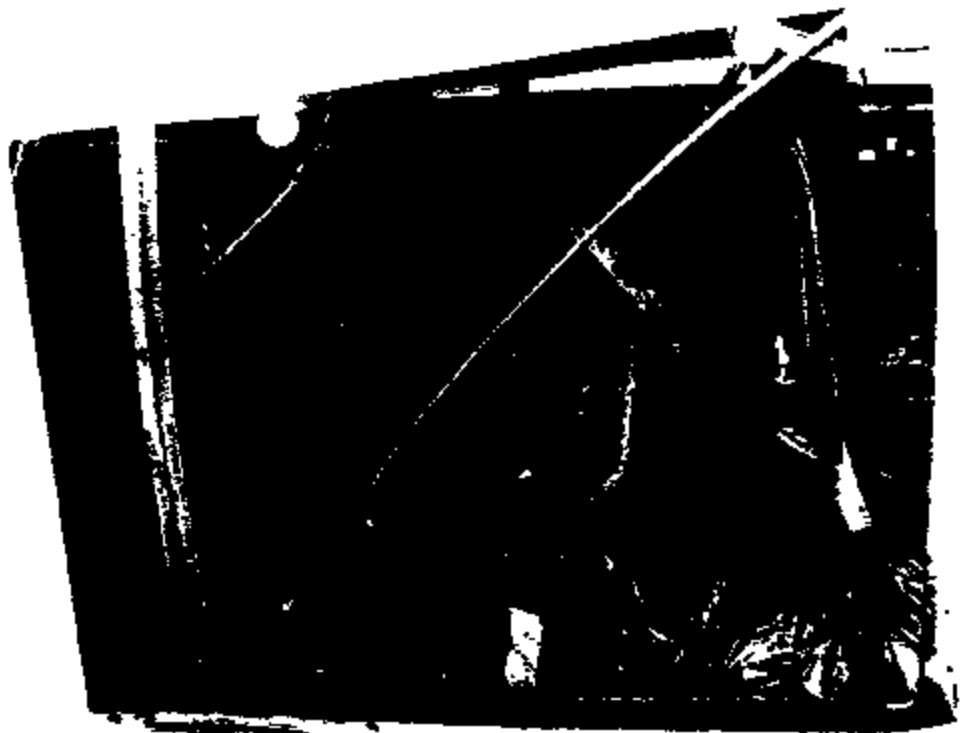


#9 - View of the left side of the dash



#10 - View of the right side of the dash





#11 - View of the rear seat area showing the exposed metal on the transmission tunnel



#12 - View of the rear cargo area showing the exposed floor panels





#13 - The intake was fire scorched



#14 - Overall engine compartment view





#16 - A view of the right side of the engine - the battery and its support tray were missing



#16 - The wires routed throughout engine compartment wires were mostly void of insulation





#17 - The battery cable ends remained intact

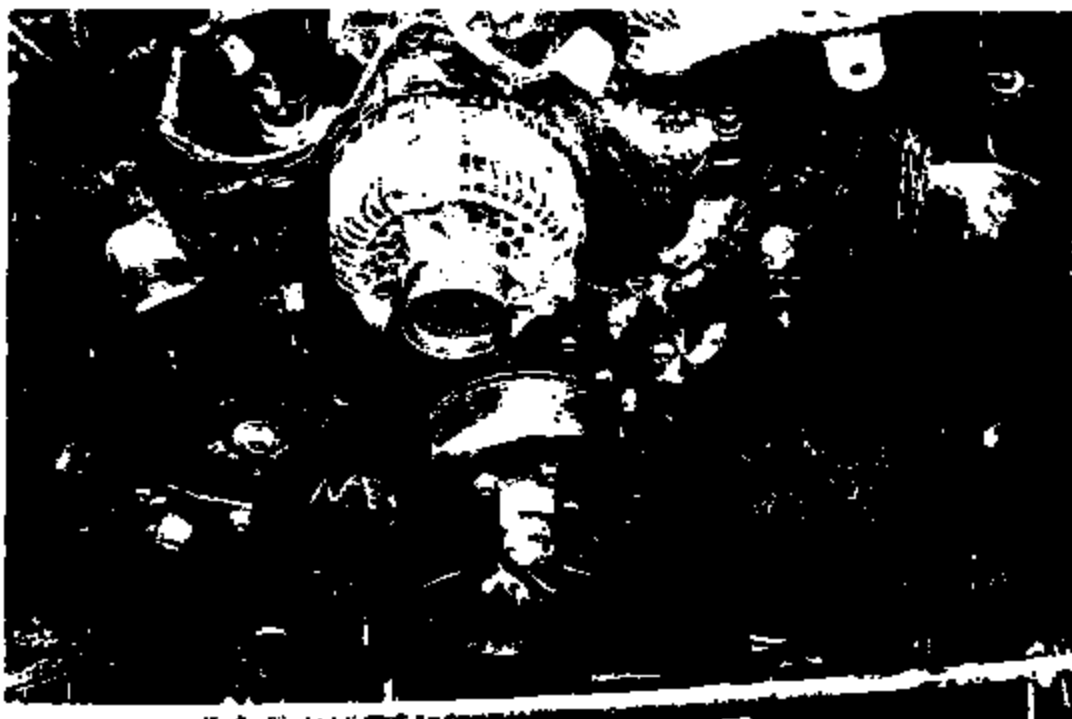


#18 - The tank's link had melted





#19 - No melted, beaded or fused wires at the solenoid junction to indicate irregular electrical activity had occurred

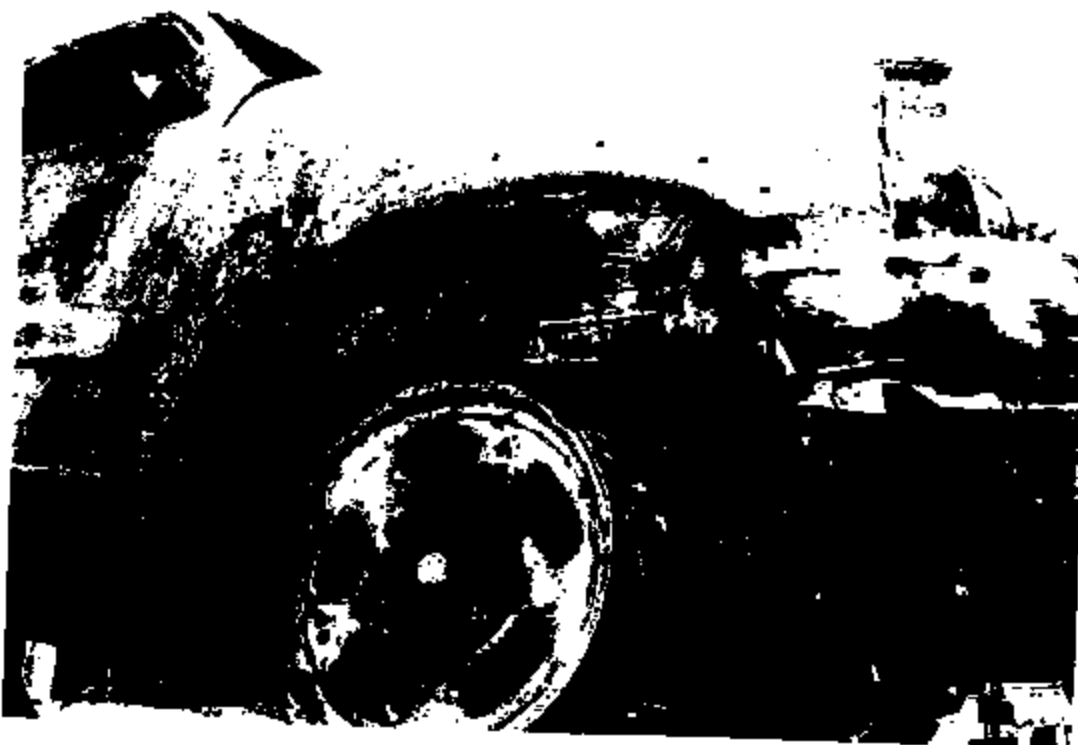


#20 - The front engine cover had melted





#21 - View of the components mounted in the left side of the engine compartment



#22 - The right front inner fender was fire-scorched





#23 - The left front inner fender was fire-scorched



#24 - Rear portion of the left inner fender





#25 - The right rear lower fender was fire-scorched



#25 - The engine as viewed from under the vehicle



ERDC-885-L01-4155



#27 - The transmission ball housing was partially melted



#28 - View of the right side of the transmission - note gray soot on the exhaust pipe



2025-885-LC1-4158



422 - A different view of the right side of the transmission



423 - View of the right exhaust manifold





#31 - A view of the left side of the transmission



#32 - Most of the left portion of the bell housing was melted or had been consumed





#23 - Another view of the left side of the exhaust and transmission



#24 - The torque converter was heat-discolored



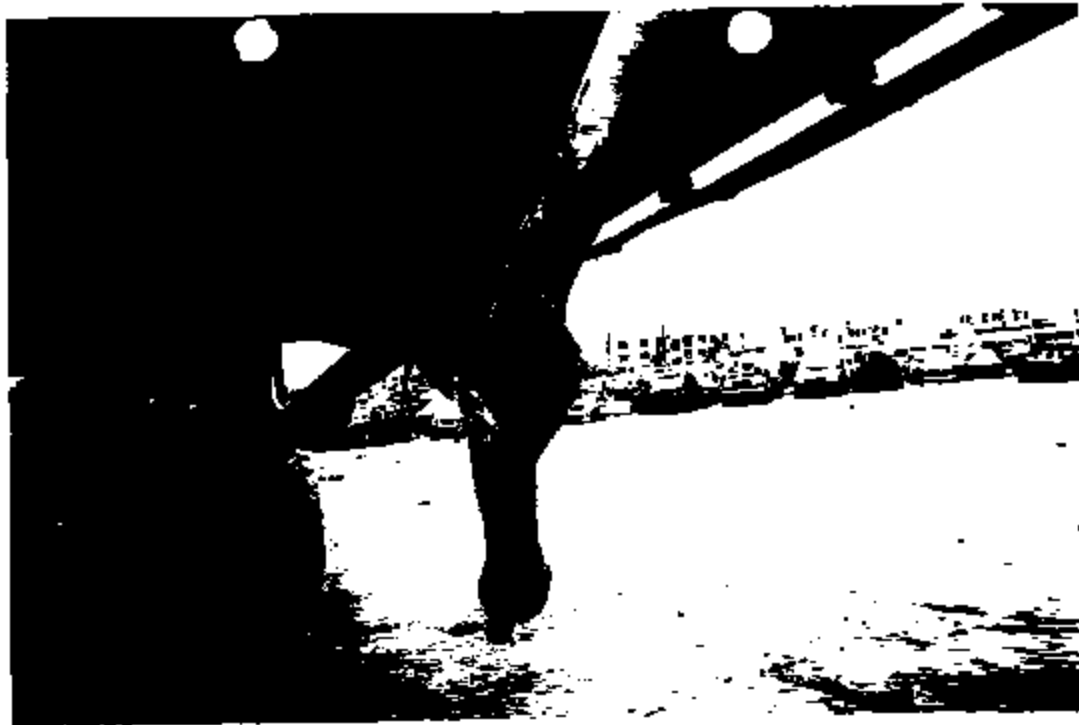


#85 - The transmission as viewed from the rear of the vehicle



#86 - The underbody panels were fire scorched and the drive shaft had fallen out





#37 - The drive shaft split from the intense heat generated by this fire



#38 - The drive shaft remained connected to the rear differential - note the fire scorching sustained at the underbody





