

THE UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

ANNA SADOWSKA, YANICK GOUBOUT and TONYA DENDEKKER, on behalf of  
themselves and all others similarly situated,

Plaintiffs,

-against-  
VOLKSWAGEN GROUP OF AMERICA, INC., VOLKSWAGEN AG and AUDI AG,  
Defendants.

Case No.: CV11-00665

**SUMMARY NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT AND HEARING**

**TO:** All current and former purchasers and lessees of 2002-2006 model year Audi A4 and Audi A6 vehicles originally equipped with factory-installed CVT Transmissions, which were imported and distributed by Volkswagen Group of America, Inc. for sale or lease in the United States.

If you are in the class of people defined above ("Settlement Class"), you are covered by a proposed Settlement of this class action. Detailed Notices which describe the Settlement terms, conditions, benefits, and your rights to object to or request exclusion from the Settlement, have been mailed to persons and entities within the Settlement Class who can reasonably be identified.

**The Litigation:** This class action lawsuit claimed that CVT transmissions of 2002-2006 model year Audi A4 and Audi A6 vehicles did not function properly, requiring repair or replacement. The Defendants deny these allegations and deny any defect, wrongdoing or liability. The Court has not decided in favor of either side and has not decided whether this lawsuit can or should be certified as a class action for trial.

**The Settlement:** After pre-trial discovery and extensive arm's length negotiations, both sides have agreed to a Settlement which the Plaintiffs, as Class Representatives, and their attorneys, believe to be fair and adequate. Pursuant to the Settlement terms, members of the Settlement Class may be eligible to receive, subject to specified conditions, the following benefits:

(1) **Reimbursement:** A cash reimbursement for the cost you previously paid for repair or replacement of the following CVT transmission part(s) of Settlement Class Vehicles which occurred within 10 years or 100,000 miles from the date of the first original purchase or lease of the vehicle, whichever occurred first, and prior to the date of this Notice:

- a. The Transmission Control Module (TCM) of the CVT transmission of a 2003, 2004, 2005 or 2006 model year Audi A4 or Audi A6 Settlement Class Vehicle;
- b. The Valve Body of the CVT transmission of a 2003 or 2004 model year Audi A4 or Audi A6 Settlement Class Vehicle; and
- c. The Transmission without the Valve Body and TCM of a CVT Transmission of a 2002, 2003 or 2004 model year Audi A4 or Audi A6 Settlement Class Vehicle, provided you can show that you've complied with all of the transmission maintenance requirements set forth in your vehicle's Owner's Manual at the proper time/mileage intervals.

*You may also be entitled to reimbursement for monies paid to repair or replace a CVT transmission part covered above after the aforesaid 10 year/100,000 mile period and prior to the date of this Notice, if you provide proof that the need for that repair/replacement had been diagnosed and documented by an authorized Audi dealer or other repair facility within that period.*

(2) **Warranty Extension:** An extension of Audi's New Vehicle Limited Warranty to cover repair or replacement, by an authorized Audi dealer, of the CVT transmission part(s) and model year Audi A4 and Audi A6 Settlement Class Vehicles specified in (1) a.-c. above, during a period of 10 years or 100,000 miles from the date of the first original purchase or lease of the Settlement Class Vehicle, whichever occurs first, under specified conditions ("extended warranty").

(3) **Documented "Trade-In Reimbursement Costs":** If, prior to this Notice and within the above-referenced 10 year/100,000 mile (whichever occurred first) period, you sold or traded-in a 2002, 2003 or 2004 model year Audi A4 or Audi A6 Settlement Class Vehicle because an Audi dealer or independent repair facility documented that the vehicle had a CVT transmission malfunction requiring a complete replacement of the entire CVT transmission after the expiration of the vehicle's New Vehicle Limited Warranty, and the amount of money you received from the trade-in (the "trade-in price") was less than the "trade-in value" of the vehicle at the time of the trade-in, you may be entitled to recover the amount of the difference under conditions and criteria specified in the Settlement.

Cash reimbursements under sections (1) and (3) above will only be made if the Court approves the Settlement and after the Settlement becomes final. However, the warranty extension is available now, but if you obtain extended warranty coverage for repair or replacement of a covered CVT Transmission part, you give up the right to exclude yourself from the Settlement.

More detailed information about the lawsuit, the benefits available under this Settlement, the terms, conditions and proof needed for obtaining the benefits, the procedure for obtaining the benefits, your rights and options, and what claims you will be releasing by remaining in the Settlement Class, is contained in the applicable mailed Class Notice. It can also be obtained by contacting the Settlement Claims Administrator (1-800-760-5467) or visiting the Settlement website, [www.cvtsettlement.com](http://www.cvtsettlement.com).

**Compensation for Attorneys and Plaintiff Class Representatives:** The Court has preliminarily approved the law firms of Strategic Legal Practices APC and The Law Office of Robert Starr to represent you and other Class Members. Together, the law firms are called Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

Class Counsel will apply to the Court for an award of attorney fees, costs and expenses not to exceed the total combined amount of \$2,375,000 for the Plaintiffs' attorneys. Defendants have agreed not to oppose Class Counsel's request up to and not exceeding that amount. The Court may award less than this amount. Defendants will separately pay the fees and expenses that the Court awards. These amounts will not come out of any recovery to which you may be entitled under the Settlement.

Class Counsel will also seek service awards for the three Plaintiff Class Representatives in the amounts of \$5,000 each for Anna Sadowska and Yanick Goubout, and \$1,000 for Tonya DenDekker, which amounts Defendants do not oppose.

