



2005

SORD MOTOR COMPANY

MAY 1 \$ 2005

OFFICE OF THE

Nationwide Insurance • 110 Elwood Davis Road, North Syracuse, N.Y. 13212 • 315-453-3594

May 6, 2005

Ford Motor Company Parkiane Towers West – Suite 300 Three Parkiane Boulevard Dearborn, MI 48126-2568

Attn: Shawn Norton

Re: 63 claims relating to cruise control recall

Dear Ms. Norton:

As you will recall you and I spoke 4 weeks ago. I am the manager of a centralized unit that has been handling subrogation claims Nationwide has involving automobile fires and possible defects since September, 2004. We also have been handling these claims for our affiliate company Allied since February, 2005. You have had discussions on several claims with my associates Kathle Styer, Lynn Ellis and Lynn Koenck. Our goal has been to establish a positive working relationship with your company, and to only submit claims to your company having merit.

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I would appreciate discussing this with you or someone at Ford once you have received this and have had an opportunity to review. Please contact me by phone at 315-453-3594, by fax at 614-961-3180 or by EMAIL at mabbetc@nationwide.com. We look forward to continue working with you and your team, building a strong working relationship, and working towards cost effective resolutions of claims for both of our companies.

Carig Mabbett

Subrogation Manager

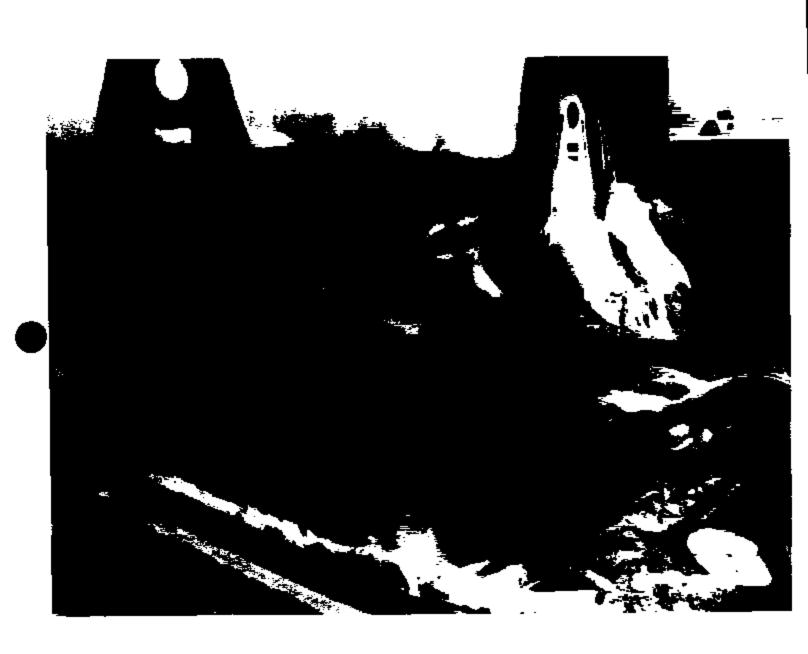






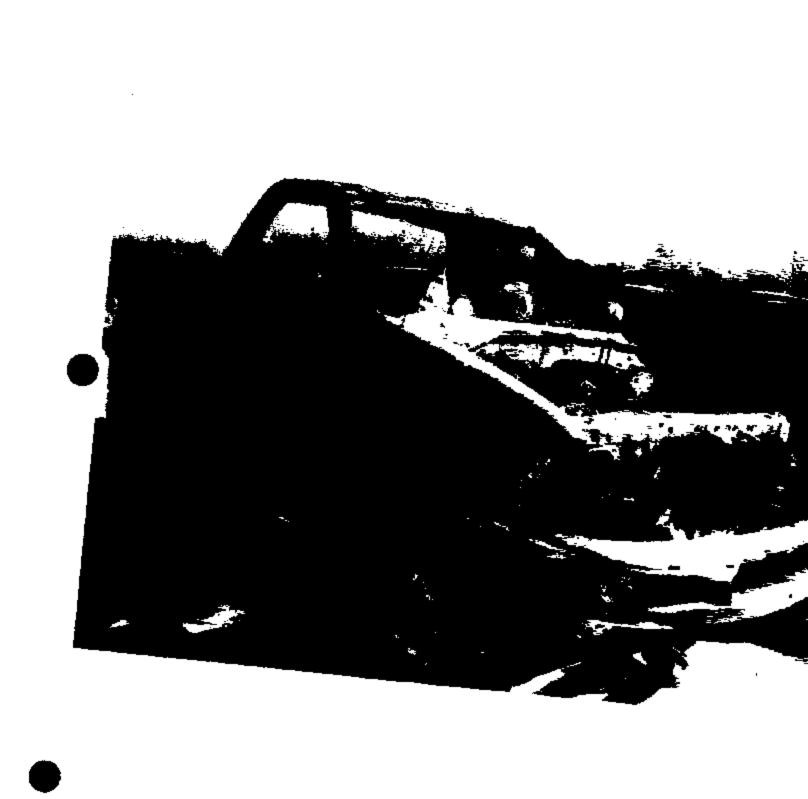


















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Friday, May 06, 2005

FORD MOTOR COMPANY PARKLANE TOWERS WEST #300 3 PARKLANE BLVD. DEARBORN, MI 48126

PRODUCT DEFECT CAUSED VEHICLE FIRE AND RESULTING DAMAGES. Re:

VIN:

1FMRU17L4WI

Уеаг:

1998

Make:

FORD

Model:

FYPEDITION

Our Insured:

Address:

Date of Loss:

Phone No.:

Our Claim No:

1-11-05

Damages:

\$ 14,852.50

NOTICE OF SUBROGATION CLAIM

MIAMI, FI

Please accept this letter as formal notice of our subrogation rights in regard to the above-captioned claim. Demand is hereby made upon you for payment of Progressive's damages and those of Progressive's insured.

Our investigation indicates damages to our insured's vehicle was a direct result of a manufacturer's defect or negligence on your behalf. Enclosed please find all supporting documentation.

Please acknowledge receipt of my subrogation demand and forward your payment of \$14,852.50 to my attention, payable to "Progressive American Insurance Company, as subroges of ", and mail to my attention at PO Box 43258, Richmond Hts., OH 44143.

You can contact me at the number listed below should you need additional documentation or care to discuss this claim.

Thank you for your anticipated cooperation,

Progressive American Insurance Company

William P. Kienzl Subrogation Representative (440) 603-7967

FORD MOTOR COMPANY RECEIVED

MAY 1 7 2005

OFFICE OF THE GENERAL COUNSE!

Last Handling Date/
Issue Status Resson Desc
1/31/2006
CLOSED LEGAL - ACCIDENT / FIRE

ISSUE LIST Vin/ Case No. 1FMRU17L4W 321760315

Model Year and Vehicle Line Issue Type
1998 EXPEDITION 10

All Action Details for lesue

Poin

VIN: 1FMRU17L4W

Year: 1998

Model: EXPEDITION

Origin Desc: US CONCERN CASE BASE

Матне

Owner Statue: Subsequent Symptom Desc: FIRE/SMOKE VISIBLE FLAME UNDERHOOD

Cuse: 321760315

Reason Desc: LEGAL - ACCIDENT / FIRE

WSD: 1998-09-03 Primary Phones Secondary Phone:

Isselle Type: 10 OGC

Issue Status; CLOSED

Action: CONTACT ADVANCED TO OGC

Dealer: 04871 METRO FORDING

Comm Type: PHONE

Odometer: 79000 Mil Analyst Name: ALICIA SIBBLIES

Analyst: ASIBBLIE Action Time: 08.56.15.554

Action Data: No.

Action Date: 01/31/2005

Comments CUSTOMER SAID: CUST IS CALLING TO VERIFY IF HER VEH IS INVOLVED IN RECALLTHE VEH CAUGHT FIRE AND BLEW UP 6 DAYS AFTER THE YEH WAS BURINT SHE SAW ON THE NEWS THAT THERE WAS A RECALL FOR THIS CONCERNVEH BURNT ANOTHER VEH AND BURST IN FLAMES AND THE SIDE OF THE BUILDING IS BURNT CUST SAID. THERE WAS NO PRIOR WARNING THE VEH WAS FINE THE FIRE OCCURED 1/11/05THIS OCCURED 668 SW 4TH STREET AND MIAMITHE FIRE ORIGINATED FROM THE ENGINE PROGRESSIVE INSURANCE CO.TOOK THE VIEH ...CUST IS UNAWARE OF IT'S CURRENT LOCATIONFIRE DEPT WAS NOTIFIED (SHE DID NOT GET A REPORT FROM THEM) REPORT Was filed in Miami and dade countyinsurance co was notified she have not yet heard from the INSURANCE COVEH IS TOTALLY BURNTCUSTE SAID HER COATS ...CDS AND EVERYTHING IS COMPLETELY BURNT UPDEALER SAID: METRO FORD INC. 9000 NW 7TH AVE MIAMIL FL 33150DISTANCE; 2.48 MILES TEL: (800) 793-8175CRC ADVISED: I WILL FORWARD THIS INFORMATION TO THE FORD OGC DEPARTMENT, YOU WILL BE CONTACTED WITHIN 3-5

BUSINESS DAYS,CSP INFORM CUST THAT VEH WAS NOT INVOLVED THE RECALLRECALLS ARE ON VEH SPEC BASED ON THE VIN # AND WHEN AND WHERE THE VEH WAS MANUFACTURED





Nationwide Insurance - 110 Elwood Davis Road, North Syracuse, N.Y. 13212 • 315-453-3594

May 6, 2005

Ford Motor Company
Parklane Towers West – Suite 300
Three Parklane Boulevard
Dearborn, MI 48126-2568

Attn: Shawn Norton

Re: 63 claims relating to cruise control recall

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Craig Mabbett

Subrogation Manager

FORD MOTOR COMPANY RECEIVED

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GERICE OF THE GENERAL COURSE

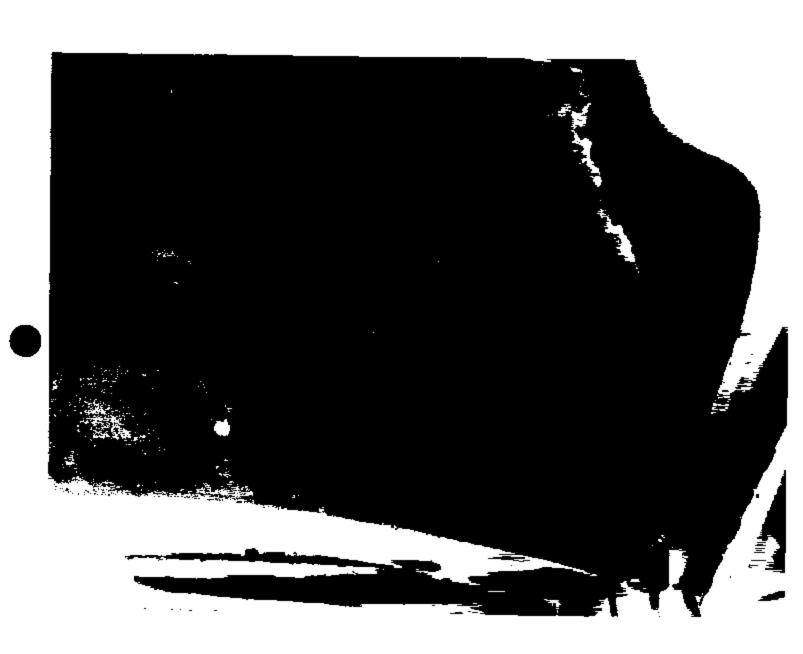


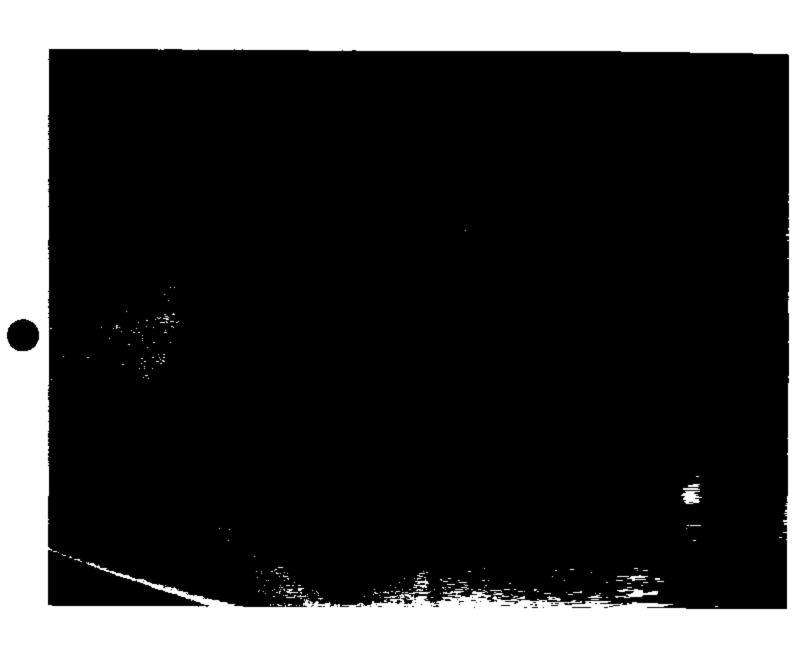


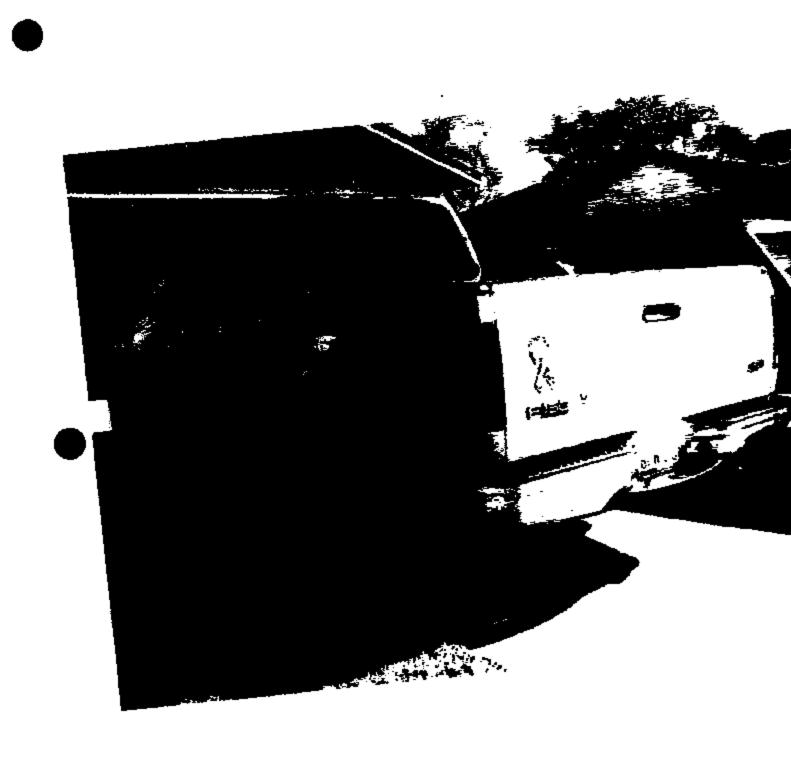


















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member of Nationwide insurance
 May 12, 2005

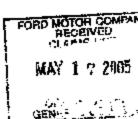


HAT 17 Philichigan Service 3820 109th St. (

800 FAX (\$15 FAX 800

CERTIFIED MAIL/RETURN RECEING MEGLESTED 11

Ford Motor Company Customer Relationship Center PO Box 6248 MD-3NX-8 Dearborn, MI 48126



RE: Our Insured

Our Claim Number

Date of Loss Year/Make/Model

Vehicle Identification Number

Related Receil
Fire Report Number

04/22/05

: 1998 Ford F150

: 2FTZF18WXWQ

: Cruise Control Switch : 0589 (City of Portage)

To Whom It May Concern:

This letter will serve as formal notification that you have 10 business days, from receipt of this notice, to inspect the vehicle. Please contact the undersigned to advise if you will be sending someone to inspect the vehicle. Our origin and cause investigator, Jim Shinaky, will need to be present during your inspection.