899 - Another view showing the fire-scorched underbody panels



Allstate®

ALLSTATE INDEMNITY COMPANY
P.O. BOX 168288
IRVING TX 75016

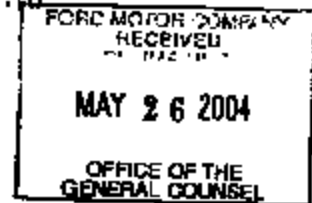
(800) 374-4246

05/14/04

CONSUMER AT
52070

4 MAY 25 10:10

FORD MOTOR COMPANY
P.O. BOX 6248
DEARBORN MI 48126



OUR INVESTIGATION INDICATES THAT YOUR INSURED WAS RESPONSIBLE FOR THIS LOSS.

SINCE WE HAVE ALREADY MADE A SETTLEMENT WITH OUR POLICYHOLDER, THE CLAIM HAS BEEN ASSIGNED TO US. COPIES OF THE FINAL PAPERS RELATING TO THE LOSS ARE ENCLOSED.

PLEASE ACCEPT THIS LETTER AS NOTICE OF OUR SUBROGATION CLAIM. PLEASE FORWARD YOUR PAYMENT WITH OUR CLAIM NUMBER TO:

ALLSTATE PAYMENT PROCESSING CENTER
P.O. BOX 227257
DALLAS, TX, 75222-7257

DIRECT ANY OTHER CORRESPONDENCE TO THE ADDRESS AT THE TOP OF THIS LETTER.

SINCERELY,

SUBROGATION CLAIM REP

ALLSTATE INDEMNITY COMPANY

YOUR FILE NO. : SELF INSURED
YOUR INSURED : [REDACTED]
ADDRESS : [REDACTED]

DEARBORN MI [REDACTED]

OUR CLAIM NO. : [REDACTED]
OUR INSURED : [REDACTED]
LOSS DATE : 04/02/04

LOCATION :
GULF STREAM RACE TRACK

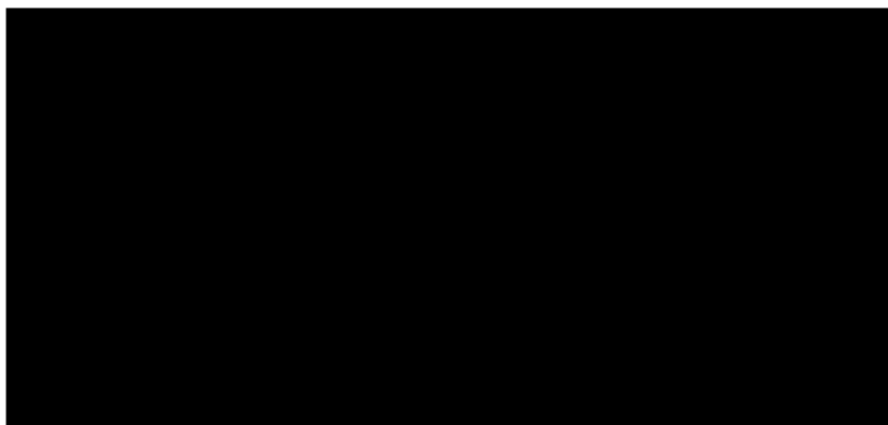
AMOUNT OF LOSS: \$20,346.57

HALLENDALE

FL

ER05-005-LC1-4188

F100
WSD - 4/24/01
4/2/04
Hallendale FL
\$20,346.57
75065 (M)
VIN
'01 exact.
CBP:G





City of Anaheim
POLICE DEPARTMENT

November 13, 2003

**Danielle Gee
Ford Motor Company
3 Parklane Blvd Suite 1400
Parklane Towers West
Dearborn, MI 48126**

The Anaheim Police Department is investigating a double fatality traffic collision that occurred on October 4, 2003 at the intersection of Harbor Blvd and Convention Way. This collision involved a 2002 Ford F-150 (VIN 1FTRW07372N [REDACTED]) and a 2004 Jeep Grand Cherokee. The Ford rear-ended the Jeep, which had been stopped for a red traffic signal. The resulting collision ruptured the fuel tank of the Jeep causing both vehicles to be engulfed in flames. The occupants of the Jeep were unable to exit the vehicle and died. We are aware that the Ford has the capabilities of recording some collision data on the Restraint System module pertaining to the vehicle either prior to impact, at impact or immediately after impact. The Anaheim Police Department is requesting Ford's assistance in retrieving and interpreting this data.

We would appreciate any assistance Ford can give us on this matter.

SINCERELY,

A handwritten signature in black ink, appearing to read "Rick Alexander".

**INV. RICK ALEXANDER #226
TRAFFIC INVESTIGATOR
(714) 765-1861**



1 Denise V. Foley (State Bar No.: 108449)
2 LAMONICA & FOLEY
3 2049 Century Park East, Ste. 1100
4 Los Angeles, CA 90067
5 (310) 556-0633

ORIGINAL FILE
JUN 17 2007

6 Attorneys for Plaintiffs
7 [Redacted]

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF LOS ANGELES

10 [Redacted]

) CASE NO. BC174768
)
) COMPLAINT

11
12 Plaintiffs,
13 vs.
14 FORD MOTOR COMPANY,
15 a corporation; FAMILY FORD, status
16 unknown; FORD MOTOR CREDIT
17 COMPANY, a corporation, and
18 DOES 1 through 20, inclusive,
19 Defendants.

20 JURISDICTION

- 21 1. Plaintiffs are, and at all relevant times herein were, residents of the
22 County of Los Angeles.
- 23 2. Defendant FORD MOTOR COMPANY, ("Manufacturer") is, and at all
24 times relevant times herein was, a corporation organized and existing under the
25 laws of the State of Delaware and authorized to do business and doing
26 business in the State of California, including the County of Los Angeles.
- 27 3. Plaintiffs are informed and believe and thereon allege that Defendant
28 FAMILY FORD, ("Dealer"), status unknown, is, and at all relevant times herein

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was, a corporation, organized under the laws of the State of California and authorized to do business and doing business in the State of California including the County of Los Angeles.

3. Defendant FORD MOTOR CREDIT COMPANY ("Lender") is and at all relevant times herein was, a corporation organized under the laws of the State of Delaware and authorized to do business and doing business in the State of California, including the County of Los Angeles.

3a. At all times relevant herein, Defendant Lender was the assignee of the purchase contract between Plaintiffs and Defendant Dealer. Therefore, Defendant Lender is subject to all claims and defenses asserted by Plaintiffs against Defendant Dealer pursuant to Civil Code Section 2983.5.

4. Plaintiffs do not know the true names and capacities, whether corporate, partnership, associate, individual or otherwise, of Defendants sued herein as Does 1 through 20, inclusive, under the provisions of Section 474 of the California Code of Civil Procedure. Plaintiffs are informed and believe and on that basis allege, that Defendant Does 1 through 20, inclusive, are in some manner responsible for the acts, occurrences and transactions set forth herein, and are legally liable to Plaintiffs therefore.

4a. Plaintiffs are informed and believe and thereon allege that at all times herein mentioned each of the Defendants was the agent and employee of each of the remaining Defendants, and in doing the things hereinafter alleged was acting within the scope of such agency except as stated in paragraph 3a. above.

ACTS OF DEFENDANTS

5. On or about June 1, 1996, Plaintiffs purchased a new 1996 Ford ST F-150 pickup truck, VIN 1FTDF1867VN [REDACTED] ("Vehicle") for a total purchase price of \$42,954.80. The Vehicle was purchased primarily for personal and

1 family use. A true and correct copy of the contract entered into between
2 Plaintiffs and Defendant Dealer is attached hereto as Exhibit "A" and
3 incorporated herein by reference.

4 6. Plaintiffs' purchase of the vehicle was accompanied by express
5 warranties offered by Defendants Manufacturer and Dealer that the vehicle was
6 free from prior damage and mechanical defects. These warranties were part of
7 the basis of the bargain for the purchase.

8 7. At the time of said sale, Plaintiffs received written express warranties
9 provided by Defendant Manufacturer, stating, among other representations, that
10 the selling dealer will, "without charge for parts or labor, either repair or replace
11 the defective part(s)" and the "if we are unable to correct a condition... in a
12 reasonable number of attempts, we are obligated either to replace the vehicle
13 or to reimburse the buyer in an amount equal to the purchase price paid by the
14 buyer, less that amount attributable to the use of the vehicle by the buyer." Said
15 warranty acknowledges compliance with applicable state "Lemon Law" statutes,
16 including California Civil Code Section 1790, et seq., and the Federal
17 Magnuson-Moss Act, 15 U.S.C. 2301 et seq.

18 8. Prior to said sale being entered into, Plaintiffs informed sales
19 personnel of Defendant Dealer of the particular needs and purposes Plaintiffs
20 sought to fulfill through the purchase of the Vehicle and relied on the expertise
21 and recommendations of Defendant Dealer's sales personnel in selecting the
22 above-described Vehicle. In particular, Plaintiffs informed Defendant Dealer that
23 they sought a vehicle which would provide excellent power, would be suitable
24 for personal use and which would generally provide optimum performance.
25 Employees of Defendant Dealer represented to Plaintiffs that the above-
26 described vehicle would fulfill such purposes satisfactorily.

27 9. At all times, the Vehicle has been operated by Plaintiffs in a manner
28 consistent with the terms of the express warranty provided by Defendant
Manufacturer.

1 10. Since the date of purchase, severe defects have appeared in the
2 Vehicle as follows:

3 a. Battery failure on date of sale, requiring battery replacement
4 and ongoing problem with battery level dropping after several days;

5 b. Repeated engine and related component failures including
6 stalling and difficulty starting when cold, severe jerk on slow acceleration,
7 stalling at stops and check engine light staying on; and

8 c. Loud popping noise on extreme turns to right or left.