**Your Options:** You may remain in the Settlement Class, object to the Settlement and/or to the requests for attorney fees/costs and/or class representative service awards, or exclude yourself from the Settlement.

If you remain in the Settlement Class, and are eligible to submit a reimbursement claim, your claim form must be postmarked by **November 18, 2013**. Unless you exclude yourself, you are staying in the Class, and that means that you can't sue, continue to sue, be part of any other lawsuit, or assert any claims, against the Defendants and parties released by the Settlement, relating to the CVT Transmission in your Settlement Class Vehicle(s). All Settlement Class Members who do not timely request exclusion will be bound by the Settlement, the release of claims set forth in the Settlement, and the orders of the Court. Your rights and options are explained in detail in the applicable mailed Notice, which also contains a request for exclusion form. They are also explained on the Settlement website.

Requests for exclusion must be postmarked by **August 12, 2013**. If you exclude yourself, you will not receive any Settlement benefits and you cannot object to the Settlement.

If you are a Settlement Class Member and do not exclude yourself, you can object to the Settlement. Objections to the Settlement must be postmarked by **August 12, 2013**.

The requirements for excluding yourself from, or objecting to the Settlement, are set forth in the mailed Notice. If you are a Settlement Class Member and did not receive a mailed Notice, you can obtain a copy by following the instructions below.

**The Fairness Hearing:** On September 23, 2013 at 10:00 a.m., in Courtroom 14, the Court will hold a fairness hearing at the United States District Court for the Central District of California, 312 North Spring Street, Los Angeles, CA 90012-4701, to determine whether the proposed Settlement should be approved and to consider the application of Class Counsel for attorneys' fees and expenses and for service awards to the Plaintiff Class representatives. The mailed Notice and settlement website contain additional details about the hearing, the proposed Settlement, the class certification, and the legal rights of Settlement Class Members. If the Court approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Everyone who sends in a claim form will be informed of the progress of the Settlement. Please be patient.

**Complete Notice and Other Information:** If you are a Settlement Class Member and you did not receive a mailed Notice, you may receive one free of charge by writing immediately to: CVT Settlement Administrator, P.O. Box 2987, Faribault, MN 55021-2987 or by calling 1-800-760-5467 toll free, and requesting such Notice. You can also receive a copy of the mailed Notice and accompanying documents (the Claim Form and Request for Exclusion Form) by visiting the Settlement website, [www.cvtsettlement.com](http://www.cvtsettlement.com). When requesting a Notice, you must provide your name, address, year and model of vehicle, and vehicle identification number (VIN).

**THIS NOTICE IS ONLY A SUMMARY. DO NOT CALL THE CLERK OF THE COURT FOR ADDITIONAL INFORMATION.** Additional information can be found in the mailed Notice, by contacting the Settlement Administrator (CVT Settlement Administrator, P.O. Box 2987, Faribault, MN 55021-2987), and/or by visiting the Settlement website, [www.cvtsettlement.com](http://www.cvtsettlement.com).

Dated: June 19, 2013  
BY ORDER OF THE COURT  
Clerk

**IMPORTANT LEGAL MATERIALS**



<<NAME1>>  
<<NAME2>>  
<<ADDRESS1>>  
<<ADDRESS2>>  
<<CITY>> <<STATE>> <<ZIP>>  
<<COUNTRY>>

**FOR OFFICIAL USE ONLY**  
  
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If the pre-printed information to the left is not correct or if there is no pre-printed information, please check the box and complete the information below:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_ Zip Code: \_\_\_\_\_  
Telephone: ( \_\_\_\_ ) \_\_\_\_\_ - \_\_\_\_\_  
Vehicle ID Number (VIN): <<VIN>>

**CLAIM FORM**

*Anna Sadowska et al. v. Volkswagen Group of America, Inc. et al.*

**THREE STEPS FOR SUBMITTING A CLAIM:**

Total Amount of CVT Related Transmission Claim: \$ \_\_\_\_\_

**(1) Check the applicable box for the reimbursement being sought and provide a repair record or receipt, proof of payment, and/or other paperwork (original or copies):**

If you are submitting a claim seeking reimbursement for the cost you previously paid for repair or replacement of a CVT transmission part covered under the terms of the settlement, prior to the date of the Class Notice and within 10 years or 100,000 miles (whichever occurred first) from the date of the original sale or lease of your vehicle, and you have not already been fully reimbursed, you must check this box and submit, with this Claim Form, documentation that shows:

- A description of the transmission work performed including a breakdown of the parts repaired or replaced (e.g., the transmission control unit (TCM), valve body or transmission without valve body and TCM, if applicable to your vehicle under the terms of the settlement);
- Proof of payment including the amount paid for repair or replacement (breakdown of the parts and labor costs) and the date and manner of payment;
- The date and vehicle mileage at the time of the repair/replacement;
- The name, address and telephone number of the facility that performed the repair/replacement;
- The year, make, model and Vehicle ID Number (VIN) of your vehicle;
- Proof of ownership or lease of the vehicle; and
- For applicable claims relating to replacement of the transmission without the valve body and TCM, in addition to the above you must submit proof that you fully complied with all of the transmission maintenance requirements, within the proper time and mileage intervals, set forth in your vehicle's Owner's Manual.