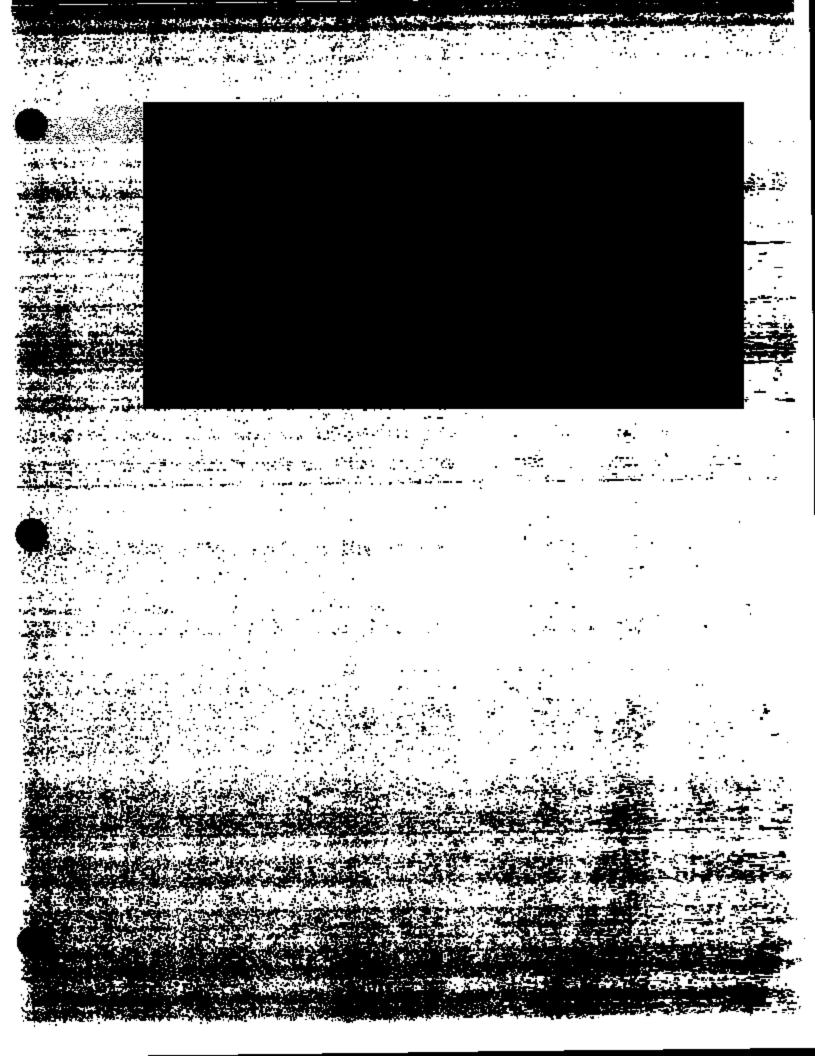
I await your timely reply.

Sincerely,

Tyrone Strong
MD Master Claims Representative
Alied Property & Casualty Insurance
P.O. Box 401545
Redford, MI 48240
313,794,5461

Allied G AMCO Insurance Allied Property and Casualty Insurance Depositors Insurance Nationwide Insurance Company c

5905-00R





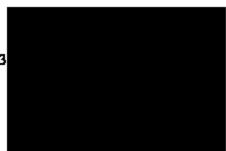
Nationwide[®] On Your Side"

Nationwide Insurance • 110 Elwood Davis Road, North Syracuse, N.Y. 13212 • 315-453-3594

May 6, 2005

Ford Motor Company Parklane Towers West - Suite 3 Three Parkiane Boulevard Dearborn, MI 48126-2568

Attn: Shawa Norton



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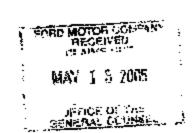
7/27/02 As you will recall you and I spoke 4 weeks ago. I am the manager of a centralized unit that has

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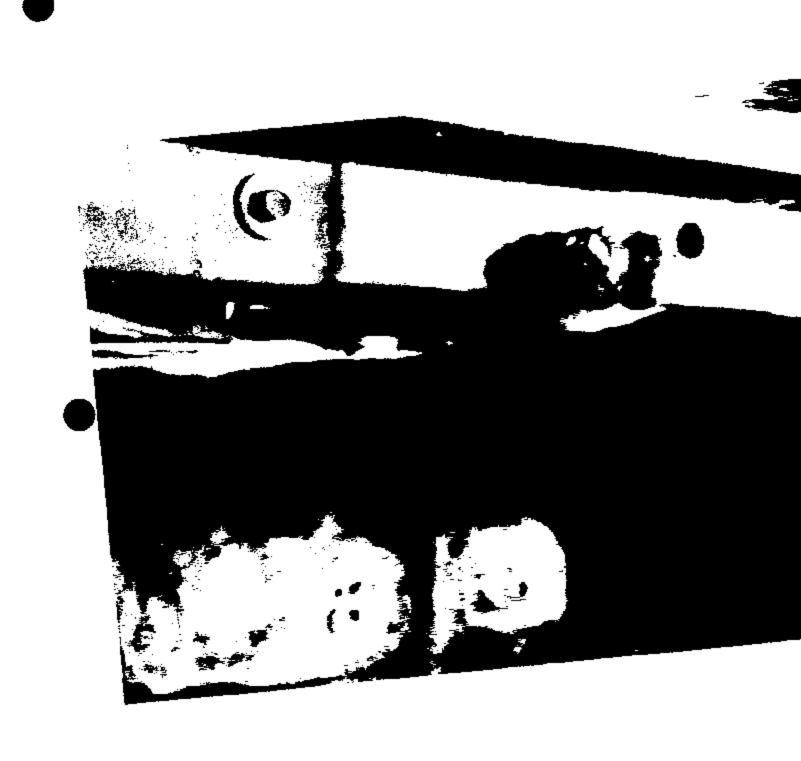
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Sincerely, Craig Mabbett Subrogation Manager



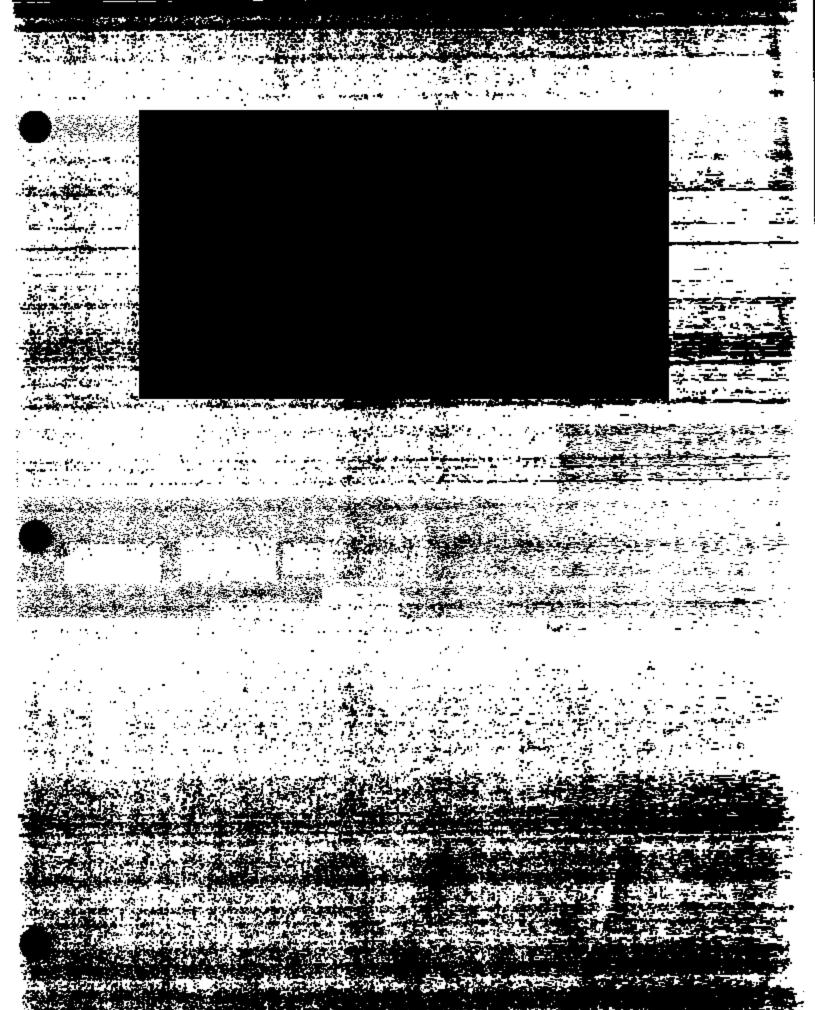














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Nationwide Insurance • 110 Elwood Davis Road, North Syracuse, N.Y. 13212 • 315-453-3594

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Craig Mabbett

Subrogation Manager

Print

VIN: 1ETDE0786VI

Year: 1997

Owner Status: Subsequent

Model: F-SERIES

Origin Desc: US CONCERN CASE BASE

Cece: 1530151063

Nume:

Symptom Door: GENERAL INQUIRIES REQUEST/NON-VEHICLE RELATED

WSD: 1998-02-29

Reason Does: LEGAL - ACCIDENT / FIRE

Primary Phone: 813-653-2852 Secondary Phone: 813-728-8930

issus Type: 07 LEGAL

Issue Status: CLOSED

mane drivers: CTORET

Action: ADVISE CUST INFORMATION WILL BE SENT TO CONSUMER AFFAIRS - FIRE

Dealer: 04983 BRANDON FORD

Comm Type: PHONE

Odometer: 80000 MI Analysi Masse: MCLELLAN JILL

Analyst JMCLELLS

Action Date: 01/26/2005

Action Time: 13.38.31.544

Action Date: No

Comments Customer Said: -THIS VEH BURNED DOWN -THERE IS NEW INFORMATION AND CUST WANTS THIS ISSUE FORWARDED TO FORD LEGAL DEPARTMENT-THE VEH ALMOST BURNED CUSTS HOUSE DOWN-THE FLAMES BEGAN AT COLD ENGINE TEMPT, UNDER THE HOOD-CUST STILL OWES \$2500,00 AND FEELS THIS IS FORDS RESPONSIBILITY IN LIGHT OF THE TREND OF RECENT FIRES TO THESE VEH'S-CUST INSISTS SONEONE FROM FORD LEGAL GET BACK TO HERIHIDEALER SAID: NONECRC ADVISED: -I WILL FORWARD THIS INFORMATION TO OUR CONSUMER AFFAIRS GROUP. SOMEBODY FROM CONSUMER AFFAIRS WILL CONTACT YOU IN 2 BUSINESS DAYS, PLEASE NOTIFY YOUR INSURANCE CARRIER AND REPORT THIS INCIDENT,

Action: REFER TO INSURANCE CARRIER - INSURANCE COMPANY ALREADY INVOLVED

Dealer: 04963 BRANDON FORD

Origin Desc: CONSUMER AFFAIRS - LITIGATION PREVENTION

Odometer: 80000 Mi Analyst Name: CASSANDRA JONES Comm Type: OTHER Analyst: CJONES

Action Date: 02/02/2006

Action Time: 17.31.03.370

Action Data: No

Comments AS STATED PREVIOUSLY, CONCERN SHOULD BE HANDLED BY INSURANCE CO WHO HAS SETTLED THE CLAIM IN 2003. THERE ARE NO OPEN RECALLS RELATED TO HIS CONCERNS AND APPLIED TO HIS VEHICLE. LETTER SENT STAING THE SAME.

Print

VIN: 1FTDF0788VH Name:

Year: 1997

Curner Status: Subsequent

Model: F-SERIES **WSD:** 1998-02-29 Casa: 1530151063

Symptom Desc: FIRE/SMOKE VISIBLE FLAME UNDERHOOD

Reason Desc: LEGAL - ACCIDENT / FIRE

INNUE TYDE: 07 LEGAL

Isatua Status: CLOSED

Primary Phone: Secondary Phone:

Origin Deac: US CONCERN CASE BASE

Action: ADVISE CUST INFORMATION WILL BE SENT TO CONSUMER AFFAIRS.

Design: 04963 BRANDON FORD

Odometer: 65000 MI **Analyst Name: DENISE WALTON**

Comm Type: PHONE Analyst: DWALTON4

Action Date: 08/11/2003 Action Time: 11.27.28.105

Action Date: Yes

Caller Information if Different From Vehicle Owner:

First Name TIFFANY

Middle initial

Lest Name MELDRUM

Origin Desc: CONSUMER AFFAIRS - LITIGATION PREVENTION

Day Phone 8137854575 Reletionable SPOUSE

Comments CUSTOMER SAYS: ==DATE OF FIRE 04/15/2003 =ONLY PART REMAINING IS THE TAIL GATE FRAME AND FLOOR BOARD =BOTTOM PART OF THE VEH. WAS STILL THERE CUST HAS STILL SHOT PICTURES AND VIDEO BEFORE THE REMAINDER OF THE VEH WAS HAULED OFF -EVERYTHING THAT WOULD MAKE THE VEH RUN WAS MELTED =00\$22 RECALL LETTER WAS MALLED TO CUST OLD ADDRESS AND THE RESIDENCE THERE THREW IT OUT =DATE OF FIRE 04/15/2003 = FIRE ORIGINATED UNDER THE HOOD =CUST IS NOT SURE WHERE THE VEH IS =A FIRE REPORT WAS FILED FIRE DEPT HILLISBORD COUNTY FIRE RESCUE #FIRE REPORT NUMBER 018808 SEC E-11-C #FINDINGS WAS THAT THE FIRE STARTED UNDER HOOD #CUST HAS FILED A CLAIM THROUGH INSURANCE =VEH IS NOT REPAIRABLE VEH TÖTALLED ONLY PARY IN TACK WAS THE TAILGATE ≠VEH HAD NOT BEEN TURNED ON AT ALL THAT DAY IT WAS PARKED AND VEH WENT UP IN FLAMES = VEH WAS NOT TAKEN TO A FORD DLR VEH WAS PURCHASED FROM CHEVROLET DLRSHP = CUST HAS STMTS FROM NEIGHBOURS AND CHEVROLET DLR PROMISED THAT CUST WOULD GET ALL INFO REQUIRED FROM FORD PER CUSTOMER, DEALER SAYS; BRANDON FORD 9090 ADAMO DRIVE TAMPA FLORIDA -NONE FOR THIS VEH AND ISSUE CAC ADVISED: - I WILL FORWARD THIS INFORMATION TO OUR CONSUMER AFFAIRS GROUP. SOMEBODY FROM CONSUMER AFFAIRS WILL CONTACT YOU IN 2 BUSINESS DAYS, PLEASE NOTIFY YOUR INSURANCE CARRIER AND REPORT THIS INCIDENT. ■CRC SENT INFO TO THIS DLR BIC CUST HAS PURCHASED 2 OTHER VEH'S FROM THIS DLRSHP OF RECENT ■CSR PROVIDED CUST WITH RECALL 00\$22 INFO INFERENCE CASE ID: 5349

> Data Element Name Date Value F**RE**/ACCIDENT

Action: SEND ACKNOWLEDGEMENT LETTER TO CUSTOMER

Dealer: 04963 BRANDON FORD

Odometer: 85000 Mil.