9 On each occasion, Plaintiffs brought the Vehicle to Dealer, an authorized
10 service and repair facility of Defendant Manufacturer. Said repair attempts were
11 unsuccessful in correcting the defects in the Vehicle.

12 11. On numerous occasions, while operating the Vehicle in traffic,
13 Plaintiffs and others were placed at substantial risk of incurring severe personal
14 injuries and death due to the failure of the Vehicle to operate properly.

15 12. On each of the occasions described above and others, Plaintiffs
16 suffered aggravation, fear, frustration, and mental and emotional distress as a
17 result.

18 13. Said Vehicle is, and at all times mentioned herein was, defective.
19 Plaintiffs have lost all confidence in the safety and reliability of the Vehicle, and
20 have incurred expenses and other costs as a result of the defective condition of
21 the vehicle

22 14. On or about October 13, 1996, the Vehicle caught fire while Plaintiff
23 was driving on the freeway, totally destroying the Vehicle.

24 15. On or about April 4, 1997, Plaintiffs gave Defendants Manufacturer,
25 Dealer and Lender formal written notice of rescission of the contract and
26 request for repurchase of the Vehicle under Civil Code Section 1790 et seq.
27 Defendants failed and refused to honor the request of Plaintiffs. (Copies of said
28 said Notices of Rescission are attached hereto as Exhibit "B" and made a part
hereof.)

1 As and for the First Cause of Action:

2 FIRST CAUSE OF ACTION

3 (Negligent Misrepresentation)

4 16. Plaintiffs incorporate by reference herein each and every allegation
5 set forth in paragraphs 1-15.

6 17. On or about June 1, 1986, and repeatedly thereafter, Defendants,
7 with the intent to induce Plaintiffs to act as herein before alleged, represented to
8 Plaintiffs that said Vehicle was of merchantable quality and was performing
9 normally or acceptably.

10 18. As a further representation, Defendants Manufacturer and Dealer
11 warranted the Vehicle to be free from defects in material and workmanship
12 under normal use for a period of thirty-six months or Defendants or their agents
13 or employees would repair the Vehicle to remove any defects arising during that
14 period of time.

15 19. In truth and in fact, the aforementioned representations were false
16 and the true facts were that:

17 a. Said Vehicle was not of merchantable quality, and was not fit or
18 suitable for the ordinary purposes for which vehicles of the same class and
19 quality are manufactured and sold, owing to the defects in the Vehicle.

20 b. Said Vehicle was not free from defects, nor did Defendants
21 maintain servicing and repair facilities or personnel sufficient or adequate to
22 service and repair said Vehicle and remedy its defects.

23 c. Said Vehicle was not repaired by Defendants within the first 36
24 months.

25 20. Defendants Dealer and Manufacturer made the representations set
26 forth above without any reasonable grounds for believing them to be true, and
27 with the intent to induce Plaintiffs to rely upon the representations. Said
28 representations were, in fact, false.

1 21. Plaintiffs were unaware of the falsity of the representations but
2 believed them to be true, and justifiably relied upon them. Had Plaintiffs known
3 the true facts, they would not have purchased the Vehicle or acted as herein
4 alleged.

5 22. As a result of the acts of Defendants, and each of them, Plaintiffs have
6 suffered damage, in a sum to be determined according to proof.

7 As and for a Second Cause of Action, Plaintiffs allege:

8 SECOND CAUSE OF ACTION

9 (Willful Violation of Civil Code Section 1790 et seq.)

10 23. Plaintiffs incorporate by reference herein each and every allegation
11 set forth in paragraphs 1-22.

12 24. The Vehicle purchased by Plaintiffs is a "consumer good" as defined
13 in Civil Code Section 1791(a).

14 25. Defendant Dealer is a "retail seller," "seller," or "retailer" as defined
15 in California Civil Code Section 1791(1).

16 26. As part of the basis of the bargain for the sale of the Vehicle, Dealer
17 made express warranties as to the mechanical soundness and fitness of the
18 vehicle and provided express written warranties as described herein. Said
19 warranties are each an "express warranty" as defined in California Civil Code
20 Section 1791.2(a)(1).

21 27. The Vehicle sold to Plaintiffs was subject to the implied warranty of
22 merchantability running from defendants and each of them, to the benefit of
23 Plaintiffs pursuant to California Civil Code Section 1792.

24 28. The defects herein -above-described in the Vehicle are, specifically:

25 a. Battery failure on date of sale, requiring battery replacement
26 and ongoing problem with battery level dropping after several days;

27 b. Repeated engine and related component failures including
28 stalling and difficulty starting when cold, severe jerk on slow acceleration,
stalling at stops and check engine light staying on; and

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c. Loud popping noise on extreme turns to right or left.

Said defects rendered the Vehicle unmerchantable and unfit for the ordinary purposes for which it was to be used. From the time of its purchase and at all times hereinafter, the Vehicle failed to comply with the express and implied warranties given by Defendants in that the Vehicle exhibited defects in materials and/or workmanship which substantially impaired its use, value and safety to Plaintiffs and such that the Vehicle caught fire and was totally destroyed as a result of the defects. Defendants were adequately notified of these defects and given more than reasonable opportunity to remedy same, but failed and refused to do so.

29. The acts of Defendants, and each of them, in refusing or failing to repair Plaintiffs' Vehicle so as to bring it into conformity with the express or implied warranties and subsequently, of refusing to replace or repurchase said Vehicle after its total destruction due to the defects, deprived Plaintiffs of rights guaranteed under the Song-Beverly Consumer Warranty Act. Despite demand by Plaintiffs, Defendants willfully refused to replace Plaintiffs' Vehicle or refund Plaintiffs' purchase money, costs and expenses.

30. Plaintiffs have performed each and every duty required of them under the terms of the warranty agreement, and under the provisions of the Song-Beverly Consumer Warranty Act, except as may have been excused or prevented by the conduct of Defendants, as herein alleged. The defects in the Vehicle substantially impaired its use, value and safety and as a result of the fire caused by the defects, resulted in a total loss of the Vehicle to Plaintiffs. Defendants' failure to properly repair, and subsequent refusal to replace or repurchase the Vehicle, or otherwise comply with the provisions of the Song-Beverly Consumer Warranty Act, was willful, unreasonable, and in contravention of Civil Code Section 1793.2.

1 31. As a direct and proximate result of Defendants' willful violation of
2 their obligations under the Song-Beverly Consumer Warranty Act, Plaintiffs
3 have suffered actual, consequential and incidental damages, damages for
4 inconvenience, loss of use, and attorneys fees and costs according to proof.

5 As and for a Third Cause of Action, Plaintiffs allege:

6 THIRD CAUSE OF ACTION

7 (Negligent Repair: Defendant Dealer Only)

8 32. Plaintiffs incorporate by reference herein each and every allegation
9 set forth in paragraphs 1-31.

10 33. Defendant Dealer was engaged in the business of automotive
11 service, repair and maintenance and was an authorized repair facility for
12 Defendant Manufacturer.

13 34. On many occasions, for many reasons, Defendant Dealer undertook
14 to repair the Vehicle. Defendant Dealer so negligently and carelessly
15 performed their services that Plaintiffs were given a Vehicle that was stated to
16 be repaired, but which was in the same defective condition as before the
17 attempted repair.

18 35. Plaintiffs are informed and believe and thereon allege that
19 Defendant Dealer knew or should have known that the Vehicle was not
20 repaired each time it was returned to Plaintiffs, that Defendant Dealer acted in
21 complete disregard of Plaintiffs' reliance on their continuous representations
22 that the defects had been repaired and that Defendants failed to disclose the
23 true nature of the defects in the Vehicle and their knowledge of the severity and
24 seriousness of such defects.

25 36. As a proximate result of Defendant Dealer's negligence and
26 carelessness, Plaintiffs have suffered, among other damages, a complete loss
27 of the use of the Vehicle due to its destruction by fire due to the defects.

28 37. As a further proximate result of this negligence and carelessness
of Defendant Dealer, Plaintiffs suffered great inconvenience, mental distress

1 and aggravation in the course of dealing with Defendants and each of them,
2 and in attempting to secure remedies for the Vehicle. In this regard, Plaintiffs
3 have been damaged in an amount in excess of Twenty-Five Thousand Dollars
4 (\$25,000.00).

5 WHEREFORE, Plaintiffs prays for the judgment against Defendants,
6 and each of them, as follows:

7 1. As and for the First Cause of Action:

- 8 a) For rescission of the purchase contract for sale of the Vehicle;
9 b) For actual damages according to proof at trial;
10 c) For general, incidental and consequential damages in a sum
11 according to proof;
12 d) For attorney's fees and costs of suit incurred herein;
13 e) For prejudgment interest according to proof; and
14 f) For such other and further relief as the Court deems just and
15 proper.

16 2. As and for the Second Cause of Action:

- 17 a) For actual and compensatory damages according to proof;
18 b) For consequential damages in a sum as yet unknown, but
19 which, taken together with the actual and compensatory
20 damages herein alleged, is in excess of the jurisdictional
21 minimum of this Court;
22 c) That the Court determine that the contract entered into
23 between Plaintiffs and Defendant Dealer be rescinded, and
24 restitution be made to Plaintiffs;
25 d) That damages as herein alleged be doubled;
26 e) For attorneys' fees in a sum to be determined by the Court;
27 f) For costs of suit herein;
28 g) For prejudgment interest according to proof; and
h) For such other and further relief as the Court deems proper.

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DATED: July 17, 1997

Denise J. Foley

DENISE V. FOLEY
Attorney for Plaintiffs
SANTIAGO RUIZ AND
GUADALUPE RUIZ

LAMONICA & FOLEY
ATTORNEYS AT LAW
TWO CENTURY PLAZA
2049 CENTURY PARK EAST
SUITE 1100
LOS ANGELES, CALIFORNIA 90067

TEL: (310) 356-0633
FAX: (310) 356-3259

April 4, 1997

BY CERTIFIED MAIL

Cheryl Halverson
Office of the General Counsel
Ford Motor Company
Parklane Towers West, Suite 514
One Parklane Boulevard
Dearborn, MI 48126

Family Ford
668 South Atlantic Boulevard
Los Angeles, CA 90022

Re: [REDACTED]

Ladies and Gentlemen:

This office has been retained to represent [REDACTED] regarding their 1997 Ford ST F-150 pick up truck, VIN 1FTDF1867VN [REDACTED] which was purchased new, on or about June 1, 1997, from Family Ford in Los Angeles, California. The vehicle has proven to be defective and was not repaired in a reasonable number of repair attempts, resulting in a fire which destroyed the vehicle. Therefore, [REDACTED] hereby demand a refund of their purchase price, plus incidental and consequential damages and attorneys fees and costs as provided under the Song-Beverly Consumer Warranty Act, Civil Code Section 1790, et seq. In addition, [REDACTED] hereby give notice of rescission of their contract for purchase of the vehicle and tender the vehicle to Family Ford.