*This information may typically be reflected in the service invoice/repair records, and records and receipts containing proof of payment. If you do not have copies of this documentation, contact the facility that performed the service and request copies. If you do not have or cannot locate original service invoices or repair records, and cannot obtain copies from the facility that performed the service after you have made a good faith attempt to obtain them, you must submit both of the following in order to make a claim: (I) a declaration signed by you, under penalty of perjury, that sets forth the good faith attempt(s) you made to obtain the documentation, including the name and address of each facility you contacted that performed the covered repair or replacement, the date(s) you contacted each facility, the manner of contact, the person(s) from each facility with whom you spoke or communicated, and the reasons why you were unable to obtain the documentation from them; and (II) a signed statement, from each Audi dealer or repair facility that performed the covered repair or replacement, that contains all of the information required above, which the documentation would have to show, and confirming that the need for the repair or replacement of the covered part(s) did not arise from abuse, alteration or modification, a collision or crash, vandalism and/or other impact. A form for this statement, which must be completed and signed by an authorized representative of the dealer or repair facility, and submitted with this Claim Form, is available on the settlement website, [www.CVTSettlement.com](http://www.CVTSettlement.com). In addition, with respect to claims involving a covered replacement of the transmission without the valve body and TCM, where required documents cannot be located or obtained from the repair facility, a form declaration is also available on the settlement website.*





If you are seeking reimbursement for the cost you previously paid for replacement of a covered CVT transmission part after the above-mentioned 10 year or 100,000 mile (whichever occurred first) period, and the need for the replacement had been diagnosed and documented by an Audi dealer or repair facility within the 10 year or 100,000 mile period and prior to the date of the Class Notice, and you have not already received a full reimbursement for the amount paid, you must check this box and submit:

- In addition to the information and documentation discussed above, submit proof that the covered CVT transmission part failed and that the need for replacement was diagnosed and documented by an Audi dealer or independent repair facility within the 10 year and 100,000 mile period (whichever occurs first), such as a dealership estimate for such a repair.

If you are submitting a claim for trade-in reimbursement costs based upon having sold or traded-in, prior to the date of the Class Notice and within 10 years or 100,000 miles (whichever occurred first) from the date of the original purchase or lease of the vehicle, a covered 2002, 2003 or 2004 Settlement Class Vehicle which had a documented CVT transmission malfunction requiring replacement of the entire CVT transmission after the expiration of the vehicle's New Vehicle Limited Warranty, and you sold or traded-in the vehicle instead of repairing it and are not submitting any other claim for reimbursement, you must check this box and submit, with this Claim Form, the following documentation:

- The sales contract, bill of sale and/or other documents reflecting the trade-in and identifying the trade-in price, the date of the trade-in, the dealer or entity to which the vehicle was traded-in, the make, model and vehicle ID number (VIN) of your vehicle, the mileage of the vehicle at the time of the trade-in, and that the trade-in was actually completed;
- Invoices, estimates and/or other records from an Audi dealer or repair facility documenting the CVT transmission malfunction requiring a complete replacement of the entire transmission within the period required above, and identifying the make, model and vehicle ID number (VIN) of your vehicle, the date and vehicle mileage on which the transmission malfunction requiring complete replacement was documented, a description of the transmission malfunction documented, and an estimate of the cost (parts and labor) of replacing the transmission; and
- Service records, invoices and/or other documents showing that you fully complied with all of the transmission maintenance requirements, at the proper time and mileage intervals, set forth in the vehicle's Owner's Manual. If such documents cannot be located or obtained from the dealer or repair facility after a good faith effort to obtain them, you may submit a declaration, signed under penalty of perjury, in the form available on the settlement website, [www.CVTSettlement.com](http://www.CVTSettlement.com), attesting to such compliance with the Owner's Manual's transmission maintenance requirements and detailing the good faith efforts made to obtain the documentation.

**(2) Sign & Date:**

Signature: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_\_

**(3) Mail Claim Form and Paperwork by November 18, 2013 to:**

CVT Claims Administrator  
 P.O. Box 2987  
 Faribault, MN 55021-2987

For more information please view the Class Notice, call the Claims Administrator at 1-800-760-5467 or visit [www.CVTSettlement.com](http://www.CVTSettlement.com).

**IMPORTANT LEGAL MATERIALS**



<<NAME1>>  
<<NAME2>>  
<<ADDRESS1>>  
<<ADDRESS2>>  
<<CITY>> <<STATE>> <<ZIP>>  
<<COUNTRY>>

**FOR OFFICIAL USE ONLY**  
  
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If the pre-printed information to the left is not correct or if there is no pre-printed information, please check the box and complete the information below:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Telephone: ( \_\_\_\_\_ ) \_\_\_\_\_ - \_\_\_\_\_

**REQUEST FOR EXCLUSION**

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

ANNA SADOWSKA, YANICK GOUBOUT, and TONYA  
DENDEKKER, individually, and on behalf of a class of similarly  
situated individuals,

Plaintiffs,

v.

VOLKSWAGEN GROUP OF AMERICA, INC., VOLKSWAGEN  
AG, and AUDI AG,

Defendants.

CV 2:11-cv-00665 (BRO) (AGRx)

Vehicle (Make and Model Year): \_\_\_\_\_

Vehicle Identification Number (VIN): \_\_\_\_\_

I hereby wish to exclude myself from the settlement class in the above referenced action.

I certify that no repair has been made to my vehicle under the 10 year / 100,000 mile Extended Warranty provided under the settlement.