Analyst Name: CASSANDRA JONES

Action Date: 08/14/2003

Comm Type: MAIL Analyst: CJONES

Action Time: 10.58.12.395

Action Date: Yes

Comments SITUATION IS BEST HANDLED BY THE INSURANCE CO. CUST NO LONGER HAS VEHICLE LPA LEFT MESSAGE FOR CUSTOMER TO STATE POSITION.

1

LETTER OF CLOSING SENT TO CUSTOMER.

Data Element Name

CERTIFED LETTER #

Data Value

USMAIL

Action: FINAL CASE DISPOSITION Double: 04983 BRANDON FORD

Odooseter: 85000 MI

Analyst Name: CASSANDRA JONES

Action Date: 08/14/2003

Comm Type: MAIL Analyst: CJONES

Action Time: 10.56.48.681

Origin Desc: CONSUMER AFFAIRS - LITIGATION PREVENTION

Action Data: No

Comments LETTER OF CLOSING SENT TO CUSTOMER.

Potot

VIN: 1FTDF0788V Nume:

Year: 1997

Owner Status: Subsequent

Symptom Desc: FIRE/SMOKE VISIBLE PLAME UNDERHOOD Resign Deat: PROD/COMP DUR/PERF - VEHICLE QUALITY

Issue Type: 02 INFORMATION Issue Status: CLOSED Model: F-SERIES WSD: 1998-02-29

Cese: 1530151063

Primary Phone: Secondary Phone:

Artion: SUPPORT DEALERS/REGION'S DECISION

Design: 04945 BILL CURRIE FORD INC.

Odorseter: 81000 MB

Analyst Name: MARGARET ARSENAULT

Action Date: 05/02/2003

Comm Type: PHONE Analyst: MARSENAU

Action Time: 11.12.39.648

Origin Desc: US CONCERN CASE BASE

Action Date: No

Comments CUSTOMER SAYS: PURCHASED VEH USED FROM INDEPENDANT AND VEH CAUGHT FIRE, CUST HEARD THERE WAS A RECALL ON FUEL LINE.INSURANCE COMPANY COVERING \$8300, CUST STILL OWES \$10,900, VEH IB TOTALLED. CUST SEEKING COMPENSATION FOR DIFFERENCE PER CUSTOMER, DEALER SAYS: CAC ADVISED: "THANK YOU FOR CONTACTING FORD MOTOR COMPANY IN RELATION TO THIS ISSUE, TO ENSURE OUR RECORDS ARE COMPLETE, YOUR COMMENTS HAVE BEEN DOCUMENTED. HOWEVER, THE DECISION OF THE DEALER/REGIONAL OFFICE IS FINAL. (NOTE TO CSR: SUPPORT DUTUREGION DECISION.)* INFERENCE CASE ID: 1815



VIN: 1FTDF0788V

MAUS Type: 02 INFORMATION

Year: 1997

Owner Status: Subsequent

Symptom Desc: FIRE/SMOKE VISIBLE FLAME UNDERHOOD ROSSON DESC: LEGAL - INSURANCE COMPANY SETTLEMENT

Issue Status: CLOSED

Model: F-SERIES

WSD: 1698-02-29

Primary Phone: 4 Secondary Phone:

Origin Desc: US CONCERN CASE BASE

Casa: 1538151053

Action: ADVISE CUSTOMER TO CONTACT THEIR INSURANCE COMPANY FOR ASSISTANCE

Dooler:

Odometer: 82000 MJ

Analyst Nams: LARRY BAKER

Action Date: 04/16/2003

Comm Type: PHONE Analyst: LBAKER

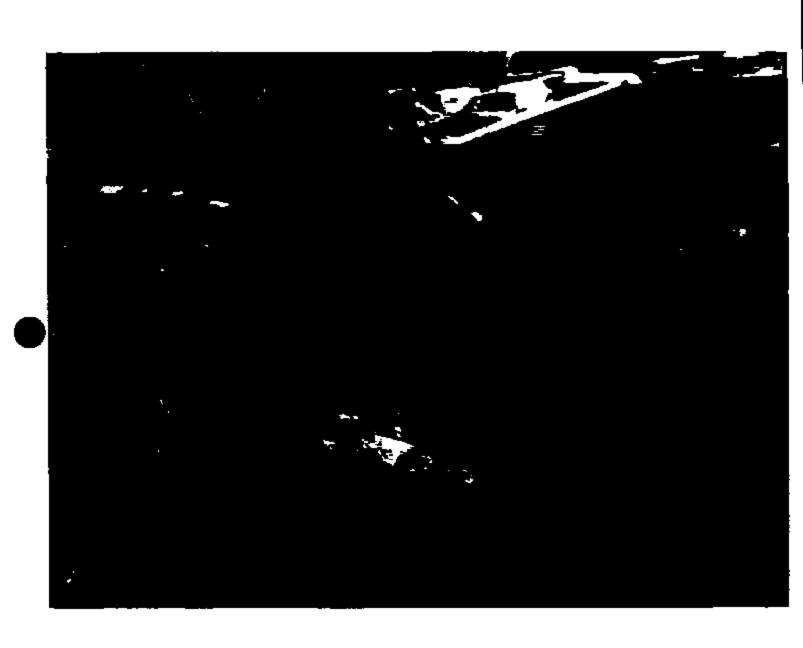
Action Time: 14.43.03.583

Action Data: No

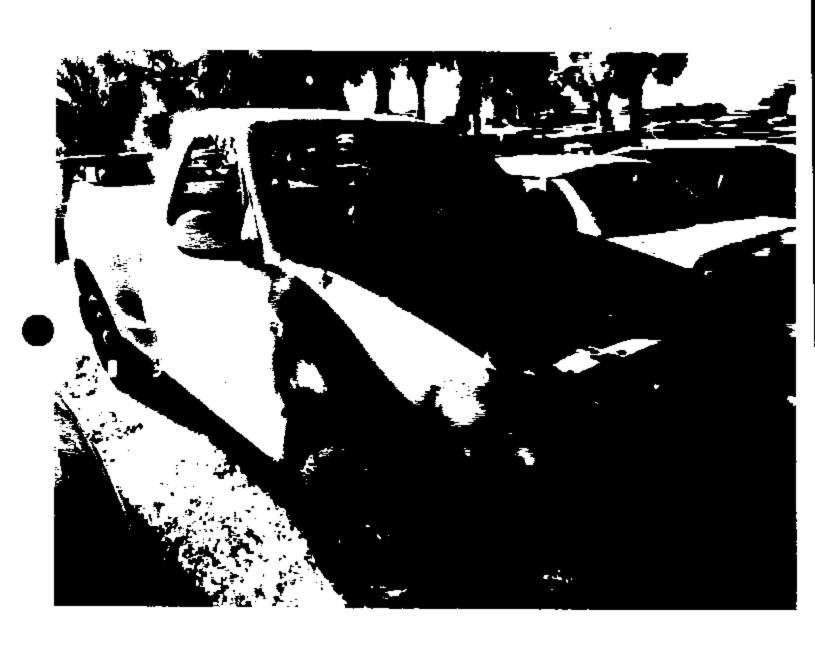
COMMENSAYS: -97 F150 PARKED FOR 2 HOURS IN FRONT OF HOUSE AND CAUGHT ON FIRE 7PM 4/15/03 --- FIRE STARTED UNDER THE HOOD AND NEIGHBOR CAME TO DOOR TO ADVISE HIM HAS BEEN REPORTED TO INSURANCE CO FIREFIGHTERS SAID ELECTRICAL OR IT MAY BE INTAKE MANIFOLD ----- NOT DETERMINED IF REPAIRABLE -- NO INJURIES; NO POLICE REPORT; NOT ALLEDGING THAT FORD IS RESPONSIBLE, -- I AM CALLING TO SEE WHAT FORD CAN TELL ME PER CUSTOMER, DEALER SAYS: NONE7 DATE OF THE ACCIDENT OR FIRE, 7 LOCATION OF THE VEHICLE WHEN THE ACCIDENT OR FIRE OCCURRED. 7 DETAILS OF THE ACCIDENT OR FIRE INCIDENT FROM THE CALLER. 7 WHETHER OR NOT THERE WERE ANY INJURIES, AND IF SO, THE NATURE OF THE INJURIES. 7 WHAT THE CALLER IS ALLEGING THE PRODUCT DEFECT IS THAT CAUSED THE ACCIDENT OR FIRE. 7 WHETHER OR NOT THERE WAS A POLICE REPORT FILED. 7 WHETHER OR NOT AN INSURANCE CLAIM HAS BEEN FILED WITH THEIR INSURER. 7 WHETHER OR NOT THE VEHICLE IS REPAIRABLE OR A TOTAL LOSS. CAC ADVISED: - YOUR INSURNACE COMPANY HAS THE RIGHT TO PURSUE CLAIMS FOR REIMBURSEMENT AGAINST FORD. FORD IS UNABLE TO INVESTIGATE THE VEHICLE AS REPAIRS HAVE BEEN PERFORMED. INFERENCE CASE ID: 5348





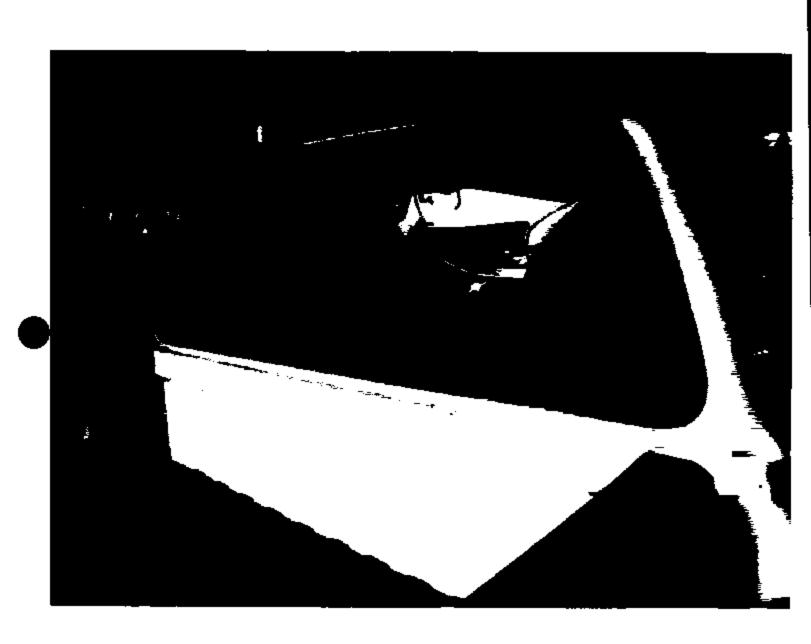


















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DOL 1/10/03

Nationwide Insurance • 110 Elwood Davis Road, North Syracuse, N.Y. 13212 • 315-453-359

May 6, 2005

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Dearborn, MI 48126-2568

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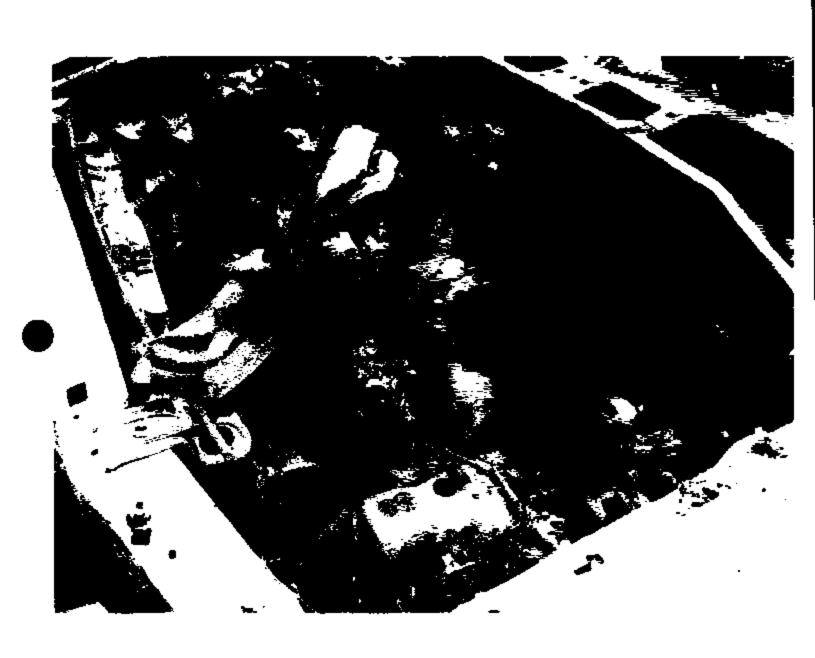
Catig Mabbett

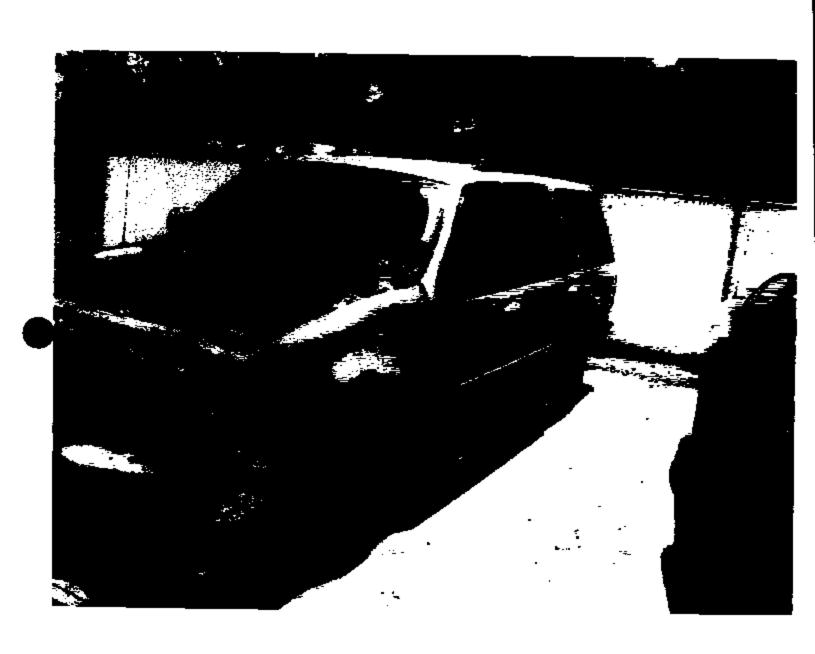
Subrogation Manager

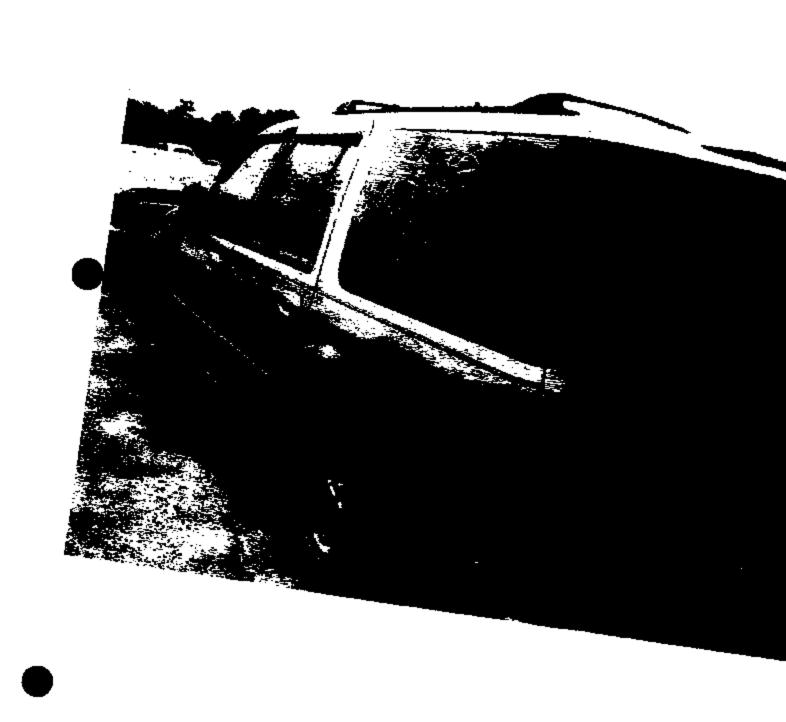














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TRAVELERS

THAVELERS INDEPENTY COMPANY OF COMMETTECHT POR SOLES NA 02722-3022 (2011) 225-2673 × 8341



7985 MAY 16 And 202005

FORD MOTOR CO. P.O. BOX 6248, MD-3NE-B

DEARBORN MI 48126

MAY 1 7 2005

Our Client:

Claim/File #:

Date of Loss:

03/29/2005

Reference:

Subrogation Claim

Dear FORD MOTOR CO:

We are handling a claim for

who sustained a loss on

03/29/2005.