[REDACTED] purchased the subject vehicle, it has required repeated repair attempts for the following:

- 1) Battery failure on day of sale, requiring battery replacement and ongoing problem with battery level dropping after several days;

Ex. B p. 1

LAMONICA & FOLEY
ATTORNEYS AT LAW
TWO CENTURY PLAZA
2049 CENTURY PARK EAST
SUITE 1100
LOS ANGELES, CALIFORNIA 90067

TEL: (310) 556-0633

FAX: (310) 556-3259

April 4, 1997

BY CERTIFIED MAIL

Ford Motor Credit Company
301 E. Ocean Boulevard
Suite 1900
P.O. Box 22601
Long Beach, CA 90801-5601

Re: [REDACTED]

Ladies and Gentlemen:

This office has been retained to represent [REDACTED] regarding their 1997 Ford ST F-150 pick up truck, VIN 1FTDF1867VN [REDACTED] which was purchased new, on or about June 1, 1997, from Family Ford in Los Angeles, California. The vehicle has proven to be defective and was not repaired in a reasonable number of repair attempts, resulting in a fire which destroyed the vehicle. Therefore, [REDACTED] hereby demand a refund of their purchase price, plus incidental and consequential damages and attorneys fees and costs as provided under the Song-Beverly Consumer Warranty Act, Civil Code Section 1790, et seq. In addition, [REDACTED] hereby give notice of rescission of their contract for purchase of the vehicle and tender the vehicle to Family Ford.

Since [REDACTED] purchased the subject vehicle, it has required repeated repair attempts for the following:

- 1) Battery failure on day of sale, requiring battery replacement and ongoing problem with battery level dropping after several days;
- 2) Repeated engine and related component failures including stalling and difficulty starting when cold, severe jerk on slow acceleration, stalling at stops and check engine engine light staying on; and

EX. B. p. 3

EQ05-805-LC1-4187

Letter to Ford Motor Credit Company
April 4, 1997
Page Two

3) Loud popping noise on extreme turns right or left.

The vehicle was brought in for repair at least 5 times at authorized Ford dealerships for these problems which said dealerships were unable to successfully repair. Yet, after each repair, Ford's authorized service facility told [redacted] that the vehicle had been repaired, when in fact, it had not been. The vehicle was eventually destroyed in an engine fire on the freeway on October 13, 1996. As a result, [redacted] and [redacted] have completely lost confidence in Ford vehicles to perform properly or safely.

Based on the above [redacted] hereby demand under Civil Code Section 1793.2(d)(2), a refund of the purchase price of their vehicle, their sales tax, registration fees, loss of use, rental car fees, towing fees, any incidental and consequential damages, and their attorneys fees and costs. As assignee, you are subject to all claims and defenses that [redacted] have against the original seller. (Civil Code Section 2983.5)

It is our understanding that the vehicle is presently at One Way Auto Salvage in Alhambra, California. PLEASE BE ADVISED that any attempt to alter, modify, repair, move, or destroy the vehicle will be regarded as spoliation of evidence. Further, this office demands that Ford Motor Credit Company notify this office of any inspections it intends to conduct on this vehicle prior to such inspection so that a representative of this office can attend.

Finally, please be advised that any attempt to repossess this vehicle or file a negative credit report of any kind against [redacted] is actionable under state and federal lending laws.

If you have any questions or wish to discuss this matter further, please let me know. The above offer shall remain open for thirty days from the date of this letter, after which time this office will take whatever action is necessary to resolve our client's claims.

Very truly yours,


Denise V. Foley

DVEAW

cc:

[redacted]
Shauna Moss

EX. B p. 4

APPRAISAL EXPRESS
An AEX Company
APPRAISERS • ADJUSTERS • ARBITRATORS

January 23, 1997

Nick D'Agostino
Claims Adjuster
Anza Insurance Company
Post Office Box 6180
Novato, CA 94948-6180

Re: Insured [REDACTED]
Carrier Anza Insurance Company
Claim # [REDACTED]
D.O.L. October 13, 1996
Vehicle 1997 Ford F150 Longbed 4x4 Pickup
AEX # 9610190

Dear Mr. D'Agostino:

ASSIGNMENT

Our office received this assignment on October 17, 1996, with instructions to complete a physical inspection, investigation and actual cash value analysis on the above loss.

This vehicle was physically inspected by Joe Harris, on January 17, 1997, at One-Way Salvage in Alhambra, CA.

LOSS DATA

This loss occurred on October 13, 1996, when the vehicle had approximately unknown miles showing on the odometer. The insured vehicle is a 1997 Ford F150 Longbed 4x4 Pickup with fabric interior, eight-cylinder engine, automatic transmission, power brakes, power steering, power windows, ABS, power mirrors, power door locks, air conditioning, tilt wheel, cruise control, am/fm cassette, tow package, and alloy wheel rims.

ACTUAL CASH VALUE ANALYSIS

In accordance with the California Code of Regulations, Title 10, Chapter 5, Subchapter 7.5, Section 2695.8, all adjustments to value are discernible, measurable, itemized, and specified in dollar amounts. Resources used in this analysis may include Cars of Particular Interest, Old Cars Price Guide, the Kelley Guides, and a market analysis with most weight given to the market analysis.

January 23, 1997
AEX #9610190

Adjustments for mileage, model, year or equipment are based on the Kelley Guide for the appropriate year and model vehicle when available. Adjustments for items not included in the Kelley Guide are made at the estimated market value.

We located three comparable vehicles available for sale on or near the loss date. We contacted the selling parties to verify mileage, condition, options, and the asking price of their vehicles. These vehicles range in asking price from \$20,995.00 to \$26,500.00.

We have calculated the base actual cash value of \$24,497.00 by averaging the asking prices of the comparable vehicles.

ADJUSTMENTS

We have added an allowance of \$150.00 to the base actual cash value for the insured vehicle's tow package.

It is our opinion that the actual cash value of the insured vehicle was \$24,647.00 as of the date of loss.

INVESTIGATION

The vehicle sustained major fire damage to the entire front engine compartment and interior passenger compartment. This appeared to be a flammable type fire, very high intense with the hood down. The fire was mainly concentrated in the upper engine area near the carburetor/fuel lines area. The heat was so intense that it melted the hood, radiator, air conditioning condenser and many engine components.

Local dealerships in the city and surrounding counties were contacted to verify if there were any factory recalls for this model relating to this type loss or any similar problems. There were no recalls stated at this time.

The Ford Motor Car Customer Service Hot Line, 800/392-3673, was contacted to verify if this model/year vehicle had any recalls. Spoke with Chris, Customer Service Technician, who advised that there was an on-going investigation regarding this vehicle and this loss. He had ran the VIN of the vehicle through his computer and discovered the pending investigation data. He stated that no recall information could be given by telephone regarding this model/year vehicle. All recall information must be requested by mail. Send request to: Consumer Affairs, 300 Residential Center, Post Office Box 4338, Detroit, MI 48243.

Contact was also made with The National Highway Transportation Safety Administration, 202/368-0123. Spoke with Peggy in Customer Service. She advised that there were only three listed recalls for this model/year vehicle. These recalls are as follows:

January 23, 1997
AEX #9810190

1. Interior seat belt anchor was mis-installed.
2. The retaining clip to the master cylinder hose is missing.
3. Two information labels are incorrect. She agreed to forward copies of these recalls in 3-4 days by mail. No complaint was listed regarding this vehicle from the owner at this time. The owner would have to contact their office to file a complaint if they wish, before they could provide any other information. A catalog of available fax information was faxed over and is attached with this report. The recall notification sheet will be forwarded when received.