Signature: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Print Name: \_\_\_\_\_



## CLASS NOTICE

*Anna Sadowska et al. v. Volkswagen Group of America, Inc. et al.*

Case No. CV11-00665 (BRO) (AGRx)

### UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

**If you are a current or former purchaser or lessee of a 2002, 2003, 2004, 2005 or 2006 model year Audi A4 or Audi A6 vehicle equipped with a factory-installed CVT transmission, you may be entitled to a free warranty extension and/or cash reimbursement.**

*A federal court authorized this notice. This is not a solicitation from a lawyer.*

- This class action lawsuit claimed that some CVT transmissions of 2002 through 2006 model year Audi A4 and Audi A6 vehicles did not function properly. The class action, pending in the United States District Court for the Central District of California, is entitled *Anna Sadowska, et al. v. Volkswagen Group of America, Inc., et al.*, Case No. CV11-00665 (the “Action” or “Lawsuit”). The Court has authorized this Notice.
- The parties have agreed to settle the Action. This Notice explains the lawsuit, the settlement, your legal rights, available benefits, who is eligible for them, and how to get them. As a Class Member you have various options that you may exercise before the Court decides whether to approve the settlement.
- Your legal rights are affected whether you act or don’t act. Read this notice carefully.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made only if the Court approves the settlement and after appeals, if any, are resolved.

### **BASIC INFORMATION**

#### **1. Introduction: Why you received this notice.**

According to records of Audi of America, Inc., an operating unit of Volkswagen Group of America, Inc. (“Audi”), you are a current or past purchaser or lessee of a 2002, 2003, 2004, 2005 or 2006 model year Audi A4 or Audi A6 vehicle originally equipped with a factory-installed CVT transmission, which was imported and distributed by Volkswagen Group of America, Inc. for sale or lease in the United States (“Settlement Class Vehicles”). A class action lawsuit was filed against Volkswagen Group of America, Inc., Audi AG and Volkswagen AG (collectively, “Defendants”) claiming that CVT transmissions in Settlement Class Vehicles were defective and sold in breach of applicable warranties. The Lawsuit further claims that the Settlement Class Vehicles were marketed and sold with knowledge of alleged defects, that proper warranty coverage was not afforded or honored, and that the Settlement Class Vehicles were improperly designed, manufactured, distributed, marketed, advertised, warranted and sold. The Lawsuit seeks certification of a nationwide class of all United States present and former purchasers and lessees of Settlement Class Vehicles under causes of action alleging violation of the federal Magnuson-Moss Warranty Act, 15 U.S.C. §2301 et seq. and breach of various states’ express warranty laws. The Lawsuit also alleges, on behalf of California residents, violation of California consumer protection statutes.

Defendants have denied these claims. Defendants maintain that the CVT transmissions of the Settlement Class Vehicles are not defective, that they function(ed) in a proper manner, that the Settlement Class Vehicles were properly designed, manufactured, distributed, marketed, advertised, warranted and sold, and that Defendants have complied with all applicable warranties and laws.

On the basis of the nationwide claims under the Magnuson-Moss Warranty Act and breach of express warranty, and without any admission of liability on the part of Defendants, the Court has preliminarily approved a nationwide settlement of the Lawsuit pursuant to which substantial benefits will be available to all United States past and present owners and lessees of Settlement Class Vehicles who do not timely exclude themselves from the settlement. The settlement benefits are as follows:

(1) Reimbursement: To the extent not previously reimbursed, a cash reimbursement will be available for the cost previously paid for repair or replacement of the following CVT transmission part(s) of Settlement Class Vehicles which occurred within the earlier of 10 years or 100,000 miles from the date of the first original purchase or lease of the vehicle, whichever occurred first, and prior to the date of this Notice:

- a. Repair or replacement of the Transmission Control Module (TCM) of the CVT transmission of a 2003, 2004, 2005 or 2006 model year Audi A4 or Audi A6 Settlement Class Vehicle;
- b. Repair or replacement of the Valve Body of the CVT transmission of a 2003 or 2004 model year Audi A4 or Audi A6 Settlement Class Vehicle; and
- c. Repair or replacement of the Transmission without the Valve Body and TCM of a CVT Transmission of a 2002, 2003 or 2004 model year Audi A4 or Audi A6 Settlement Class Vehicle, provided you have complied with all of the transmission maintenance requirements set forth in your vehicle's Owner's Manual.

In addition, if you previously paid for repair or replacement of a CVT transmission part covered above after the aforesaid 10 year or 100,000 mile period and prior to the date of this Notice, you may be entitled to reimbursement of that cost if you provide proof that the need for that repair/replacement had been diagnosed and documented by an authorized Audi dealer or other repair facility within the 10 year or 100,000 miles (whichever occurred first) period.

To receive a cash reimbursement, you must mail in the enclosed Claim Form, together with the required proof. The proof required to be submitted is described in the Claim Form. The mailing must be postmarked by November 18, 2013. Cash reimbursements will only be made if the Court approves the settlement.

(2) Warranty Extension: Audi's New Vehicle Limited Warranty will be extended to cover repair or replacement, by an authorized Audi dealer, of the following CVT transmission part(s) during a period of 10 years or 100,000 miles from the date of the first original purchase or lease of the Settlement Class Vehicle, whichever occurs first ("extended warranty"):

- a. The Transmission Control Module (TCM) of the CVT transmission of a 2003, 2004, 2005 or 2006 model year Audi A4 or Audi A6 Settlement Class Vehicle;
- b. The Valve Body of the CVT transmission of a 2003 or 2004 model year Audi A4 or Audi A6 Settlement Class Vehicle; and
- c. The Transmission without the Valve Body and TCM of a CVT transmission of a 2002, 2003 or 2004 model year Audi A4 or Audi A6 Settlement Class Vehicle, provided you submit, to the Audi dealer, documents (such as maintenance or repair records) showing that you have complied with all of the transmission maintenance requirements set forth in your vehicle's Owner's Manual. If such documents cannot be located or obtained from the dealer or repair facility that performed the transmission maintenance after you have made a good faith attempt to locate/obtain them, you may instead submit to the dealer, when you bring your vehicle in for repair, a signed declaration under penalty of perjury, in the form available on the settlement website, [www.CVTSettlement.com](http://www.CVTSettlement.com).