Our investigation reveals that you may be legally responsible for this loss, and we are seeking reimbursement from you. We are requesting reimbursement of the total amount of \$2,131.69. We have paid \$2,106.69 and our insured \$25.

If you have insurance, please complete the attached form and return it to me. Please refer this letter to your insurance carrier immediately, requesting they contact our offices. Should you not have insurance, we expect payment from you directly. Please contact me to discuss repayment options.

Please call me with any questions.

Sincerely, KRISTIN J PRIMIANO CL REP (508) 324-8341 Fax: Rmail:

Boc. Insurance Questionnaire

₩_a

DESCRIPTION: UNIQUOAN SKPORTED: 4/18/2006 6:59:54 AM SY: 080688080 FILE RIZE: 78700 WIDTH: 640 MEIGHT: 490





Page 1 of 1 Claim Photo Web





Claim Photo Web





DESCRIPTION: UNKNOWN SMPORTED: 4/18/2005 8/58/54 AM STY: 08(0805080 FILE SEZE: 94865 WIDTH: 640 HEIGHT: 450





DESCRIPTION: UNKNOWN IMPORTED: 4/16/2005 8:58:53 AM BY: 050589000 FILE 8025: 50654 WIDTH: 640 HEJOHT: 460







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YEHICLE FIRE INSPECTION

INSURED:

IMPACT GENERAL NUMBER: SD-26442

AS PREPARED FOR

MR. LLOYD PROCTOR
STATE FARM INSURANCE COMPANY

DEL 13 mil

PROVIDING PROFESSIONAL EXPERTISE FOR CASUALTY CAUSE DETERMINATION



December 13, 2000

Mr. Lloyd Proctor State Farm Insurance Company 3252 Bonita Road Chula Vista, CA 91910

Re:

Insured:

Claim Number:

Date of Loss:

Impact General Number: SD-26442

8/5/00

ENVIRONMENTAL AUDITS & CONTAMINATION CLAIMS •

CONSTRUCTION DEFECT & ACCIDENT INSPECTIONS •

TRAFFIC ACCIDENT ANALYSIS & RECONSTRUCTION •

MECHANICAL ENGINEERING SERVICES •

PERSONAL & HEALTH INJURY CLAIMS .

CIVIL & STRUCTURAL ENGINEERING .

ELECTRICAL SYSTEMS EVALUATION @

CODE COMPLIANCE EVALUATIONS .

METALLURGY - FAILURE ANALYSIS &

PROPERTY DAMAGE ASSESSMENT .

GEOTECHNICAL ASSESSMENTS @

SLIP & FALLS - GENERAL SAFETY •

AUTOMOTIVE INSPECTIONS =

FIRE CALISE DETERMINATION •

PRODUCT LIABILITY CLAIMS .

LABORATORY SERVICES •

CROP DAMAGE CLAIMS .

INDUSTRIAL SAFETY @

TIRE ANALYSIS O

VEHICLE FIRE INSPECTION

ASSIGNMENT:

impact General, incorporated was retained to determine the cause and origin of a fire which damaged a 1995 Ford F150 pickup.

CONCLUSIONS:

The cause of the fire was a direct short between the B+ battery wire and the ground wire, terminating in the service brake system pressure switch which is located on the front of the master cylinder.

Ford Motor Company has issued recall 99V124 for a potential defect in this same brake pressure switch (see Enclosure 2). Physical evidence shows that the fire initiated in this switch. Representatives from Ford Motor Company should be asked to inspect the burned parts.

DEC 1 9 2009

COUTH BAY

Mr. Lloyd Proctor Claim No. 553260442 Impact No. SD-26442 Page 2

DISCUSSION:

<u>Overview</u>

The insured had been fishing. Upon returning to his vehicle located in a parking lot, he observed a person walking around the vehicle carrying a fire extinguisher. The fire was extinguished using the fire extinguisher. Inspection revealed a small engine compartment

fire in the vicinity of the service brake master cylinder.

The vehicle was then repaired in Blythe, California, near the scene of the fire. No actual inspection of the vehicle was possible. However, the damaged parts were forwarded from the repair facility to the State Farm Office in Chula Vista, California, where the inspection of the fire damaged wiring hamesses, master cylinder and the vacuum brake booster took place. Photographs of the insured's truck after the fire were provided and are included as

Enclosure (1).

No recent work had been done on the vehicle.

Inspection

The fire-damaged parts were inspected at State Farm Insurance, 3252 Bonita Road, Chula Vista, California, on 12/7/00. Mr. Proctor from State Farm Insurance was present at the inspection.

Year make and model:

1995 Ford F150 pickup

Color body:

Unknown

Transmission:

Unknown 4-wheel

Drive;

BEC 1 9 2999

SOUTH BAY

Mr. Lloyd Proctor Claim No. 565260442 Impact No. SD-26442 Page 3

License:

6F84796

Vin:

Unknown

DOM:

Unknown Unknown

Odometer: Keys:

No

Driveable:

No

This vehicle had experienced a small engine compartment fire in the vicinity of the service brake system master cylinder. The fire melted the fluid reservoir mounted on the top of the master cylinder and burned wiring in the near proximity of the fire (see Photographs 1 and 8).

Evidence of burning brake fluid is visible on the lower portion of the master cylinder. Residue from the melting plastic reservoir was deposited on the master cylinder and on wiring components directly below the fire.

The hot spot of the fire was at the brake pressure switch, located at the front end of the master cylinder. The National Highway Traffic Safety Administration issued recall 99V124 for a potential defect in the brake pressure switch. The recall states that "the possibility of a fire exists while the vehicle is parked or in use." This switch controls the operation of the brake lights and the discontinuance of the cruise control when the brake pedal is depressed.

Wiring to the switch was burned back towards the B+ battery source approximately 12 inches (see Photographs 13-14). Other wiring in vicinity of the shorted conductors was also damaged.

An exemplar vehicle with the identical unburned brake pressure switch was located. Photographs of the exemplar switch are included as Photographs 20, 21. Mr. Lloyd Proctor Claim No. 558260442 Impact No. SD-26442 Page 4

A ten-amp fuse was found "blown" in the fuse panel. This fuse was in position number 7. (see Photographs 16-19).

In summary, the service brake pressure switch failed internally, causing a direct short between the B+ battery wire and the ground wire. This short caused the insulation on the associated wiring to melt and catch fire. The ensuing fire caused other components to bum.

This report is based upon evidence and information available at the time of preparation. Any new evidence or information, which becomes available, may necessitate a revision or amendment to this report.

This opportunity to be of service is greatly appreciated. Should you have any questions or require additional information, please contact Impact General.

Respectfully submitted,

IMPACT GENERAL, INCORPORATED

William O. Hagerty

Automotive/Fire Expert

California Private Investigator #21488

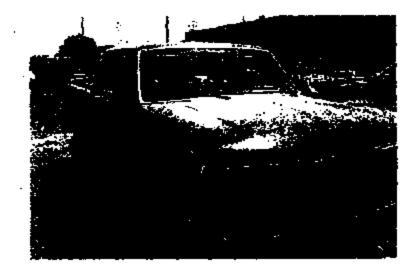
WOH/GRK/ev

Enclosures: (1) State Farm Photograph pages 1-5

(2) NHTSA recall 99V124

(3) Photographs 1-21







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ENCLOSURE(1) PAR



Espe (1)

ENCLOSURE (*)解ン

Photographs - VEHICLE FIRE INSPECTION Insured Claim No. Impact No. SD-26442

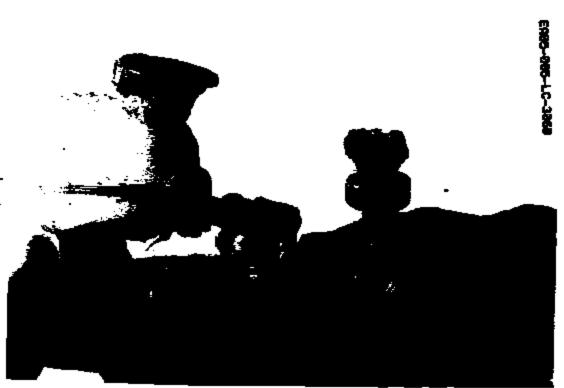
Photograph 1

Service brake master cylinder burned brake pressure switch at end



Photograph 2

Service brake master cylinder burned brake pressure switch at end



Photographs - VEHICLE SIRE INSPECTION Insured: Claim No.

Impact No. SD-28442

Photograph 3

Service brake master cylinder burned brake pressure switch at end



Photograph 4

Service brake master cylinder burned brake pressure switch at end



Photographs - VEHICLE FIRE INSPECTION Insured:
Claim No. SD-28442

Photograph 5

Service brake master cylinder burned brake pressure switch at end



Photograph 6

Service brake master cythoder burned brake pressure switch at end



Photographs - VEHICLE FIRE INSPECTION Insured: Claim No. Impact No. SD-26442

Photograph 7

Service brake master cylinder burned brake pressure switch at end



Photograph 8

Service brake master cylinder burned brake pressure switch at end



Photographs - VEHICLE FIRE INSPECTION

Insured: Claim No

Impact No. SD-26442

Photograph 9

Service brake master cylinder burned brake pressure switch at end



Photograph 10

Service brake master cylinder burned brake pressure awatch at end



Photographs - VEHICLE FIRE (NSPECTION Insured: Claim No. SD-26442

Photograph 11 Wiring harness



Photograph 12 Wiring harness



Photographs - VEHICLE FIRE INSPECTION Insured:

Impact No. SD-25442



Burned insulation on pressure switch wiring

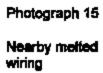


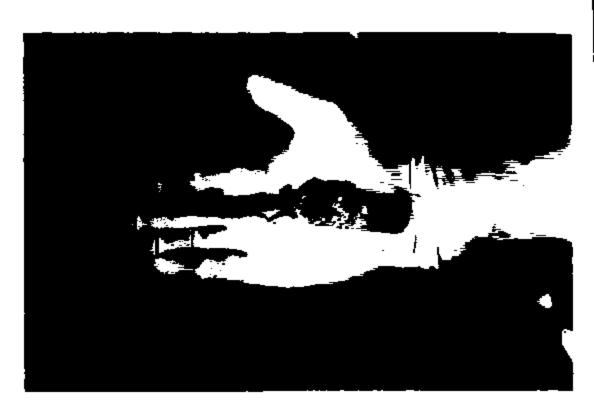
Photograph 14

Burned insulation on pressure switch wiring



Photographs - VEHICLE FIRE INSPECTION Insured: Claim No. 100-26442





Photograph 16

Fuse panel



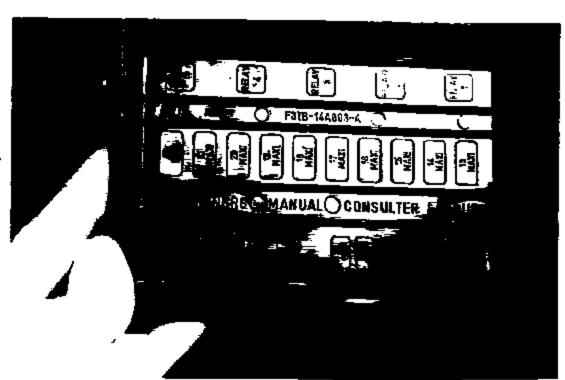


Photograph 17
Operated fuse

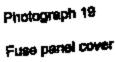


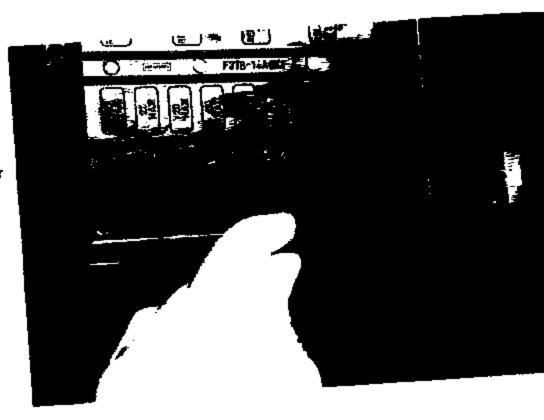
Photograph 18

Fuse panel cover



Photographs - VEHICLE FIRE INSPECTION
Insured:
Claim No.
Impact No. SD-26442





Photograph 20

Exampler master cylinder brake



Photographs - VEHICLE FIRE INSPECTION Insured Claim No. SD-26442

Photograph 21

Exemplar master cylinder brake pressure switch





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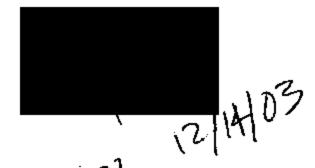
May 6, 2005

Ford Motor Company
Parklane Towers West - Suite 300
Three Parklane Boulevard
Dearborn, MI 48126-2568

Attn: Shawn Norton

Re: 63 claims relating to cruise control recall

Dear Ms. Norton:



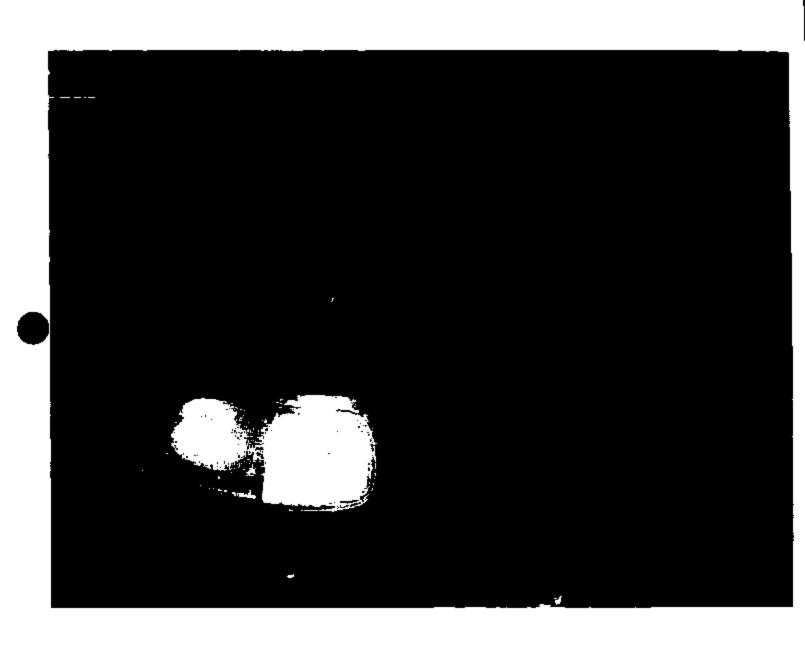
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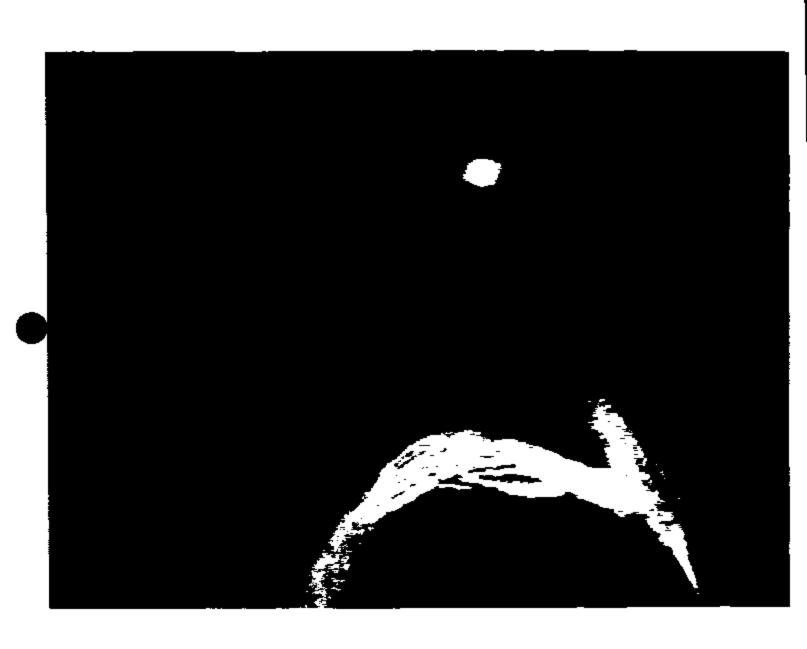
Enclosed you will find supporting materials regarding 63 of our claims relating to the cruise control recall. We have provided a list of these claims, and supporting documents for each claim which are separated and in the same order as they appear on the list. These claims are for the eastern states in our operation. We are waiting for a report on our western states handled by Allied, and as soon as it is available I will send those to you for review. As we discussed during our phone call many of these claims were handled and closed prior to us being aware there was an issue with the cruise control. Therefore, on some of those claims we did not secure a cause an origin report, and the vehicles are no longer available. On all claims we have provided photographs and estimates that clearly document the area where the fire started.

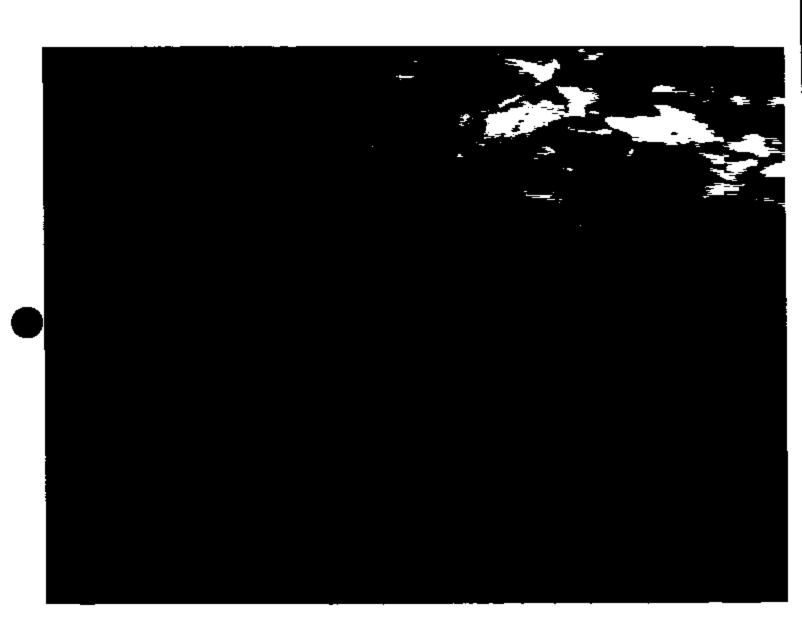
I would appreciate discussing this with you or someone at Ford once you have received this and have had an opportunity to review. Please contact me by phone at 315-453-3594, by fax at 614-961-3180 or by EMAIL, at mabbete@nationwide.com. We look forward to continue working with you and your team, building a strong working relationship, and working towards cost effective resolutions of claims for both of our companies.

Carig Mabbett
Subrogation Manager

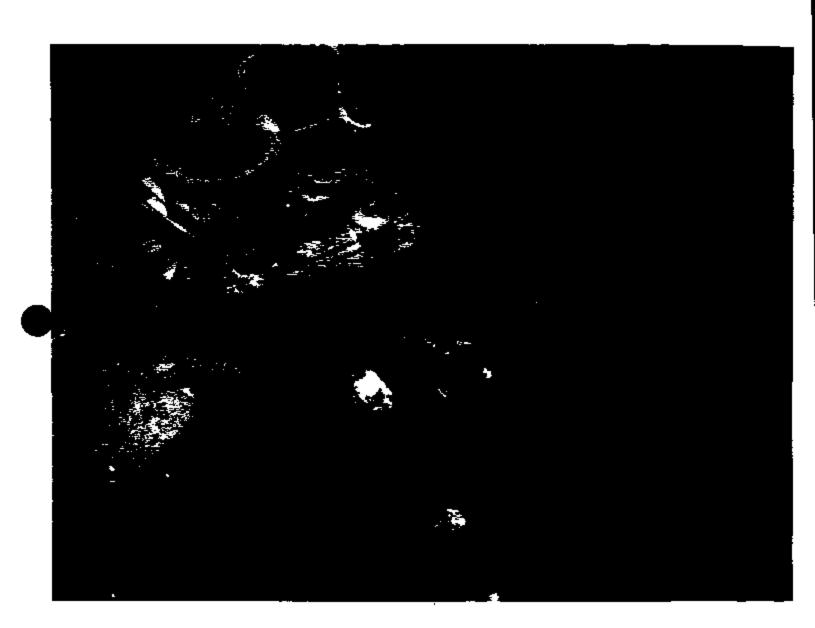
MAY 1 9 2005

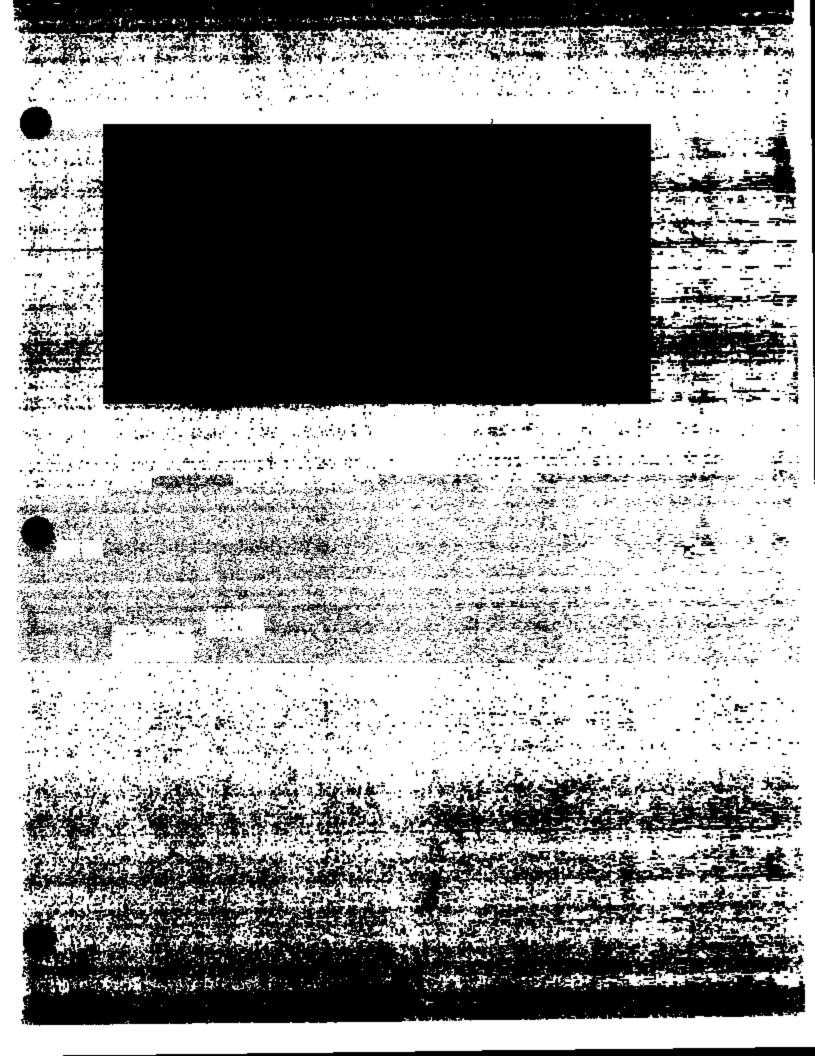














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Nationwide Insurance • 110 Elwood Davis Road, North Syracuse, N.Y. 13212 • 315-453-3594

May 6, 2005

Ford Motor Company
Parklane Towers West – Suite 300
Three Parklane Boulevard
Dearborn, MI 48126-2568

Attn: Shawn Norton

Re: 63 claims relating to cruise control recall

Dear Ms. Norton:

DOL:5/18/03

क्रांटी, हो हैं।

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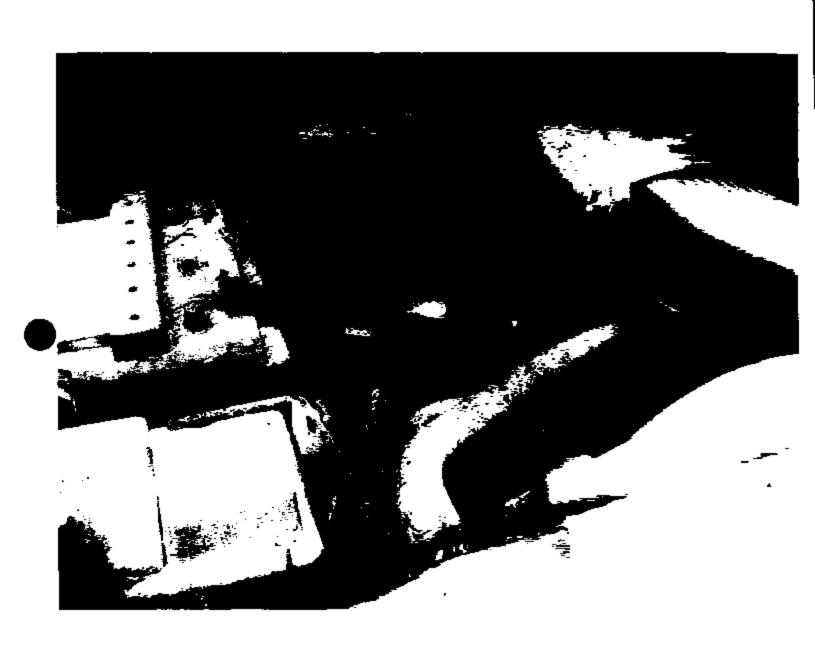
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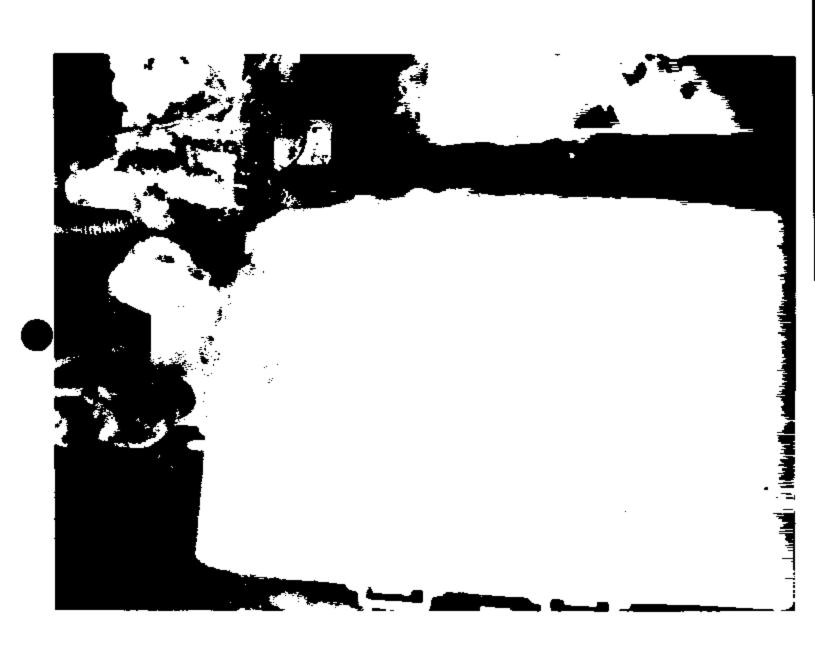
Casig Mabbett
Subrogation Manager