Very truly yours,



Joe Harris
Research Analyst

JH/det

KERN COUNTY FIRE DEPARTMENT - FIRE INCIDENT REPORT

SECTION A - GENERAL INFORMATION																
1. YEAR / INCIDENT NUMBER	96 - 040166			EXPOSURE NUMBER	000		INCIDENT DATE	10/13/96								
2. AGENCY ID	YEAR	INCIDENT NUMBER			DISPATCH TIME	1313		ARRIVAL TIME	1320							
3. STA / SHIFT	55B	BATT.	02	END TIME	1345		END DATE	10/13/96		ALARM SOURCE	7	WEATHER	1	TEMP.	080	
4. SIT. FOUND	1	14	2	3	4	JURISDICTION	078		PROPERTY MANAGEMENT	6		CASUALTIES	N		A-UNIT RESP	
5. INSPECTION FILE NUMBER											HAZ-MAT NUMBER					
6. INCIDENT ADDRESS/LOC	I-5, 3 SOUTH OF 166										ROOM / APT NO					
7. CITY				ZIP CODE			COUNTY	15		CENSUS TRACT						
8. KEY MAP	178-24		FIRE ZONE			GENERAL PROP. USE	96		STRUCT. TYPE			STRUCT. STATUS				
9. SPECIFIC PROPERTY USE	961		OCCUPANCY TYPE					STRUCT. OCCUPIED AT TIME OF INC.								
10. INVOLVEMENT CODE	DR.	NAME (L.F.M.)							PH. NO.							
11. ADDRESS AND CITY						LOS ANGELES		STATE	CA		ZIP CODE					
12. INVOLVEMENT CODE		NAME (L.F.M.)							PH. NO.							
13. ADDRESS AND CITY								STATE			ZIP CODE					
14. FOR MOBILE PROPERTY INVOLVED	TYPE	11		LICENSE NUMBER					STATE	CA		YEAR	96			
	MAKE	FORD			MODEL		F-150									
	VEHICLE IDENT. NUM.	1FTDF1867V				OWNER'S LIC. NUM.			STATE	CA						
SECTION B - COMPLETE FOR ALL FIRES																
ACTION TAKEN	1	13	2	3	4	FUEL MODEL	Y	FIRE ORIGIN	AREA	83	LEVEL	A1	HORIZONTAL DIST. FROM	5	FORM OF HEAT	17
IGNITION FACTOR	50	METHOD OF EXTN.	5	MATERIAL	FORM	65	TYPE	23	CONTRIBUTING FACTORS	1	2	CONT. PER SEX	AGE	SEX	AGE	
PROPERTY LOSS	16,000		CONTENTS LOSS	100		ACRES BURNED			FIRE CONTROLLED DATE	10-13-96		TIME	1330			
IF EQUIPMENT INVOLVED	TYPE	01		MODEL			F-150		YEAR	96						
	MAKE	FORD					SERIAL NUMBER	1FTDF1867V								
SECTION C - COMPLETE FOR STRUCTURE FIRES																
CONST. TYPE	ROOF COV.	NUM. STORES	EXTENT OF DAMAGE		FLAME	SMOKE	SMOKE GENERATION	TYPE	FORM	SMOKE TRAVEL						
DETECTION SYSTEM	TYPE	PWR SUPPLY	PERF.	FAIL.	EXTING. SYSTEM	TYPE	PERF.	FAIL.	SPR. HEADS	TYPE	ACT.					
SECTION D - APPARATUS AND PERSONNEL																
UNIT RESP.	ORG.	# PERS.	MILES	DISPATCH DATE	TIME	ARRIVAL DATE	TIME	RETURN DATE	TIME	RECOV.						
P-55	07	1	5	10/13/96	1313	10/13/96	1320	10/13/96	1420	0100						
INITIAL EMPLOYEE (F.M.I.)	W, S, R 0293															
UNIT RESP.	ORG.	# PERS.	MILES	DISPATCH DATE	TIME	ARRIVAL DATE	TIME	RETURN DATE	TIME	RECOV.						
E-55	07	1	5	10/13/96	1313	10/13/96	1321	10/13/96	1420	0100						
INITIAL EMPLOYEE (F.M.I.)	S, S, R 0193															
UNIT RESP.	ORG.	# PERS.	MILES	DISPATCH DATE	TIME	ARRIVAL DATE	TIME	RETURN DATE	TIME	RECOV.						
INITIAL EMPLOYEE (F.M.I.)																
UNIT RESP.	ORG.	# PERS.	MILES	DISPATCH DATE	TIME	ARRIVAL DATE	TIME	RETURN DATE	TIME	RECOV.						
INITIAL EMPLOYEE (F.M.I.)																
UNIT RESP.	ORG.	# PERS.	MILES	DISPATCH DATE	TIME	ARRIVAL DATE	TIME	RETURN DATE	TIME	RECOV.						
INITIAL EMPLOYEE (F.M.I.)																
COMMENTS																
VEHICLE FIRE IN ENGINE COMPARTMENT, EXTENDED TO CAB. EXTINGUISHED WITH 400 GALLONS OF WATER FROM P-55 AND E-55. DRIVER STATED THAT HE HAD ELECTRICAL PROBLEMS PRIOR TO FIRE, BUT DAMAGE TOO EXTENSIVE TO DETERMINE CAUSE.																
SECTION G - MISCELLANEOUS INFORMATION																
ACTION TAKEN	1	2	3	4	5	COST RECOV.	N	LOCAL STUDIES			STATE STUDIES					
SIGNATURE						DATE	MONDAY, OCTOBER 14, 1996									



State Farm Insurance Companies®



September 12, 2002

STATE FARM INSURANCE COMPANY
SEP 16 2002
OFFICE
GENERAL

STATE FARM INSURANCE
Madison West Service Center
P.O. Box 620770
Madison, WI 53662-0770
Phone: (800) 836-5200
1-(800)-228-1289
Fax: (800) 836-9398

Ford Motor Company
Parklane Towers West, Suite 400
3 Parklane Boulevard
Dearborn, MI 48126-5268

RE: Claim Number: [REDACTED]
Our Insured: [REDACTED]
Date of Loss: August 10, 2002
Make, Model and Year of Vehicle: Ford, F150 Pickup, 1996
Vehicle Identification Number: 1FTEF14N5TL [REDACTED]

Dear Sir/Madam:

The above State Farm® insured F150 pickup was involved in a fire loss. We settled a claim with our insured in the amount of \$5,677.26, which includes our insured's deductible.

Our investigation revealed the cause of this loss was due to the brake light switch being stuck in the "on" position for too long. This switch overheated and ignited the plastic switch-housing. The fire spread throughout the engine compartment and into the cab of the truck, totaling this vehicle.

Please consider this letter as a notice of subrogation for reimbursement of damaged paid by State Farm Insurance® in the amount listed above.

This vehicle has been placed on hold at Insurance Auto Auction in Sussex, Wisconsin for 30 days if you wish to inspect it. At the end of 30 days, this vehicle will be sold.

Please contact me if you wish to inspect this vehicle or if you have any questions regarding this matter.

Sincerely,

Dean Hilgendorf
Dean Hilgendorf
Claim Representative
State Farm Mutual Automobile Insurance Company
(800) 836-5202

DH/G11/0912035.9r

8/10/02
1996 F-150
VIN
\$5677.26



EXPLORER

INSURANCE *Company*

JANUARY 28, 2001

FORD MOTOR COMPANY
OFFICER OF THE GENERAL COUNCIL
PARKLANE TOWERS WEST SUITE 400
3 PARKLANE BLYD
DEERBROOK MICHIGAN 48126



Re: Date of Loss : 4/28/00
Our Insured : [REDACTED]
Our Claim : [REDACTED]
Amount Due : \$11,594.75
Vehicle : '95 Ford F-150 4x4
VIN# : 1FTEP14Y7SN [REDACTED]

Dear Claims Department,

Our investigation has revealed that our insured's damages were a result of parts failure causing leakage which then caused fire to the vehicle. Therefore, we are placing you on notice of our subrogation rights in this matter. Enclosed are the documents to support the claim.

Please forward your check or draft for the amount noted above, made payable to Explorer Insurance Company.

Thank you for your prompt attention to this matter.

Sincerely,
EXPLORER INSURANCE COMPANY

Janice Miller
Recovery Specialist
(661)775-5770

(white calling)
- '95 F-150
- 4/28/00
- \$11,594.75
- VIN
- 60,000 (M)

Drop file

INCIDENT REPORT
Brevard County Fire/Rescue

90-23614
GRG

NFIRS-1

FID	INCIDENT NO	EXP NO	MO	DAY	YR	DAY OF WEEK	ALARM TIME	ARRIVAL TIME	IN SERVICE
19452	017461	00	4	28	00	Friday	6 10:19	10:27	11:28
TYPE OF SITUATION/BOUND						TYPE OF ACTION TAKEN			MULTI-ALD
Vehicle fire						13 Extinguishment			1 None
FIXED PROPERTY USE						IGNITION FACTOR			
One-family dwg; year-rnd use						411 Part fail, leak/bk			81
CORRECT ADDRESS						ZIP CODE		CENSUS TRACT	
[REDACTED]						[REDACTED]		881	
OCCUPANT NAME						TELEPHONE		ROOM OR APT.	
[REDACTED]						[REDACTED]		[REDACTED]	
ADDRESS						TELEPHONE			
[REDACTED]						[REDACTED]			
METHOD OF ALARM FROM PUBLIC						CO. INSPECTION DIST.		SHIFT	
Telephone tie-line to fire dept.						7		21 B	
NO. FIRE SERVICE PERSONNEL RESPONDING						NO. ENGINES RESPONDING		NO. AERIAL APPARATUS RESPONDING	
5						2		0	
NO. OTHER VEHICLES RESPONDING						0		0	
NUMBER OF INJURIES						NUMBER OF FATALITIES			
FIRE SERVICE 0 OTHER 0						FIRE SERVICE 0 OTHER 0			
COMPLEX						MOBILE PROPERTY TYPE			
Dwelling (1-2 family)						41 PICK UP TRK		11	
AREA OF FIRE ORIGIN						EQUIPMENT INVOLVED IN IGNITION			
Engine/wheel area, running gr.						83 Equip inv ign undbrnd/nt rtd		00	
FORM OF HEAT IGNITION						TYPE OF MATERIAL KNITED		FORM OF MATERIAL KNITED	
Spark esp fr ho f						13 Gasoline		23 Fuel	
METHOD OF EXTINGUISHMENT						LEVEL OF FIRE ORIGIN		ESTIMATED LOSS (DOLLARS ONLY)	
Precorrn hoses/tanks						8 5 Grade to 9 feet		1 12,000	
NUMBER OF STORIES						CONSTRUCTION TYPE			
EXTENT OF FLAME DAMAGE						EXTENT OF SMOKE DAMAGE			
DETECTOR PERFORMANCE						SPRINKLER PERFORMANCE			
IF SMOKE BEYOND ROOM OF ORIGIN		TYPE OF MATERIAL GENERATING MOST SMOKE				AVENUE OF SMOKE TRAVEL			
		FORM OF MATERIAL GENERATING MOST SMOKE							
IF MOBILE PROPERTY		YEAR	MAKE	MODEL	SERIAL NO.	LICENSE NO.			
		86	FORD	F-150 4X4	1FTEF14Y78	[REDACTED]			
IF EQUIPMENT INVOLVED IN IGNITION		YEAR	MAKE	MODEL	SERIAL NO.				
OFFICER IN CHARGE (NAME, POSITION, ASSIGNMENT)								DATE	
LT. D. G. FRY								4/28/00	
MEMBER MAKING REPORT (IF DIFFERENT FROM ABOVE)								DATE	
LT. D. G. FRY								4/28/00	

File closed

NOTES:

E21 & E22 RESPONDED TO ABOVE CALL, ON ARRIVAL FOUND A FULLY INVOLVED FORD F-150 4X4, PRECONNECT LINE PULLED, FIRE EXTINGUISHED. INSP. 1 NOTIFIED, ON HIS ARRIVAL IT WAS DETERMINED THAT VAPORS IN THE RECOVERY CHAMBER HAD BEEN IGNITED. VEHICLE WAS RUNNING UNATTENDED, FOUND ON FIRE BY THE OWNER. SCENE TURNED BACK OVER TO THE OWNER, ALL UNITS WENT BACK INSERVICE FOR CALLS.