Repair or replacement under this extended warranty must be performed by an authorized Audi dealer. The extended warranty is subject to the same terms and conditions of the New Vehicle Limited Warranty. Damage resulting from abuse, alteration or modification, a collision or crash, vandalism and/or other impact shall be excluded and not covered by the extended warranty.

If you are a settlement class member who qualifies under this provision, you don't have to do anything in order to receive the extended warranty. Audi will notify authorized dealers regarding the settlement and the extended warranty. Moreover, the extended warranty that is being provided to settlement class members is available immediately, so that settlement class members who are experiencing a CVT transmission issue covered under the settlement can take their vehicles to an Audi dealership immediately for repair.

(3) Documented "Trade-In Reimbursement Costs": If you submit documented proof that prior to the date of this Notice and within the above-referenced 10 year or 100,000 mile (whichever occurred first) period, you sold or traded-in a 2002, 2003 or 2004 model year Audi A4 or Audi A6 Settlement Class Vehicle because an authorized Audi dealer or independent repair facility had documented that the vehicle had a CVT transmission malfunction requiring a complete replacement of the entire CVT transmission after the expiration of the vehicle's New Vehicle Limited Warranty, and the amount of money you received from the trade-in (the "trade-in price") was less than the "trade-in value" of the vehicle at the time of the trade-in, you may be entitled to recover the amount of the difference between the trade-in price and the trade-in value up to and not exceeding the amount of the written estimate you had received for replacement of the CVT transmission from (i) an authorized Audi dealer, or (ii) an independent repair facility to the extent not exceeding the rates that would be charged by an authorized Audi dealer (the "documented replacement estimate amount"). The "trade-

in value” will be determined by the Kelley Blue Book average retail value of the Settlement Class at the time of trade-in (based upon the value during the quarter of the year in which the trade-in took place and the mileage of the vehicle rounded to the nearest 5,000 mile increment) for a Settlement Class Vehicle in above-average condition. This section applies only to Settlement Class Members who traded-in their 2002, 2003 or 2004 Audi A4 or Audi A6 Settlement Class Vehicle instead of paying the cost of replacing the entire CVT transmission, and who are not submitting a claim for reimbursement under section (1) above.

If you purchased or leased more than one Settlement Class Vehicle, each vehicle may be covered under the settlement to the extent the applicable conditions and requirements are met.

## **2. Why is this a class action settlement?**

In a class action lawsuit, one or more persons, called Class Representatives, sue on behalf of other people who have similar claims. All of these people are a Class or Class Members. The Class Representatives and all Class Members are called the Plaintiffs and the companies they sued are called the Defendants. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

The Court has not decided in favor of Plaintiffs or Defendants. Instead, both sides agreed to a settlement with no decision or admission of who is right or wrong. That way, all parties avoid the risks and cost of a trial, and the people affected (the Settlement Class Members) will get compensation quickly. The Class Representatives and the attorneys think the settlement is best for the Class.

## **WHO IS PART OF THE SETTLEMENT?**

### **3. Am I in this Class?**

The Court has conditionally approved the following definition of a Settlement Class Member:

*All United States purchasers and/or lessees of any 2002, 2003, 2004, 2005 and 2006 model year Audi A4 and Audi A6 vehicle originally equipped with a factory-installed CVT Transmission, imported and distributed by Volkswagen Group of America, Inc. for sale or lease in the United States of America.*

*This settlement applies only to Settlement Class Vehicles that were imported and distributed by Volkswagen Group of America, Inc. for sale or lease in the United States. It does not apply to vehicles that were imported into, distributed or originally sold in any other country. If you received this Notice, you are or were a purchaser or lessee of one or more of the above-referenced Settlement Class Vehicles that are covered under this settlement.*

Excluded from the Settlement Class are (a) anyone claiming personal injury, property damage and/or subrogation, (b) all Judges who have presided over the Action and their spouses, (c) all current employees, officers, directors, agents and representatives of Defendants, and their family members, (d) any affiliate, parent or subsidiary of Defendants and any entity in which Defendants have a controlling interest; (e) anyone acting as a used car dealer; (f) anyone who purchased a Settlement Class Vehicle for the purpose of resale; (g) anyone who purchased a Settlement Class Vehicle with salvaged title and/or any insurance company who acquired a Settlement Class Vehicle as a result of a total loss; (h) any insurer of a Settlement Class Vehicle; and (i) any Settlement Class Member that files a timely and proper Request for Exclusion from the Settlement Class.

### **4 I’m still not sure if I am included.**

If you are still not sure whether you are included, you can get more information. You can call 1-800-760-5467 or **visit [www.CVTSettlement.com](http://www.CVTSettlement.com)** for more information.

## **SETTLEMENT BENEFITS — WHAT YOU GET**

### **5. What does the settlement provide?**

Audi has agreed to provide the settlement benefits described in paragraph 1 above. Additional details are provided in the next three sections.