FORD MOTOR COMPANY
RECEIVED
CLAIMS UNIT
MAY 1 8 2005

E365-095-LC-3656

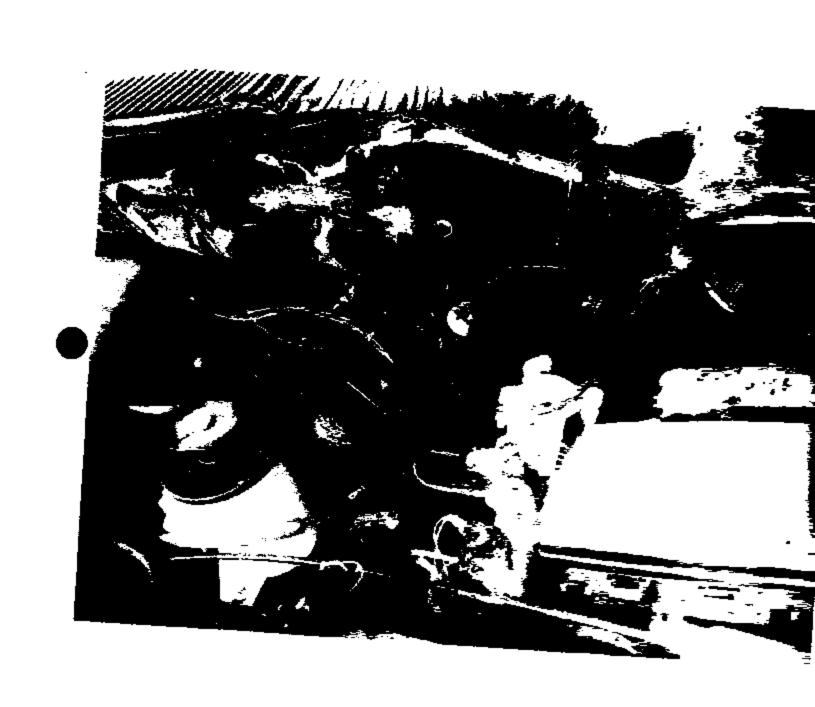






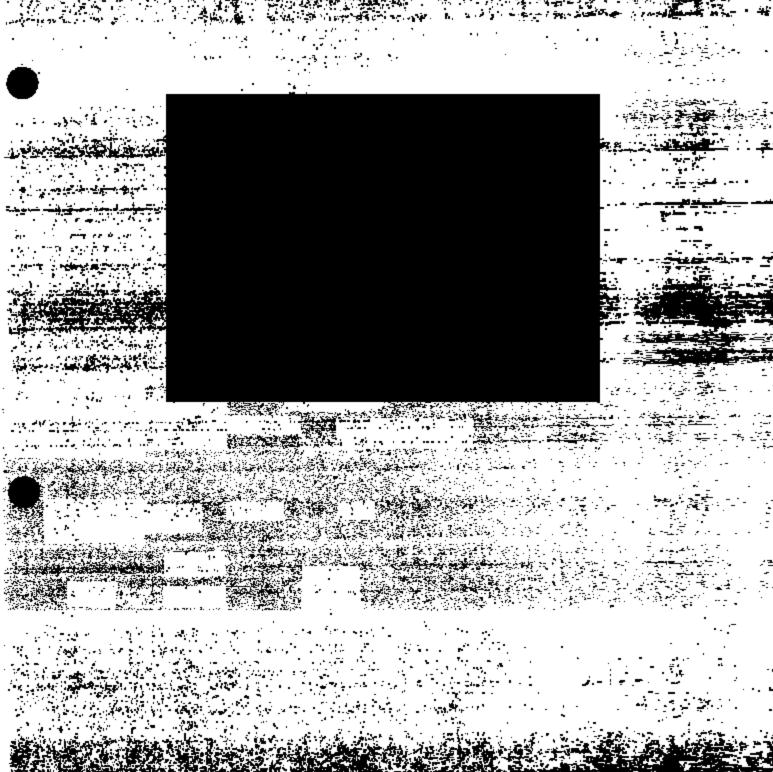








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May 6, 2005

Ford Motor Company
Parklane Towers West - Suite 300
Three Parklane Boulevard
Dearborn, MI 48126-2568

- 5/27/0B

Attn: Shawn Norton

Re: 63 claims relating to cruise control recall

Dear Ms. Norton:

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Craig Mabbett

Subrogation Manager

MAY 1 2 2005

ISSUE LIST

Last Handling Date Issue Status	√ Name/ Reason Desc	Vin/ Case No.	Model Year and Vehicle Lin	ne Issue Type				
6/5/2003		1FTDF1865V)	1997 F-SERIES	07				
CLOSED	LEGAL - ACCIDENT / FIRE	561421543						
6/3/2003		1FTOF1865VN	1997 F-SERIES	02				
CLOSED	MISC INCUIRY - CHANGE OF ADDRESS	681421643						

All Action Details for Issue

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VIN: (FTDF1886VN

Year: 1997

Model: F-SERIES

Owner Status: Subsequent

Case: 581421543

Symptom Desc: FIRE/SMCKE VISIBLE FLAME UNDERHOOD

WSD: 1996-07-30 Primary Phone:

Reason Desc: LEGAL - ACCIDENT / FIRE lesse Type: 07 LEGAL

leave Status: CLOSED

Secondary Phone:

Action: ADVISE CUST INFORMATION WILL BE SENT TO CONSUMER AFFAIRS

Deeler: 00010 KOONS COLLEGE PARK FORD

Origin Desc: US CONCERN CASE BASE

Ociometer: 79000 Mil.

Comm Type: PHONE

Analyst Name: APLENE PEARCE-ELLIOTT Action Date: 08/03/2003

Analyst: APEARCE Action Time: 16.07.21.206

Action Data: Yes

Comments CUSTOMER SAYS: - CUST SAYS THE VEH WAS ON FIRE AND HE IS CALLING BECAUSE THE GAS LEAK OUT AND ELECTRICAL FIRE -CUST SAYS THE FIRE WAS ON THE 27 TH MAY 03 -CUST SAYS THE FIRE ORIGINATED FROM THE ENGINE UNDER THE HOOD =CUST SAYS THE VEH WAS AT THE 1200 BLOCK OF AL AVE SE WASHINGTON DC =CUST Says a fire report was taken at fire station #25 -cust says the rfire dept findings was that the fire STARTED FROM THE ENGINE UNDER HOOD -CUST SAYS THE FIRE REPORT NUMBER IS 57768 -CUST SAYS AN INSURANCE CLAIM WAS FILED AND HE WAITING ON A CALL BACK FROM HIS INSURANCE -CUST SAYS THE VIEH IS NOT REPAIRABLE = CUST SAYS THE HAD STALL AND TURN THE VEH OFF AND TOOK THE KEY OUT OF THE IGNITION = CUST SAYB THERE WAS A DEFECT ON THE VEHIPER CUSTOMER, DEALER SAYS: NONE CAC ADVISED: - I WILL FORWARD THIS INFORMATION TO OUR CONSUMER AFFAIRS GROUP, SOMEBODY FROM CONSUMER AFFAIRS WILL CONTACT YOU IN 2 BUSINESS DAYS. PLEASE NOTRY YOUR INSURANCE CARRIER AND REPORT THIS INCIDENT. INFERENCE CASE ID: 5349.

Data Element Nume

Data Value

FIRE/ACCIDENT

F

Action: MAKE OUTBOUND CALL TO CUSTOMER Dealer: 00010 KOONS COLLEGE PARK FORD

Origin Desc: CONSUMER AFFAIRS - LITIGATION PREVENTION

Odomater: 79000 Mil.

Comm Type: PHONE

Analyst Name: SMITH, ERIKA (E.L.) Analyst: ESMITH68

Action Date: 06/05/2003

Action Time: 19.37,44.996 Action Data: Yes

Comments CONTACTED CUST

Data Elément Name

Data Value

CONTACT PERSON

CUST

Action: DENY ASSISTANCE - REFER TO INSURANCE CARRIER

Dealer: 00010 KOONS COLLEGE PARK FORD

Origin Desc: CONSUMER AFFAIRS - LITIGATION PREVENTION

Odometer: 79000 Mil Comes Type: OTHER Analyst Name: SMITH, ERIKA (E.L.) Analyst: ESMITH68

Action Date: 06/05/2003

Action Time: 16.38.31.950 Action Date: No.

Comments PER CUST COMMENTS, INS CO INVOLVED, WILL SEND RESPONSE.

Action: UPDATE/ADDCO CASE

Dealer: 00010 KOONS COLLEGE PARK FORD

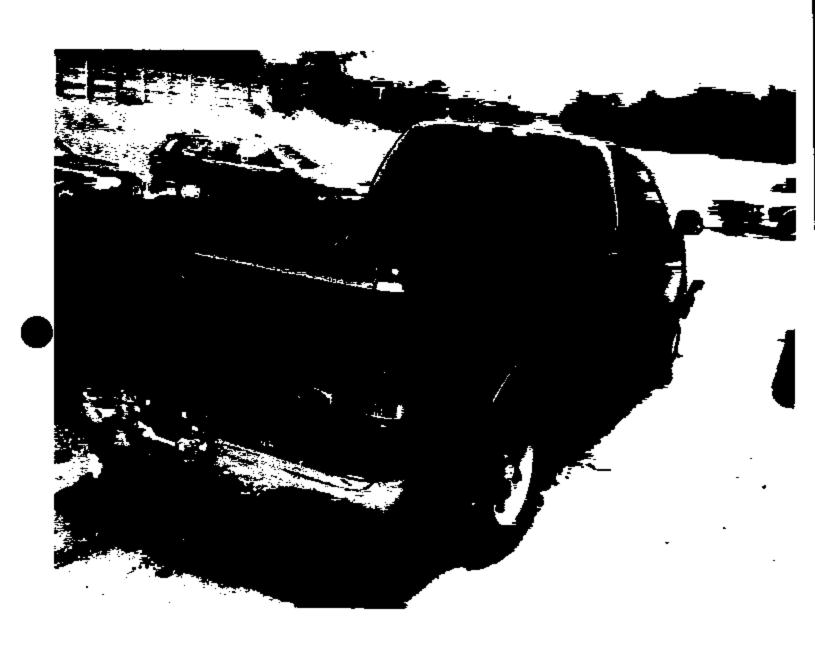
Origin Desc: CONSUMER AFFAIRS - LITEGATION PREVENTION

Odometer: 79000 Mil Comm Type: PHONE Analyst Name: SMITH,ERIKA (E.L.) Analyst: ESMITH68

Action Date: 06/05/2003

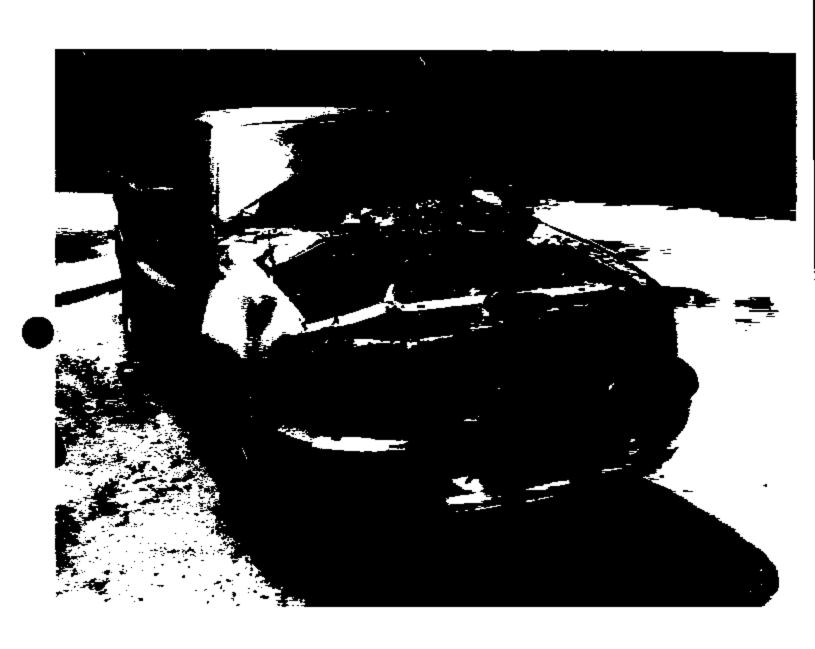
Action Time: 17.08.10.048 Action Data: No.

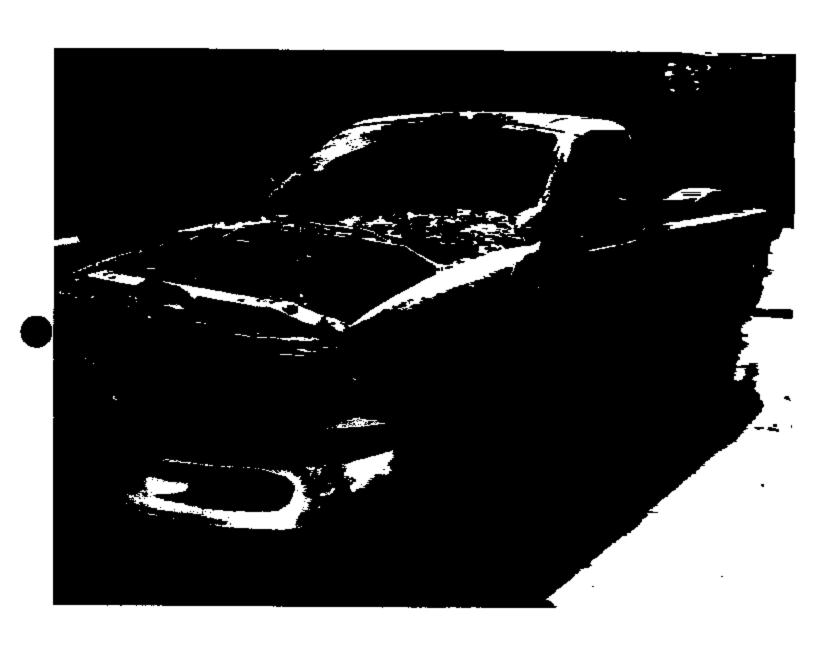
Commente LPA CONTACTED CUST, ORIGINAL ANALYST WAS SICK (CASSANDRA), LPA STATED THAT FMC HAD JUST RECEIVED HIS FILE AND WOULD INVESTIGATE HIS CONCERNS, LPA PURITHER STATED THAT IF ANY ADDITIONAL INFO WAS NEEDED, HE WOULD BE CONTACTED DIRECTLY. LPA ALSO STATED THAT A DECISION SHOULD BE RENDERED. WITHIN THE NEXT COUPLE OF WEEKS, LPA NOTICED IN THE CUST COMMENTS THAT INS CO WAS INVOLVED. LPA CONFIRMED THIS THROUGH THE CUST, LPA THEN INFORMED CUST THAT DUE TO INSIGO INVOLVEMENT, A LETTER WOULD BE SENT IN THE MAIL, INDICATING THAT FMC REFERRED CUST TO INSICO FOR HANDLING, CUST BECAME VERBALLY ABUSIVE TO LPA. LPA ATTEMPTED TO EXPLAIN TO CUST THE SUBROGATION PROCESS, IN ADDITION, THE LPA HEARD THAT THE CUST WAS RECORDING THE CONVERSATION. THE CUST DENIED SUCH ACTION, THE LPA PORCEEDED IN ATTEMPTING TO CALM THE CUST DOWN AND HELP EXPLAIN THE TERMINOLOGY AND SUBROGATION PROCESS. UPA ATTEMPTED TO FURTHER EXPLAIN THAT, DUE TO LIABILITY ISSUES, FMC COULD NOT GET INVOLVED. WITH THE CASE WHEN THE INSIGN IS INVOLVED, CUST DEMANDED A SUPERVISOR'S AND A DIRECTOR'S NAME AND NUMBER, LPA INFORMED CUST THAT ANALYSTS WERE NOT ALLOWED TO GIVE OUT THAT INFORMATION, CUST INFORMED LPA THAT HE WOULD NOTIFY HIS ATTNY, CUST DEMANDED THAT LPA GIVE NAME AND NUMBER. LPA COMPLIED BUT INDICATED THAT IF HE WERE TO BE REPRESENTED BY AN ATTORNEY, THAT THE ADDREES COULD BE GIVEN TO CUST AND CUST COULD THEN FWD INFO ONTO HIS ATTNY, LPA STATED THAT THE USUAL ANALYST WAS OUT SICK AND THAT IF THE CUST CHOSE TO PURSUIT ISSUE, THAT HE WOULD BE HANDLED BY THE USUAL ANALYST OF THE PIEGRON, LIPA TERMINATED PHONE GALL AFTER CUST BECAME COMBATTVE ONCE AGAIN.