CURLEY & ASSOCIATES

CLAIM NUMBER



INSURED



CLAIMANT

DATE OF LOSS

4/28/00

DATE TAKEN

5/9/00



RT FRT



LT FRT

CURLEY & ASSOCIATES

CLAIM NUMBER

INSURED

CLAIMANT

DATE OF LOSS

DATE TAKEN

4/28/00

5/9/00



LEFT REAR



RIGHT REAR

CURLEY & ASSOCIATES

CLAIM NUMBER

INSURED

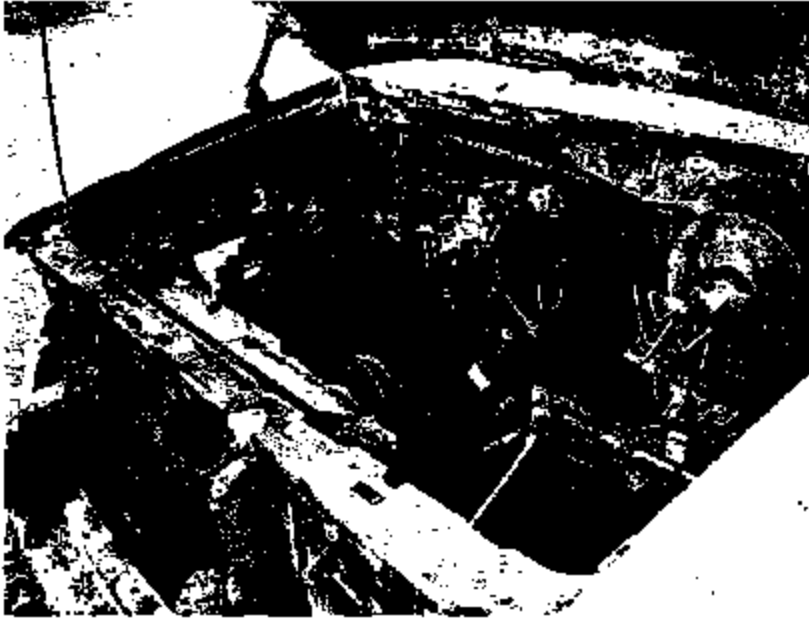
CLAIMANT

DATE OF LOSS

DATE TAKEN

4/28/00

5/09/00



UNDER HOOD COMPONENTS

ER05-005-LC1-4199

CURLEY & ASSOCIATES

CLAIM NUMBER

INSURED

CLAIMANT

DATE OF LOSS

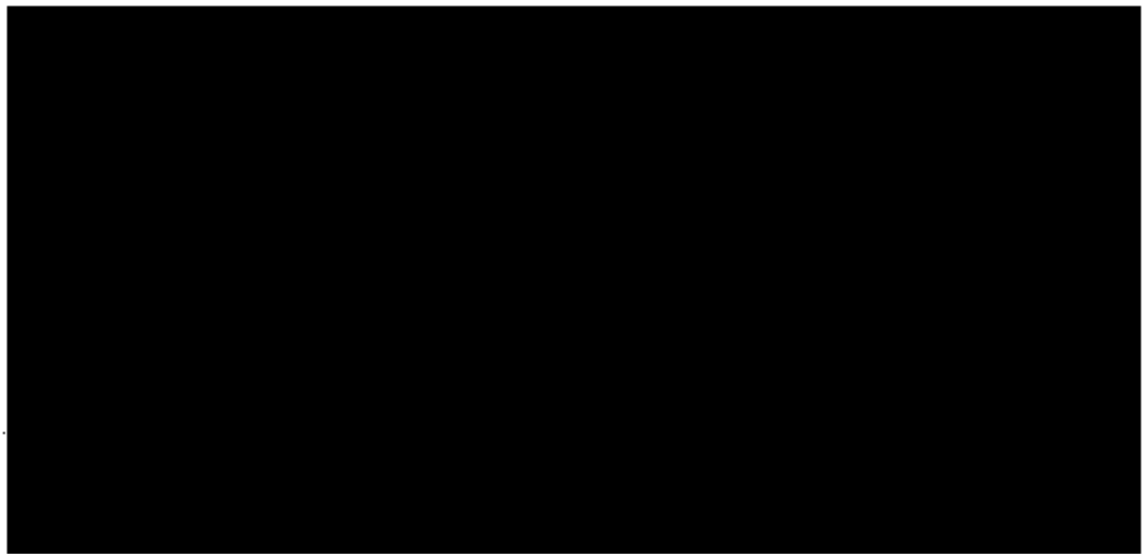
DATE TAKEN

4/28/00

5/9/00



INTERIOR



Keller and Associates
P. O. Box 1239
Sanger, TX 76266
(972) 434-3809 or (214) 354-9992

September 6, 2001

FILE #K0109191

Report One

CLIENT: Ms. Karen Davis
Farmers Insurance Group
P. O. Box 3148
Longview, TX 75606

INSURED: [REDACTED]

INSURED VEHICLE: 1995 Ford F150 XLT pickup
VIN #1FTEX15N6SK [REDACTED]

DATE OF FIRE: 8/26/01

POLICY #: Not Reported

CLAIM #: [REDACTED]

This report is prepared for the above named client.
Release to any other persons, company or agency MUST
be approved by the client.

ASSIGNMENT

This assignment was received on 9/4/01. Instructions were to conduct a vehicle fire origin and cause investigation. The investigation began on 9/5/01.

ENCLOSURE

1. 25 vehicle photographs with explanation sheet

INSURED VEHICLE

The insured vehicle is a 1995 Ford F150 XLT pickup. This is an extended cab pickup with a long wheelbase. The vehicle is identified by VIN #1FTEX15N6SE[REDACTED]. The vehicle displays a Texas license plate [REDACTED]. The vehicle displays a license validation sticker expiring 12/01. The vehicle displays a Texas MVI sticker expiring 6/02.

The odometer is not readable, as it is digital and there is no power to the vehicle. The vehicle is powered by a 5.0L EFI engine with an automatic transmission. The vehicle is equipped with power steering, power brakes, power windows, power door locks, air conditioning, tilt steering, cruise control, aftermarket am/fm/cd radio with removable face, dual fuel tanks, bedliner, and stock chrome wheels with tires that appear to have been in good condition.

VEHICLE EXAMINATION

This vehicle was photographed and examined at the insured's home in Van, TX. No other parties were present at the time of the inspection.

Fire damage was visible from the exterior of the vehicle. The fire damage is confined to the front-end assembly of the vehicle. I found that a large portion of the paint is burned from the front driver's side fender. The front grill assembly and headlights are burned, particularly on the driver's side. There is some fire damage to the front passenger fender; however, it is much less than damage to the driver's fender. Paint is burned from a large portion of the vehicle hood. The windshield is fire damaged but is still present. The remainder of the vehicle body is not damaged by the fire.

All four tires and wheels were present on the vehicle. The front driver's side tire was not the same type of wheel as was on the remainder of the vehicle. It appears that the front driver's side wheel was the spare. I looked in the bed of the truck and found that the original tire and wheel from the driver's side of the vehicle was in the vehicle bed. That tire had received some fire damage and had apparently been changed after the fire.

An inspection was made of the vehicle interior. I found that there was some damage to the dash on the driver's side between the driver's console and the windshield. Observations indicate that the fire had spread through the firewall and caused damage to the dash area in the driver's console area. Observations of the wiring and components underneath the dash indicate that the fire did not actually start under the dash but rather spread to the interior through the firewall. The remainder of the interior had received some smoke damage but a majority of the interior was not fire damaged.

An inspection was made of the engine compartment. The engine compartment had received moderate fire damage, although belts, hoses, and wiring were still present.

Observations of the engine compartment indicate that the heaviest damage is on the driver's side of the engine compartment along the inner fender and the firewall area. A majority of the hoses are still present on the passenger side of the engine compartment. Insulation is burned off of a large amount of wiring.

An inspection was made of the fuel delivery system components. The fuel lines were still attached to the fuel rail. There was no evidence of fire spread from the area of the fuel injectors nor the fuel line assembly. Observations would indicate that this fire was not caused by a failure of the fuel delivery system.

The alternator was still present. The fire did not spread from the area of the alternator.

The air conditioning compressor was still present. There is no evidence to indicate that the fire spread from the air conditioning compressor.

The heaviest damage is along the inner fender on the driver's side of the vehicle and back towards the firewall. Insulation is burned off of all the wiring. The electrical control center that is mounted on the inner fender on the driver's side is heavily damaged. The electrical components along the inner fender of the vehicle has sustained heavy damage. There is also moderate to heavy damage along the firewall in front of the driver's seating area.

The fuse panel inside the vehicle was still intact. An inspection of the fuses indicates that only one fuse was blown. This was the fuse listed as #13. The ID plate from the fuse panel indicates that this fuse is a 15-amp fuse. It is for the stop/hazard lamps, antilock brakes, speed control, speed sense for electronic engine control, and automatic transmission shift interlock. I did not observe any other fuses in the fuse block in the vehicle interior that were blown.

Observations of the vehicle indicate that the most probable cause of the fire is a failure of some of the electronics located along the inner fender or firewall in the engine compartment. A failure occurred in the electronics or wiring and caused a fire ignition. The fire was able to spread within the engine compartment and caused moderate damage to the vehicle. Per discussion, no engineering analysis has been conducted.

As previously stated, the odometer in this vehicle is a digital odometer and therefore was not readable. The vehicle inspection sticker indicates that the vehicle inspection was conducted on 6/9/01. The mileage written on the back of the inspection sticker at the time of that inspection was 168,125 miles.

INVESTIGATION

I have not talked with the insured. I called the insured's residence and spoke briefly with his wife. She stated that she could not talk, as she had just been notified that her mother had had a heart attack. She stated that the vehicle was parked in front of the house and it was accessible. [REDACTED] was not at home.

I called [REDACTED] work location. I learned that he works out in the field and is not near a phone. I was given a phone number of a work associate but was unable to reach anyone at that number. While conducting the vehicle fire examination at

the residence, [REDACTED] son arrived at home. The young man stated that his father normally did not get home until after 9:00pm in the evening and leaves very early in the morning, as he normally works in the Dallas area.

Per our conversation, information you had received indicates that [REDACTED] had replaced the fuse for the ABS system shortly before the fire. Information also indicates that he replaced the fuse because he was having difficulty getting the transmission out of park. Someone told him that the fuse had probably blown and he therefore replaced the fuse.

The information that you have received from [REDACTED] indicates that there was a failure in the components associated with the electronics for the shift interlock and the ABS. This is the same fuse that was found blown at the time of my inspection.

There was a problem with Ford Motor vehicles of the early 1990's model involving the brake interlock switch assemblies. All the information I have previously seen related to early 1990's model passenger cars and not light trucks. It is unknown if the same components are used in the light trucks as were used in the cars. In the passenger cars, similar problems would occur. Vehicle operators would not be able to get the car out of park. The problem was being improperly diagnosed and they were simply replacing the fuses as happened in this event. Shortly thereafter the cars were catching on fire. The fires were occurring regardless as to whether the vehicles were being operated or parked.

I checked the database of the National Highway Traffic Safety Administration to see if there was any information regarding this problem on the 1995 Ford F150 pickups. I found no recalls or technical service bulletins relating to this failure for this particular vehicle.

Per our discussion, no engineering analysis has been conducted. Although no recalls or technical service bulletins have been located, the problem appears to be the same as that experienced with the earlier 1990 model passenger cars manufactured by Ford.

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 in electronic components located on the driver's side of the vehicle on the inner fender and firewall area of the vehicle.

Information received indicates that the problem involved the wiring and/or components of the transmission interlock switch assembly and the antilock brakes. The fuse for this equipment was blown at the time of my inspection.