## 6. How does the extended warranty work?

Beginning on June 19, 2013, Audi's New Vehicle Limited Warranty will be extended to cover the repair or replacement, by an authorized Audi dealer, of the following CVT transmission part(s) during a period of 10 years or 100,000 miles from the date of the first original purchase or lease of the Settlement Class Vehicle, whichever occurs first ("extended warranty"):

- a. The Transmission Control Module (TCM) of the CVT transmission of a 2003, 2004, 2005 or 2006 model year Audi A4 or Audi A6 Settlement Class Vehicle;
- b. The Valve Body of the CVT transmission of a 2003 or 2004 model year Audi A4 or Audi A6 Settlement Class Vehicle; and
- c. The Transmission without the Valve Body and TCM of a CVT transmission of a 2002, 2003 or 2004 model year Audi A4 or Audi A6 Settlement Class Vehicle, provided you submit, to the Audi dealer, documents (such as maintenance or repair records) showing that you have complied with all of the transmission maintenance requirements set forth in your vehicle's Owner's Manual. If such documents cannot be located or obtained from the dealer or repair facility that performed the transmission maintenance after you have made a good faith attempt to obtain them, you may instead submit, to the dealer, a signed declaration under penalty of perjury. A form declaration, which sets forth the information needed, is available on the settlement website at [www.CVTSettlement.com](http://www.CVTSettlement.com).

To obtain a repair or replacement under this extended warranty, bring your vehicle to an authorized Audi dealer. Like the original Audi New Vehicle Limited Warranty, the extended warranty afforded by this settlement requires that the covered repair or replacement be performed by an authorized Audi dealer. Documents of the type required under the cash reimbursement provisions of the settlement will not have to be produced for extended warranty coverage, with the exception of a repair or replacement under subsection (c) above, or any other documentation that would be required under the original New Vehicle Limited Warranty. The extended warranty is subject to the same terms and conditions of the New Vehicle Limited Warranty. Damage resulting from abuse, alteration or modification, a collision or crash, vandalism and/or other impact shall be excluded and not covered by the extended warranty.

If you obtain extended warranty coverage for repair or replacement of a covered CVT Transmission part, you give up the right to exclude yourself from this settlement.

## 7. Who can send in a claim for cash payments?

Any United States resident who purchased or leased a 2002, 2003, 2004, 2005 or 2006 model year Audi A4 or Audi A6 Settlement Class Vehicle, and qualifies for a cash reimbursement as described in paragraph 1(1) or 1(3) above, can send in a claim, provided that he/she satisfies the criteria and requirements for the claim and follows the steps in paragraph 8 for submitting the claim on a timely basis. Reimbursements will only be paid after the Court approves the settlement and all appeals, if any, have been resolved.

## 8. How do I send in a claim for a cash reimbursement?

To submit a claim for a cash reimbursement, do the following:

- (1) **Complete, sign, and date a Claim Form** (there is one enclosed with these materials and you can also get one at [www.CVTSettlement.com](http://www.CVTSettlement.com)). Keep a copy of the completed Claim Form; and
- (2) **Mail the Claim Form and your supporting documentation, such as repair record(s), receipts and proof of payment**, no later than November 18, 2013 to the address on the Claim Form. The information that must be reflected in your records can be found on the Claim Form. Keep a copy of your repair records.

If you fail to mail in the Claim Form and supporting documents by the required deadline, you will not get paid. Sending in a Claim Form late or without documentation will be the same as doing nothing.

## 9. What type of supporting documentation must I submit with my Claim Form in order to receive a cash reimbursement?

You must submit original or legible copies of receipts, invoices and/or other records ("documents") which contain the information required to prove that you are a Class Member and that your claim satisfies the requirements for a reimbursement. However, in some circumstances where the required documents cannot be obtained after you have made a good faith attempt to obtain them, other documentation may be permitted. The Claim Form, which is enclosed with this Notice, describes in detail the documentation and information that must be submitted in support of your claim. The Claim Form is also available on the settlement website at [www.CVTSettlement.com](http://www.CVTSettlement.com).



**10. If I submit a claim, when do I get my reimbursement or learn whether I will receive a payment, and what are my rights?**

The Claim Administrator will determine whether your claim is approved and what amount, if any, will be reimbursed to you. If the Claim Administrator determines your claim is to be paid in full, your reimbursement will be mailed to you after the settlement becomes final. The Court will hold a fairness hearing on September 23, 2013, to decide whether to approve the settlement as fair, reasonable and adequate. If the Court approves the settlement, there may be appeals which may delay the conclusion of the case. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Information about the progress of the case will be available at: [www.CVTSettlement.com](http://www.CVTSettlement.com).

If the Claim Administrator determines your claim should not be paid or should be paid only in part, you will be mailed a letter telling you the amount you are to receive, if any; the reason(s) why your claim was denied in whole or in part, and your rights to either accept the award or proceed further. The letter will be mailed within 75 days after receipt of your claim or 60 days after the settlement becomes final, whichever is later. The letter will be accompanied by a Claim Decision and Option Selection Form which explains your rights and must be completed and mailed back to the Claim Administrator if you choose certain options described below.