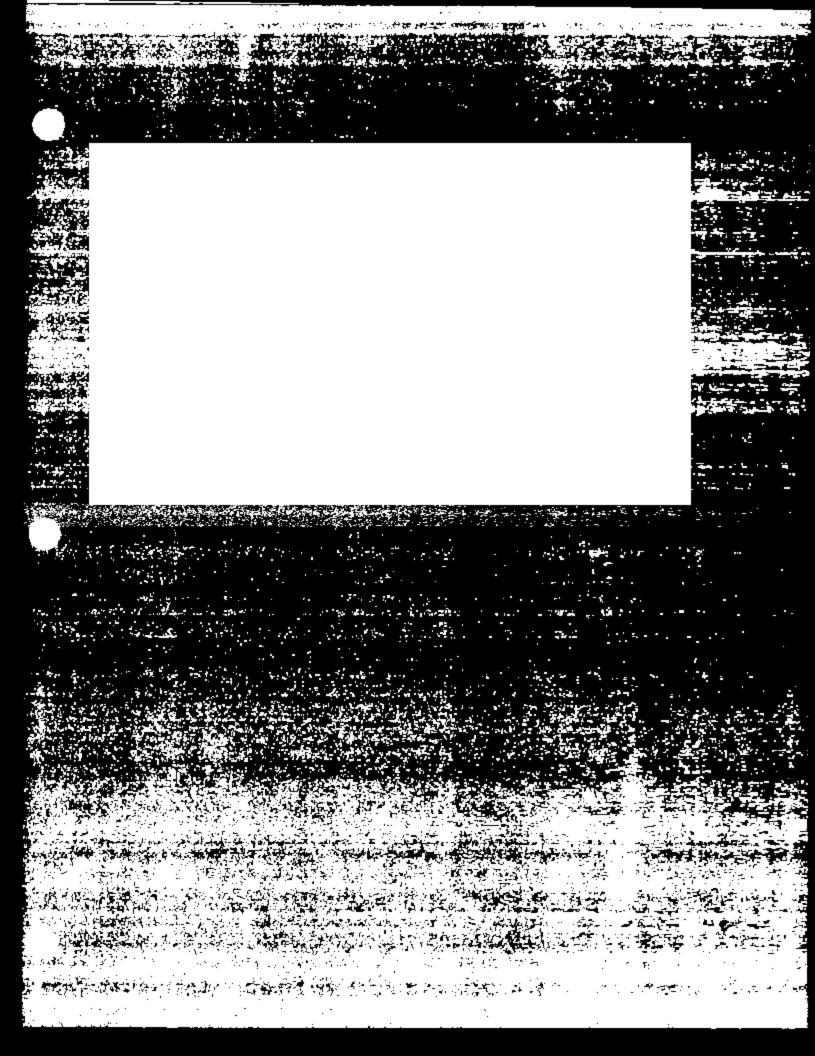












Nationwide[®] On Your Side"

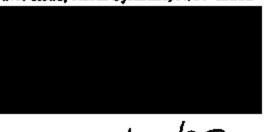
Nationwide Insurance • 110 Elwood Davis Road, North Syracuse, N.Y. 13212 • 315-453-3594

May 6, 2005

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Ford Motor Company Parkiane Towers West - Suite 300 Three Parklane Boulevard Dearborn, MI 48126-2568

Attn: Shawn Norton



10/12/02

Re: 63 claims relating to cruise control recall

Dear Ms. Norton:

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Catig Mabbett

Subrogation Manager

FORD MOTOR COMPAN MAY 1 8 2005 office of 15

E005-005-LC-318

Last Handling Date/ Name/ Vin/ Case No.

5/14/2001 AWA - MULTIPLE REPAIR 593961341

ISSUE LIST
Vin/ Model Year and Vehicle Line Issue Type
1997 F-SERIES 02

All Action Details for issue

Print

VIN: 15TDV466MA

Year: 1997

Owner Statue: Subsequent

Model: F-SERIES WSD: 1996-04-08

Case: 593881341

Symptom Desc: SERVICE BRAKE DRAG FRONT

Primary Phone

Reason Deec: AWA - MULTIPLE REPAIR

Secondary Phone:

Issue Type: 02 INFORMATION

Issue Status: CLOSED

Action: SUPPORT DEALER'S POSITION

Dealer: 07311 SHAFFER FORD, INC.

Comm Type: PHONE

Origin Desc: US CONCERN CASE BASE

Odometer: 55000 Mil

Analyst Nerse: KAREN FLETCHER Action Date: 05/14/2001

Analyst: KFLETCHE

Action Time: 16,19,22,109

Action Date: No

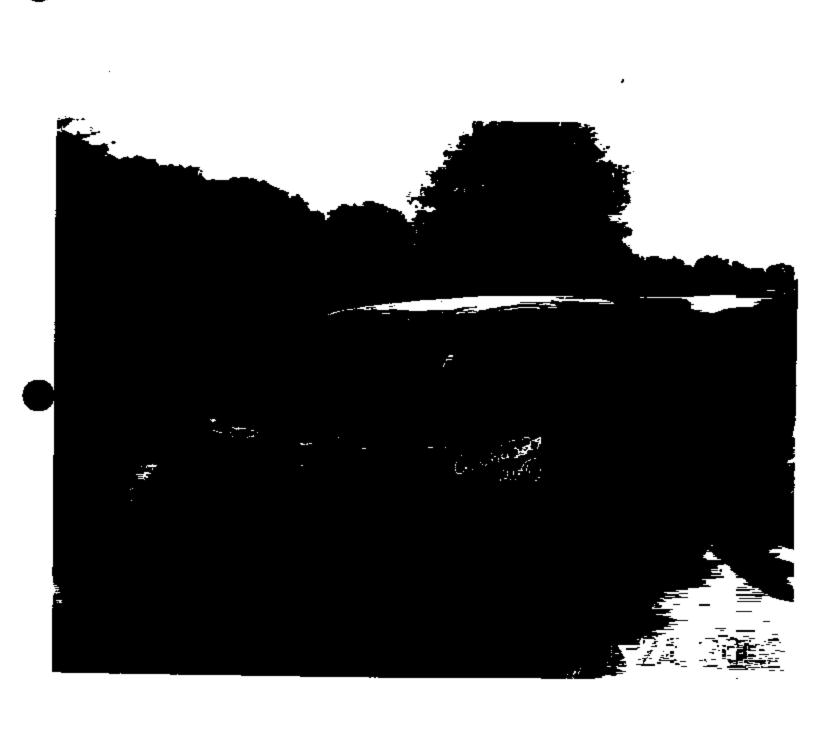
Comments CUSTOMER SAYS: CUST SAYS THAT FRONT RODERS NOT WORKING HAD THEM TURN DOWN TWICE -CUST SAYS THAT CAN'T GET INSPECTED BECAUSE IT'S TOO LOW CALLED DURSHIP AND THEY SAYD CAN'T HELP HIM PER CUSTOMER, DEALER SAYS: -CALLED DURSHIP AND THEY SAID CAN'T HELP HIM CAC ADVISED: - SUPPORT REPAIR PROCEDURE COMPLETED BY DEALER - FORD WILL NOT PROVIDE FINANCIAL ASSISTANCE *****OBC DLR**** SPOKE TO MIKE SYN HE SAYS THAT CUST SPECS FOR VEH IS 9.65 SO THEY SHOULD PASS INSPECTION THERE WAS MISPRINT IN OLD BOOKS CONFERENCE CALL BYWN PARTIES FOR EXPLAINATION, MIKE SAYS CUST GAVE HIM .97 & .965 MIKE TOLD CUST THAT WHOMEVER IS DOING INSPECTION CAN CALL HIM FOR PROPER INFO BECAUSE NOTHING IS WRONG INFERENÇE CASE ID: 5233









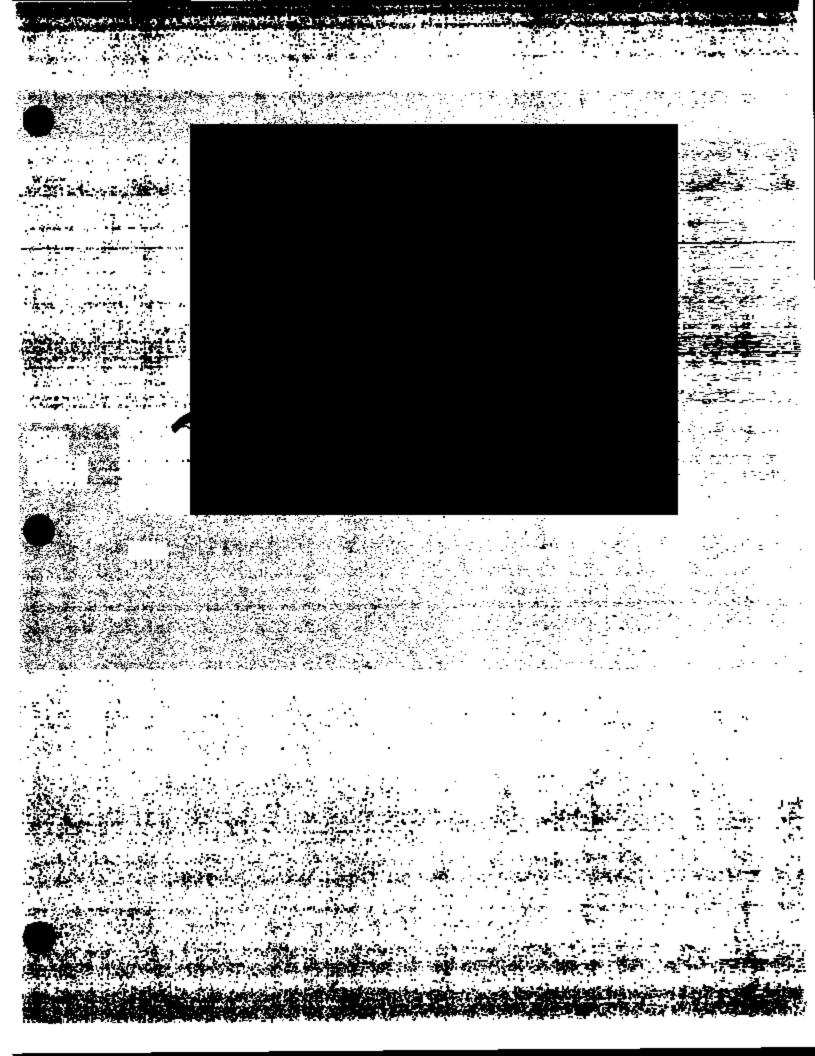














Nationwide Insurance • 110 Elwood Davis Road, North Syracuse, N.Y. 13212 • 315-453-3594

May 6, 2005

Ford Motor Company Parklane Towers West – Suite 300 Three Parklane Boulevard Dearborn, MI 48126-2568

Attn: Shawn Norton

Re: 63 claims relating to cruise control recall

Deer Ms. Norton:

As you will recall you and I spoke 4 weeks ago. I am the manager of a centralized unit that has been handling subrogation claims Nationwide has involving automobile fires and possible defects since September, 2004. We also have been handling these claims for our affiliate company Allied since February, 2005. You have had discussions on several claims with my associates Kathie Styer, Lynn Ellis and Lynn Koenck. Our goal has been to establish a positive working relationship with your company, and to only submit claims to your company having merit.

Enclosed you will find supporting materials regarding 63 of our claims relating to the cruise control recall. We have provided a list of these claims, and supporting documents for each claim which are separated and in the same order as they appear on the list. These claims are for the eastern states in our operation. We are waiting for a report on our western states handled by Allied, and as soon as it is available I will send those to you for review. As we discussed during our phone call many of these claims were handled and closed prior to us being aware there was an issue with the cruise control. Therefore, on some of those claims we did not secure a cause an origin report, and the vehicles are no longer available. On all claims we have provided photographs and estimates that clearly document the area where the fire started.

I would appreciate discussing this with you or someone at Ford once you have received this and have had an opportunity to review. Please contact me by phone at 315-453-3594, by fax at 614-961-3180 or by EMAIL at mabbetc@nationwide.com. We look forward to continue working with you and your team, building a strong working relationship, and working towards cost effective resolutions of claims for both of our companies.

Catig Mabbett

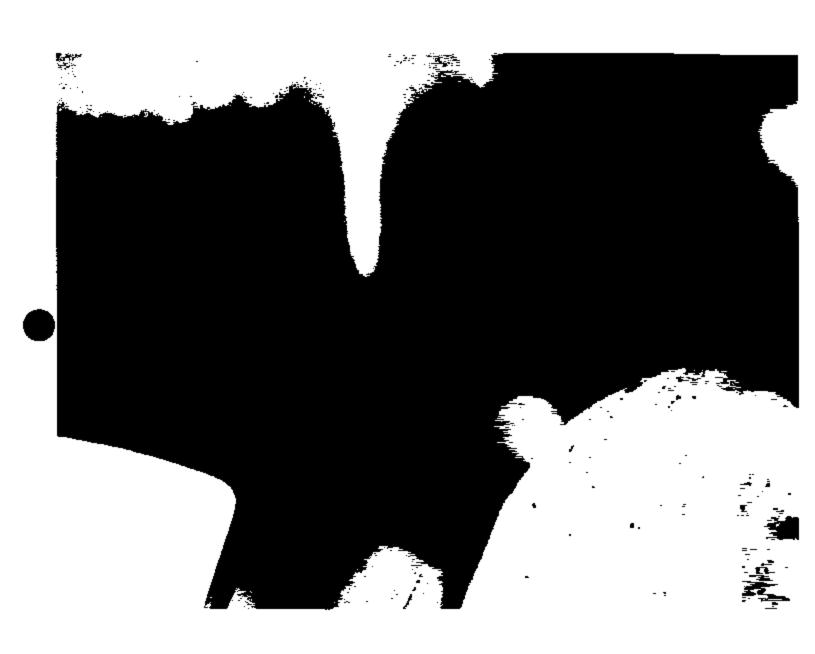
Subrogation Manager

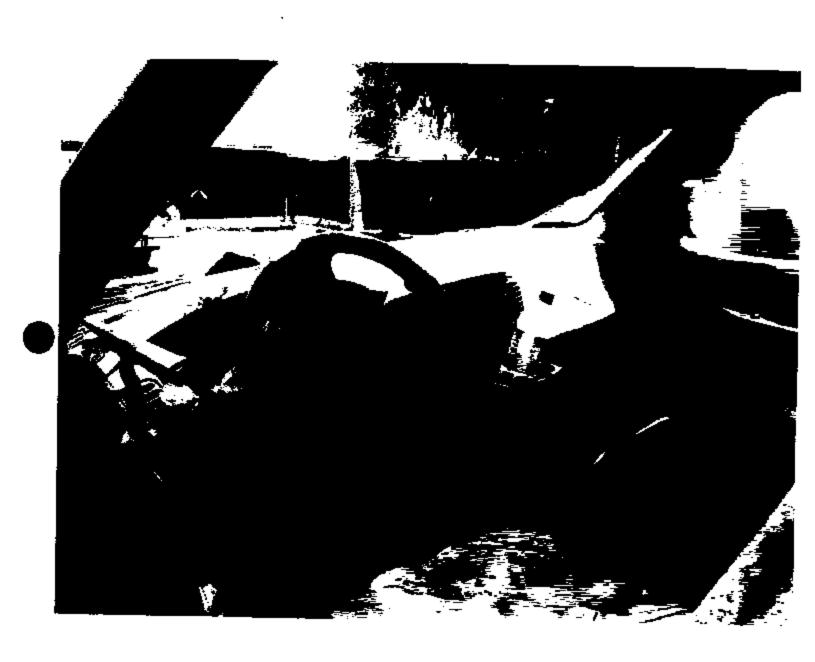
FORD MOTOR COMPANY

RECEIVED

MAY 1 3 2005

OFFICE UP Inc.

