An engineering analysis may provide additional information regarding the exact cause of the failure. Due to the vehicle age and mileage on the vehicle and the lack of any specific recalls being found, information at this time indicates that no engineering analysis will be made.

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 voice mail/paging service at 214/354-9992.

Respectfully submitted,



Mike Keller, CFI/CFEI, CFII
For The Firm

PHOTOGRAPH EXPLANATION SHEET

- 1 - 4 vehicle exterior
- 5 manufacturers data tag
- 6 MVI sticker and license validation sticker
- 7 attempt to show the mileage on the back of the inspection sticker5
- 8 bed of the truck
- 9, 10 vehicle interior
- 11 floorboard and firewall on the driver's side of the vehicle
- 12, 13 attempt to show the area behind the dash on the driver's side of the vehicle
- 14 - 17 overall view of the engine compartment
- 18 passenger side of the engine compartment
- 19, 20 attempt to show the fuel injectors and fuel line connections indicating that the fire did not spread from the fuel delivery system
- 21, 22 overall view of the driver's side of the engine compartment and inner fender
- 23, 24 wiring and electrical components along the driver's side engine compartment
- 25 blown fuse #13 from the interior fuse panel

KELLER AND ASSOCIATES

PHOTOSHEET

No. 1



No. 2



KELLER AND ASSOCIATES

PHOTOSHEET

No. 3



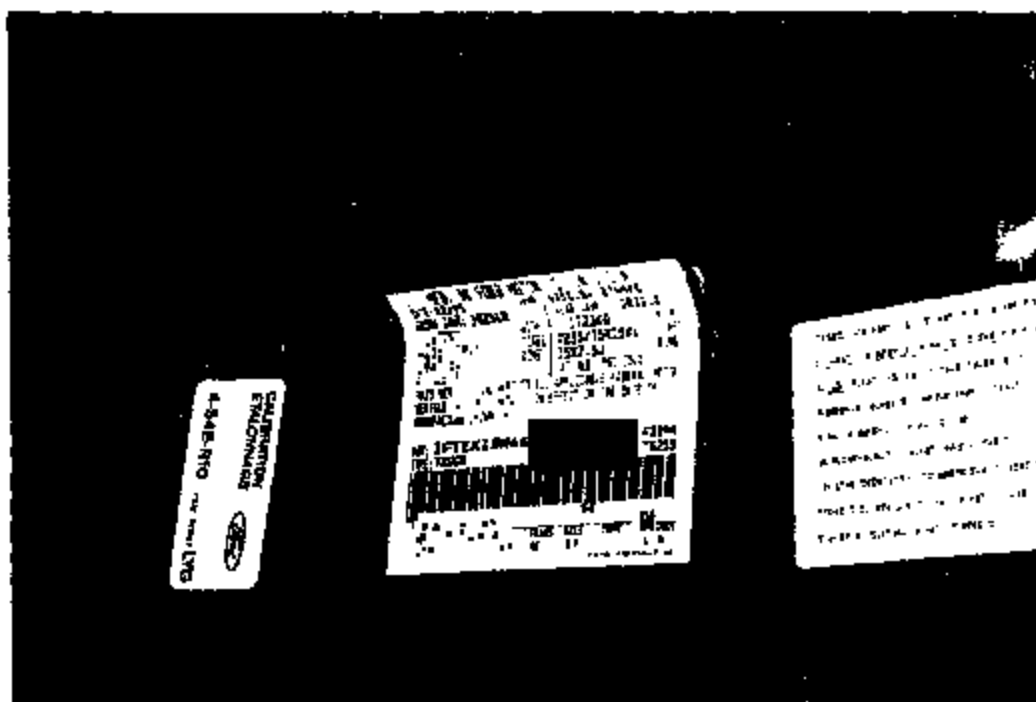
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KELLER AND ASSOCIATES

PHOTOSHEET

No. 5



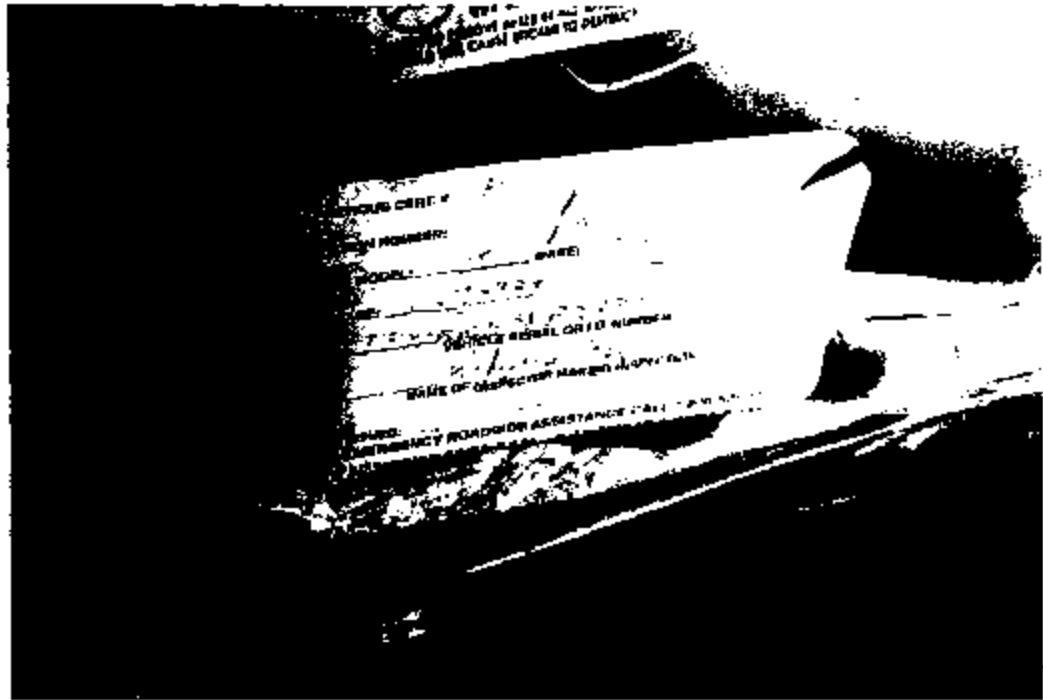
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KELLER AND ASSOCIATES

PHOTOSHEET

No. 7



No. 8



KELLER AND ASSOCIATES

PHOTOSHEET

No. 9



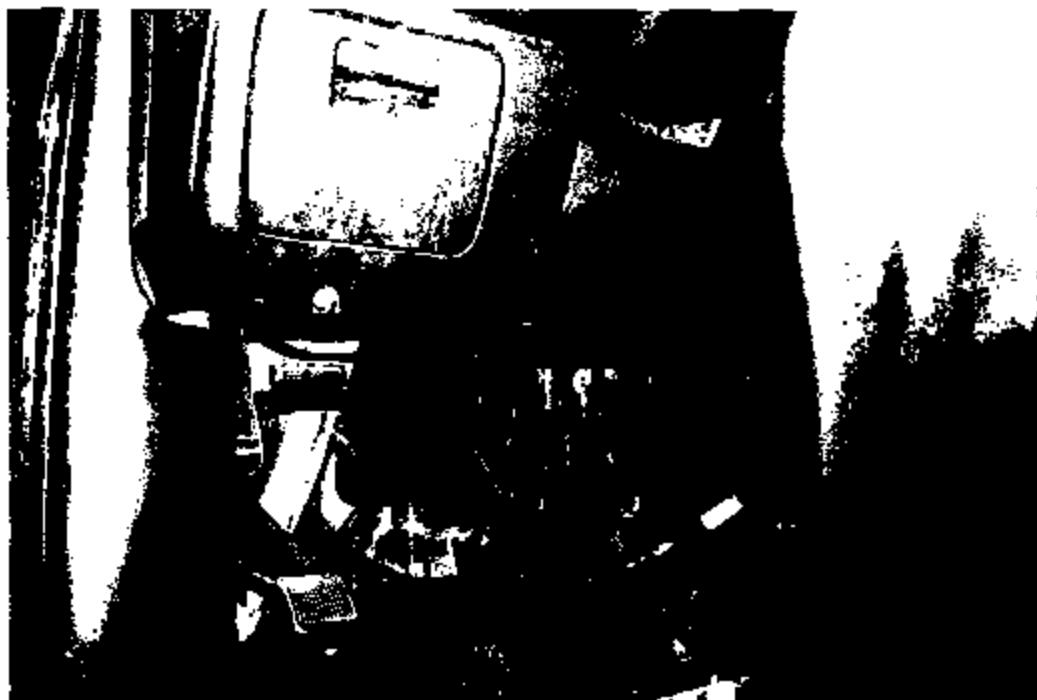
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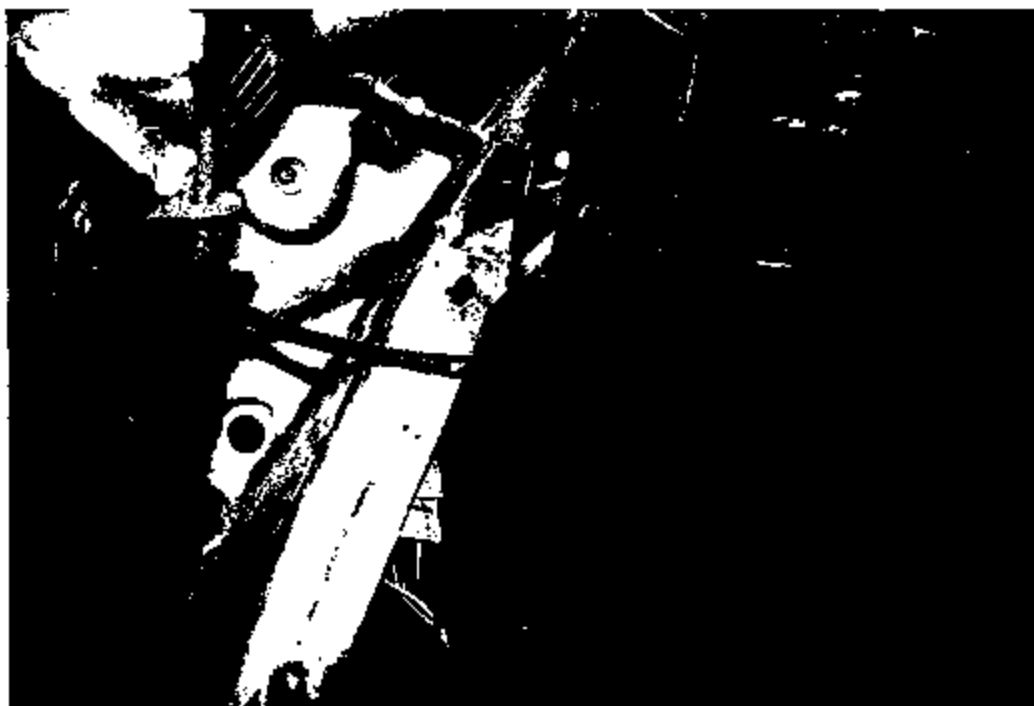
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PHOTOSHEET