If your claim is denied in whole or in part, you will have the following options to choose from:

- (1) You may accept the reimbursement award by either doing nothing or, for faster processing, checking the appropriate box on the form stating that you are accepting the award and mailing the form back to the Claim Administrator. If you accept the offer, you may not later contest the amount of the reimbursement award.
- (2) If the Claim Administrator denied your claim in whole or in part because you did not submit sufficient proof, and you have additional documents that contain the information missing from your original claim, you will have the opportunity to “cure” your claim by checking the appropriate box in the form and mailing the appropriate documents with the form to the Claim Administrator within 30 days of receiving the letter. This affords you the advantage of having another opportunity to submit needed documents that were not submitted with your original claim. If the paperwork contains the needed information (and you are otherwise eligible) you may receive a greater or full reimbursement. If not, you will still have the option of requesting a second review of your claim. You will receive the Claim Administrator’s response within 75 days after their receipt of your completed form and accompanying documentation, or within 60 days after the settlement becomes final, whichever is later.
- (3) If you do not agree with the Claim Administrator’s decision, you can request to have a second review of your claim by the Claim Administrator, who will decide whether to adjust your reimbursement amount.
  - a. The second review will be made by a senior level employee of the Claim Administrator who is a different employee from the one who made the initial determination.
  - b. To request a second review, you must check the appropriate box on the Claim Decision and Option Selection Form received from the Claim Administrator, and mail the form back to the Claim Administrator within (a) 30 days of receiving the initial letter, or (b) 30 days of your receipt of the Claim Administrator’s response to your “cure” attempt discussed in paragraph (2) above. You may rely solely on the documents and proof already submitted, and if you choose, you may submit a written statement setting forth the reasons why you believe the decision on your claim should be different.
  - c. The second reviewer will independently review the Claim Administrator’s decision and determine, based upon the claim and materials you submitted, whether the initial determination should be adjusted. The second reviewer will have the authority to increase the reimbursement amount originally offered, if your claim meets the requirements justifying that amount.
  - d. The second review determination will be mailed to you within 45 days of the date in which the request for second review with supporting documentation was received by the Claim Administrator, or within 60 days after the settlement becomes final, whichever is later. The determination will state the reasons why the initial determination was either adjusted or not changed. If a reimbursement is awarded, the Claim Administrator will mail the reimbursement check to the Class Member within 60 days of the date that notice was given to the parties of the second review decision, or within 75 days after the settlement becomes final, whichever is later. The Claim Administrator’s decision shall be final and non-appealable.
  - e. Class Counsel will have the right to reasonably monitor the claims administration process and ensure that the Claim Administrator is acting in accordance with the Settlement Agreement. Class Counsel will be available to confer with class members, and with Defendants’ counsel, regarding any claim a class member believes was incorrectly denied.

The Defendants will bear all costs of the Claim Administration including any second review of your claim.

To check on the status of your claim, you can call the Claim Administrator at 1-800-760-5467.

**11. What am I giving up to stay in the Class?**

Unless you exclude yourself, you are staying in the Class. By staying in the Class, you can avail yourself of any and all benefits under the settlement to which you are entitled, and you will be releasing the Defendants from any liability, cause of action, claim, right to damages or other relief, and any other legal rights to which you may otherwise be entitled under the law(s) of your state or any other applicable law, relating to the CVT Transmission(s) of your Settlement Class Vehicle(s). You will not be able to commence or be a part of any lawsuit or arbitration, or pursue any claim, against Defendants and any “released parties” relating to the CVT Transmissions of Settlement Class Vehicles. Staying in the Class also means that all of the Court’s orders will apply to you and legally bind you. However, the settlement will not release any claims for personal injury or damage to property.

The scope of the “released claims” and “released parties” are set forth in Sections I.O and I.P. of the settlement agreement, which is available on the settlement website, [www.CVTSettlement.com](http://www.CVTSettlement.com), should you wish to review it. You may also contact Class Counsel, whose contact information is set forth below, with any questions you may have.

**EXCLUDING YOURSELF FROM THE SETTLEMENT**

**12. How do I exclude myself from this settlement?**

To exclude yourself from the settlement, you must fully complete, sign and return the enclosed Request for Exclusion Form by U.S. mail (or an express mail carrier) postmarked no later than August 12, 2013 to:

CVT Claims Administrator  
P.O. Box 2987  
Faribault, MN 55021-2987

If you timely submit your fully completed and signed Request for Exclusion Form by U.S. mail or express mail, you will not be able to receive any benefits of the settlement including the extended warranty, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit.

**13. If I don’t exclude myself, can I sue later?**

No. If you do not timely exclude yourself from the settlement, you cannot sue for any matters, legal claims or damages (other than for personal injury or damage to property) relating to the CVT Transmission(s) of your Settlement Class Vehicle(s).

**14. If I exclude myself can I get the benefits of this Settlement?**

No. If you exclude yourself from the Class you will not be able to take advantage of any benefits from this settlement. If you exclude yourself, you should not submit a Claim Form to ask for money from a class action settlement. You cannot do both.

**THE LAWYERS REPRESENTING YOU**

**15. Do I have a lawyer in this case?**

The Court has appointed the law firms of Strategic Legal Practices APC and The Law Office of Robert Starr to represent you and all other Settlement Class Members. Together these law firms are called “Class Counsel.”

**16. Should I get my own lawyer?**

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you may hire one at your own cost.

**17. How will the lawyers be paid and will the Plaintiff Settlement Class representatives receive incentive payments?**

Class Counsel will apply to the Court, on behalf of all counsel for plaintiffs, for an award of attorney fees, costs and expenses (“fees and expenses”) from the Court in an amount not exceeding a combined total sum of \$2,375,000 (“combined amount”), based upon the time (by hourly rates) and related factors that will be provided in Class Counsel’s application for fees and expenses. Defendants have agreed not to oppose Class Counsel’s application for fees and expenses not exceeding that combined amount, and Class Counsel has agreed not to accept any fees and expenses in excess of that combined amount. You won’t have to pay these fees and expenses. Any fees and expenses awarded to Class Counsel will not affect your settlement amount.