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August 16, 2004

Please Reply To:

FORD MOTOR COMPANY RECEIVED CLAIMS UNIT

AUG 2 5 2004

OFFICE OF THE GENERAL COUNSEL PROGRESSIVE

SECTION 1078 SOUTH JORDAN GATEWAY

SOUTH JORDAN UT 84895 Telephone: 880-956-1456 est. 7166

Alli) 23 AH Encounter 801 495-1512

Ford Motor Company P.O.Box 6248 MD-3NE-B Dearborn, MI 48126

Our Insured:

Claim #:

VIN:

5LMPU28LXWL

Date of Loss:

June 5, 2004

Tuo

To Whom It May Concern,

Please be advised that our customer presented a fire claim to his 1998 Lincoln Navigator. Our Cause and Origin Investigator has determined that the fire was resulted from a manufacturing defect to the speed deactivation switch. Progressive Insurance is formally advising Ford Motor Company that we have rights under Utah State Laws to recover damage. A demand packet will follow when all paperwork are complete.

Sincerely

Jia Huo

Claims Representative



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State Farm Insurance Companies®



Greatey Operations Center P. O. Bax 339409 Greatey, CO 80633-9409

October 14, 2004

Shawri L. Norton, Claim Analysis Office of General Claims, Ford Motor Company Parklane Towers West, Suite 300 3 Parklane Boulevard Dearborn, MI 48126-2568

RE:

Our Claim #:

Our Insured:

Date of Loss:

June 5, 2004 Location of Loss: 238 Vista Court

Lehi, UT 84043

PORO MOTOR COMPUNY

OCT 2 7 2004

Jc OF ThE

Dear Shawn Norton:

State Farm® is the insurance carrier for for a rental property at the above location. On the above date, a Lincoln Navigator owned by caught on fire. Progressive is the insurance carrier for these parties. They were the tenants at this tocation. Due to the fire that resulted, our insured had damage to the rental property. These damages total \$15,084.82 which includes our insured's deductible. The claim set up by Progressive is claim number 043098933. The claim adjuster is Jia Hou.

Progressive has determined that the speed deactivation switch is the likely cause of this fire. When State Farm last spoke to this representative, they were waiting for Ford to inspect the vehicle and for further tests to be done.

As State Farm[®] has incurred damages due to this loss, we are sending you notification of our Interest in this claim and asking that State Farm® be kept updated and involved in any inspections and/or testing that is done on this vehicle. If it is determined that this vehicle raifed and caught on fire due to a product defect, we will be seeking reimbursement from your company.

I am enclosing copies of our documents at this time. If you have any questions or need additional information, please call me at 1 (800) 811-2356, Extension 2713.

In order to assist you in evaluating and processing the subrogation claim we are asserting, we may provide nonpublic personal information about our customer. We are sharing this information to effect, administer, or enforce a transaction authorized by the consumer. However, you are neither authorized nor permitted to: (1) use the customer information we provide for any purpose other than to evaluate and process the subrogation claim

HOME OFFICES: BLOOMINGTON, ILLINOIS 61710-0001

Shawn L. Norton, Claim Analysis 44-U308-832 Page 2 October 14, 2004

(2) disclose or share the customer information we provide for any purpose other than to evaluate and process the subrogation claim.

Sincerety,

Rosa Aragon, CEQU

CLAIM REPRESENTATIVE Phone: 1-800-811-2356

STATE FARM FIRE AND CASUALTY COMPANY

423/1014021

Enclasure

cc: Agent Bryan Larsen, 44-1558



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CHAMBERLAIN & MCHANEY

Reply to:

P. O. Box 684158 Austin, Texas: 78768-4158 301 Congress Ave., 21st Floor Austin, Texas: 78701 (512) 474-9124 Pax (512) 474-8582

San Antonio Office: 310 South St. Mary's, Suite 1815 San Antonio, Texas 78205 (210) 227-3331 Pax (210) 227-3334

Writer's Email: avelborn@chmc-law.com

January 31, 2005

CC 11/04

Shawn L. Norton Ford Motor Company Parkline Towers West, Suite 300 Three Parkline Blvd. Dearborn, Michigan 48126-2568 Certified Mail - Return Receipt No. 7004 1160 0005 6338 5432

RE:

Farmers Claim No.:

Insured:

Your Claim No.:

Date of Loss:

Amount of Loss:

April 17, 2004

April 17, 2004 \$19,335.19

Dear Mr. Norton:

By way of introduction, I am an attorney retained by Farmers Insurance Company to pursue its subrogation interest in connection with the above-referenced matter. My client has 'informed me that its investigation into the facts of the incident establishes that Ford Motor Company, was responsible for this incident and the resulting damage to vehicle. The amount of loss above reflects property damage to vehicle and includes a deductible.

It is my understanding that your investigation into this matter is ongoing. However, I would direct your attention to the report of findings that was conducted on the vehicle which determined that the brake pressue switch for the cruise control was the proximate cause of the fire. I have enclosed a copy of the report for your review and consideration. As you know, there has been a recall on Ford F-150's on the cruise control switch.

This letter is being written to give you the opportunity to resolve this matter without resorting to legal action against Ford Motor Company. Therefore, I would request that you contact me at your earliest convenience so that we may discuss this matter further. If I have not heard from you within 30 days from the date of this letter, I will file suit against Ford Motor Company.

pany to Jak

I look forward to your prompt reply.

truly yours

Amy C. Welborn

LELEOUGHER ASSOCIATION INC MEDIANDAMARII EOMEBROCK (GREES MILET TENAS

June 29, 2004

Mr. Andy Bitbrey Farmers Insurance Co 4918 96^{th or} Lubbock, TX 79414

Coar Mr. Bilbrev

Pursuant to your distructions, on Wednesday Raine 24, 2004. Heaveled it in above loss site commenced and concluded the examination on the same day. The simulation issues no destructive examination was conducted.

DESCRIPTION OF THE LOSS

The loss was a 2001 Ford 4 2.4 extended cab , school fruck. The loss host 1 Has tags N IB 325 with vehicle iden Realton number 1FTRX18L9N

ACTIVITIES PROJETO THE FIRE

The insured had reven the loss approximate two hours prior to the trie. The unsured was the conginal owner of the loss and reported having the going problems with the characteristic the insured had replaced several loses for the cruit of a rationard break release.

SCENE EXAMINATION

The scene example above revealed that the tire or practed at the break present outly. When the break pedal is proved the break pressure switch the break pressure switch the energized even though the synthem switch via a 2.5 or 1 content in the ordinal 18 phore also has to decrement the example on the open of the open.

Page 2 of 2 Insured: Location Claim #



Photographs 1-5 show the fire damage to the extenor of the foss. Fire penet ated the drivers side of the hood, and the windshield was cracked from the heat.

Photograph 6 shaws the fire damage to the interior of the loss

Photograph 7 shows the identification information for the loss

Photographs 8-19 show the area of origin inside the engine compartment

Photograph 11 shows the break pressure switch for the cruse control if pieced a white arrow in the engine comportment to show the break pressure switch

Photograph 12 shows the engine compartment after the hood was raised

Photographs 13 17 show the remains of the treat pressure switch. The tim patients in this area indicated that the fire developed at the break pressure switch.

Photograph 18 slaws the loss after a blue tarp was placed over the area or ringer to protect it from the weather

ORIGIN AND CAUSE DETERMINATION

After conducting a systematic evaluation of the are scene it was able to determine that the fororiginated at the break pressure switch for the ruise control unit. It is my openion that there is
strong subrogation potential with Ford Motor Company. Therefore, where examination is
necessary but would be destructive in nature. Further examination should be conducted only
after Ford Motor. Company has been notified and given an apportunity to respond

COMMEN S

If you have any constions concerning my examination of this report, pleas the 4 needs in vital time.

Respectfully

Rack Weennick C

Associat_™

Kellough and Armiciates, Inc.

898-745-0052 1 80080808000 - 1



PHOTOGRAPH SHEET

file No W-04-08-23-28

Mallough & Associates, Suc









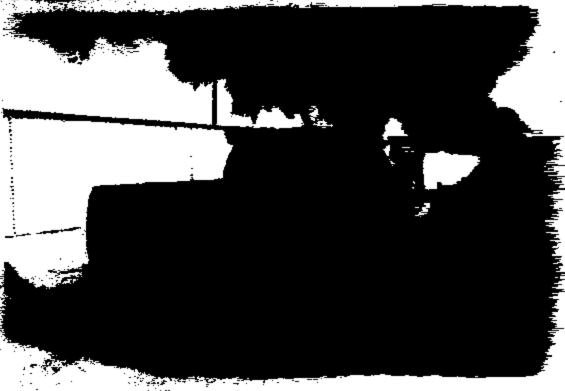
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PHOTOGRAPH SHEET

File No. **W-64-06-29-2**9

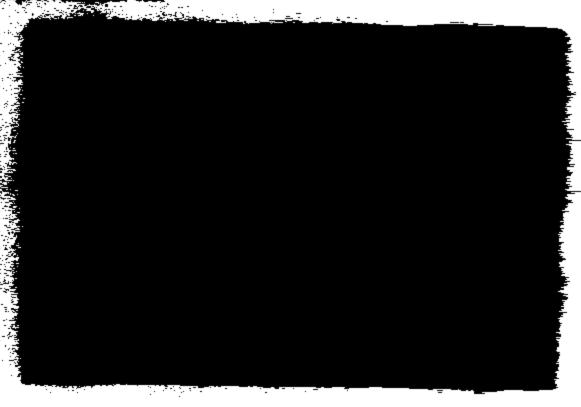
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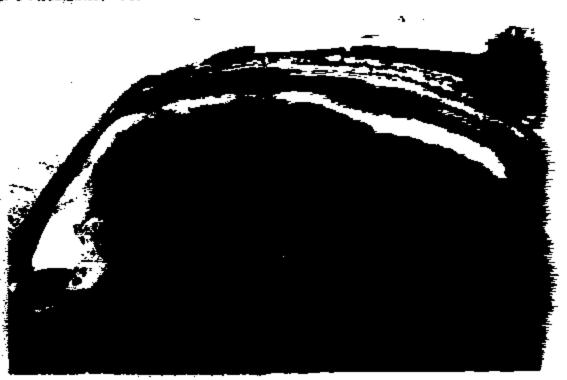




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Kellough & Associates, Gaz.





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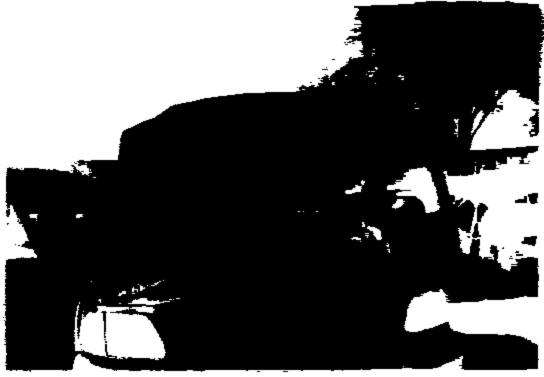


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Kellonge & Associates, Sec.

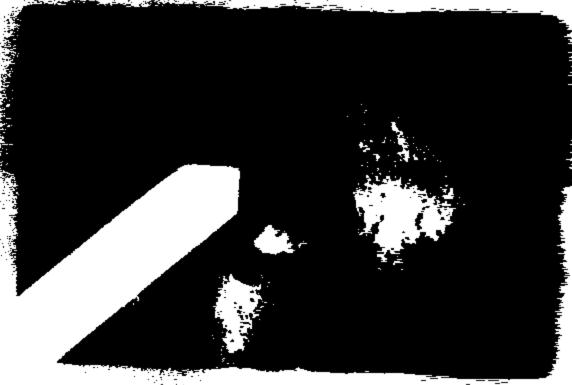






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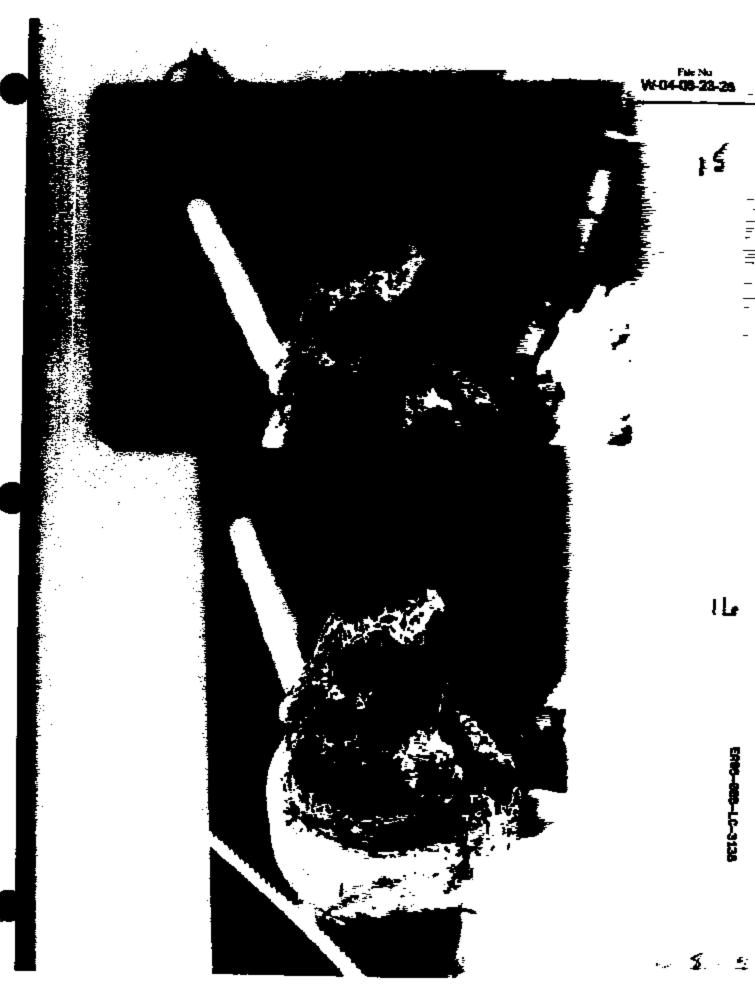






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ER25-685-LC-3137





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National Document Center P.O. Box 268992

Oklahoma City, OK 73126-8992

claimadocument@farmerainaumace.com Fax: 877-217-1389

RECEIVED HEP 2 2 2004

09/13/2004

Shawn Norton Ford Motor Company Parkiane Towers, Suite 300 3 Parkinae Blvd Dearborn, MI 48126-2968

Re: Our Insured: Loss Date: Claim Number: Total Amount Owed: SEP 2 2 2004

OFFICE OF THE
GENERAL COUNSEL

\$19,335,19

Dear Ms. Norton:

We previously advised you of our subrogation rights in regards to the above-noted claim. We asked you to furnish us with your liability insurance information or to advise how you plan to satisfy this claim. To date, you have not responded.

Farmers Texas County Mutual Insurance Company has a right to recover for damages paid on behalf of our insured. Please be advised that if any claims are paid under our Uninsured Motorist Provision or Personal Injury Protection Benefits, those amounts will be added to our claim.

Please be aware that no partial payment to Farmers Texas County Mustual Insurance Company 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,

Farmers Texas County Musual Insurance Company

Scott Sheffield

Special Subrogation Representative

512-238-5739