No. 11



No. 12



KELLER AND ASSOCIATES

PHOTOSHEET

No. 13



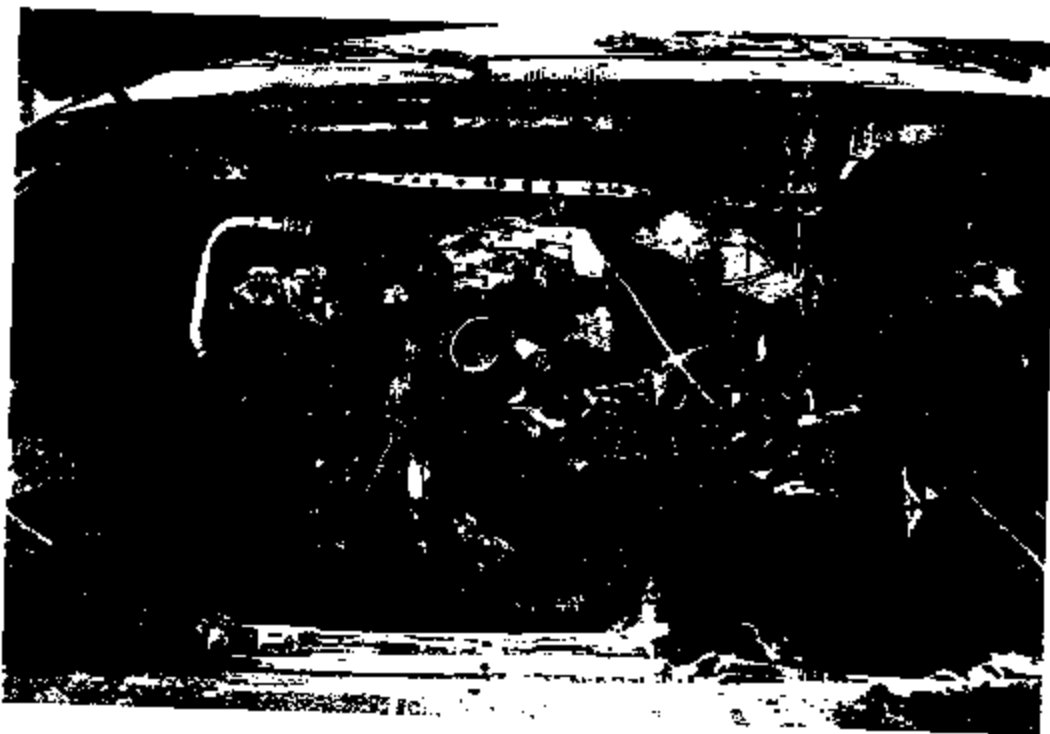
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KELLER AND ASSOCIATES

PHOTOSHEET

No. 15



No. 16



KELLER AND ASSOCIATES

PHOTOSHEET

No. 17



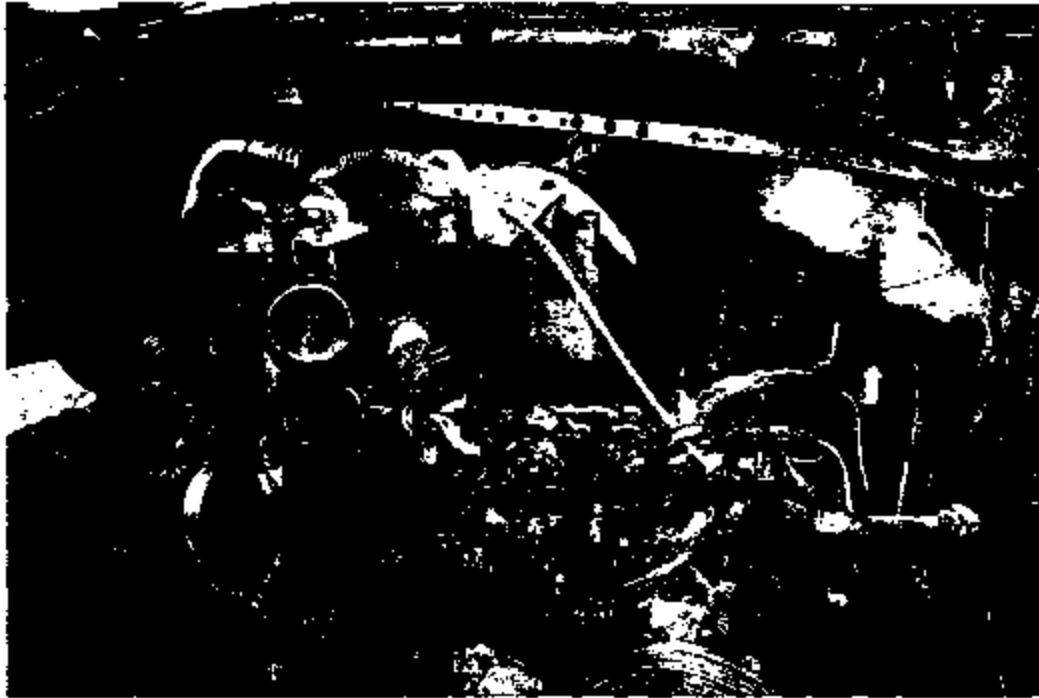
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KELLER AND ASSOCIATES

PHOTOSHEET

No. 19



No. 20



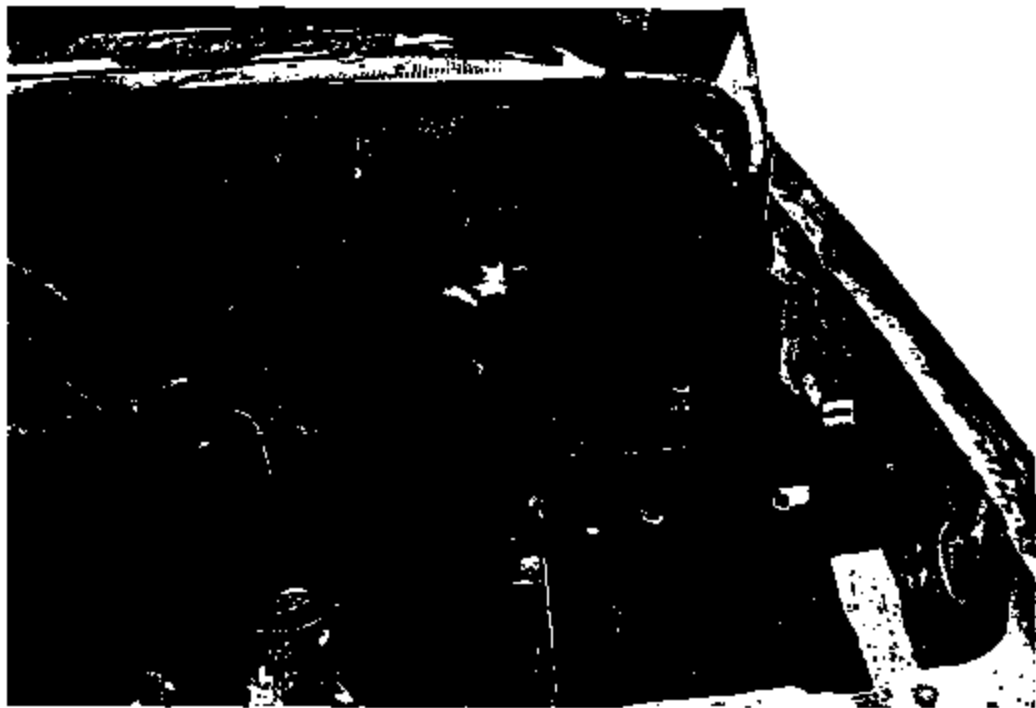
KELLER AND ASSOCIATES

PHOTOSHEET

No. 21



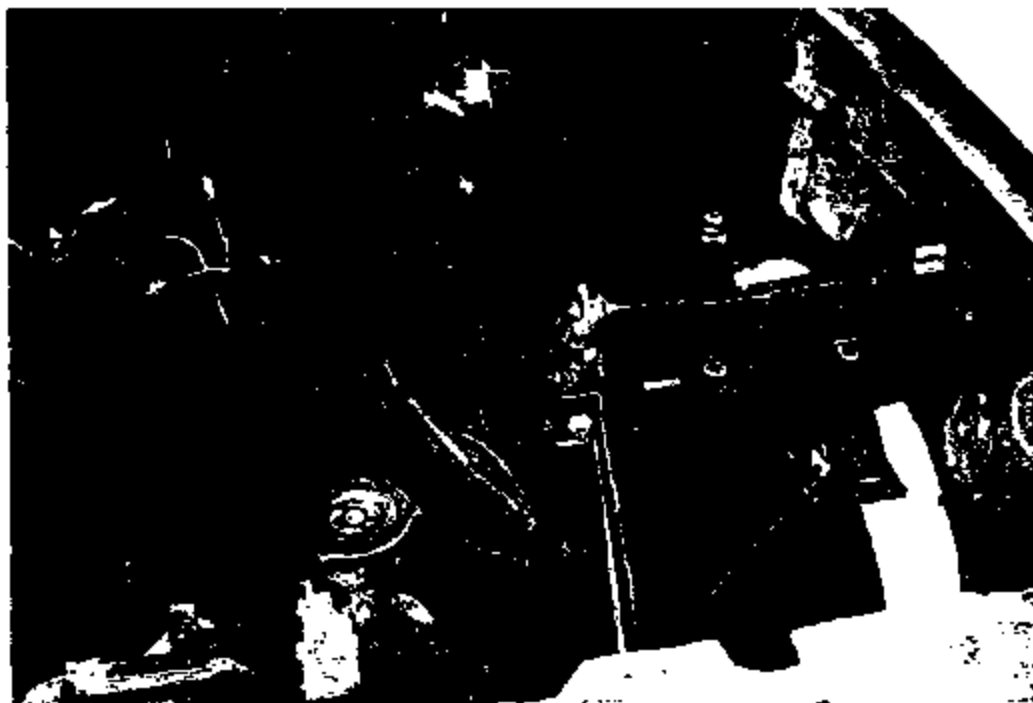
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KELLER AND ASSOCIATES

PHOTOSHEET

No. 23



No. 24



KELLER AND ASSOCIATES

PHOTOSHEET

No. 25



No. _____