Class Counsel will also apply to the Court for service awards to the named Plaintiffs, who have conditionally been approved as Settlement Class Representatives, in the amount of \$5,000 each to Anna Sadowska and Yanick Godbout, and \$1,000 to Tonya Dendekker, for their initiative and effort in pursuing this litigation for the benefit of the Class. Any award for Class Counsel fees and expenses and any service awards will be paid by Defendants and will not reduce any benefits available to you under the settlement.

Class Counsel’s motion for fees and expenses and Settlement Class Representative service awards will be filed by July 19, 2013, and will be made available for review at [www.CVTSettlement.com](http://www.CVTSettlement.com).

**SUPPORTING OR OBJECTING TO THE SETTLEMENT**

**18. How do I tell the Court that I like or dislike the settlement?**

If you are a member of the Class and do not request to be excluded, you can tell the Court you like the settlement and it should be approved, or that you object to the settlement or Class Counsel’s requests for fees and expenses and class representative service payments, if you do not like a part of it. The Court will consider all comments from class members. You are not required to submit anything to the Court unless you are objecting or wish to be excluded from the settlement.

To object, you must, no later than August 12, 2013, send a letter to the Court with copies to the Class Counsel and defense counsel listed below, saying that you are objecting to the settlement in *Anna Sadowska, et al. v. Volkswagen Group of America, Inc., et al.* Case No. CV11-00665 (BRO) (AGRx), and your objection must include your full name, current City and State of residence, telephone number, the model year and VIN of your vehicle and proof that you own(ed) or lease(d) it, a statement of all your factual and legal grounds for objecting, any documents and/or briefs supporting your objection, a statement of whether you intend to appear at the fairness hearing, and your signature. If you intend to appear at the fairness hearing through counsel, your comment must also state the identity of all attorneys representing you who will appear at the fairness hearing. Be sure to send your objection to these three different places set forth below such that it is received no later than August 12, 2013:

| No. 1 Court  | No. 2 Class Counsel  | No. 3 Defense Counsel  |
|--|--|--|
| Clerk of the Court,<br>United States District Court for the<br>Central District of California<br>312 North Spring Street<br>Los Angeles, CA 90012-4701 | Strategic Legal Practices, APC<br>c/o Payam Shahian<br>1875 Century Park East,<br>Suite 700<br>Los Angeles, CA 90067<br>888-757-5366<br><br>-or-<br><br>The Law Office of Robert Starr<br>c/o Robert Starr<br>23277 Ventura Boulevard<br>Woodland Hills, CA 91364-1002<br>818-224-7691 | HERZFELD & RUBIN, P.C.<br>c/o Jeffrey L. Chase<br>125 Broad Street<br>New York, NY 10004 |

If you do not submit a written comment on or objection to the proposed settlement or the application of Class Counsel for attorney fees and expenses and/or class representative service awards, in accordance with the deadline and procedure set forth above, you will waive your right to be heard at the fairness hearing and to appeal from any order or judgment of the Court concerning the matter.

**19. What is the difference between objecting and excluding?**

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class and the settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

**FAIRNESS HEARING**

**20. When and where will the Court decide to approve the settlement?**

The Court will hold a Fairness Hearing at 10 a.m. on September 23, 2013, in Courtroom 14, United States District Court for the Central District of California, 312 North Spring Street, Los Angeles, CA 90012-4701. At this hearing the Court will consider whether the settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court may listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel or whether to approve service awards. After the hearing, the Court will decide whether to approve the settlement. We do not know how long it will take for the Court to make its decision.

**21. Do I have to come to the hearing?**

No. Class Counsel will answer questions the Court may have. But, you are welcome to come at your own expense provided you have not excluded yourself from the settlement. If you send an objection, you do not have to come to Court to talk about it. As long as you sent your written objection such that it is received on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

**22. May I speak at the hearing?**

If you do not exclude yourself, you may ask the Court's permission to speak at the hearing concerning the proposed settlement or the application of Class Counsel for attorney fees and expenses and class representative service payments. To do so, you must send in a letter notice saying that it is your intention to appear at the fairness hearing in *Anna Sadowska, et al. v. Volkswagen Group of America, Inc., et al.* Case No. CV11-00665. The letter notice must state the position you intend to present at the hearing, state the identities of all attorneys who will represent you (if any), and must include your full name, current City and State of residence, telephone number, model and model year and VIN of your vehicle(s), and your signature. You must send your letter notice to the Clerk of the Court, Class Counsel, and defense counsel at the three addresses listed under question 18 above, such that it is received no later than August 12, 2013. You may combine this notice and your comment (described under question 18) in a single letter. You cannot speak at the hearing if you excluded yourself.

**IF YOU DO NOTHING**

**23. What happens if I do nothing at all?**

If you do nothing, you will be bound by the settlement if the Court approves it, and release the claims described under question 11.

**ADDITIONAL INFORMATION**

**24. Where can I find additional information?**

Visit the **website at [www.CVTSettlement.com](http://www.CVTSettlement.com)**, where you can find extra claim forms and more information on this litigation and settlement. Updates regarding the case will be available at **[www.CVTSettlement.com](http://www.CVTSettlement.com)**. You may also call the Claims Administrator at 1-800-760-5467.