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Service

# newschannel update

TO: Mercedes-Benz Dealer Principals, General Managers, Service Managers, Warranty Administrators and Bookers	FROM: Joe Haller, Department Manager, Warranty Greg Gunther, Department Manager, Vehicle Compliance & Analysis
RE: <b>Updated: Mars Red Paint Service Warranty Coverage: Various Models (see provided list)</b>	DATE: January 13, 2021

## **Mars Red Paint SERVICE WARRANTY COVERAGE**

### **(Not Effective until Court approved)**

To enhance the satisfaction of our customers, avoid further costs of litigation and return focus to its core businesses, Mercedes-Benz USA, LLC (MBUSA) has entered into a settlement regarding claims relating to allegations that the “590 Mars Red” paint available as an original, exterior color option for certain models of Mercedes-Benz vehicles may experience peeling, flaking, or bubbling of the exterior paint or clear coat. This “Mars Red” paint is sometimes referred to as “Fire Opal.”

A motion for approval of the settlement was filed with the Court on December 21, 2020. The settlement must receive final approval from the court before it takes effect. As part of the settlement, MBUSA has agreed to offer sliding-scale warranty coverage for certain vehicles to repaint any non-plastic exterior surface of a Subject Vehicle because of peeling, flaking, or bubbling of the exterior paint or clear coat. This warranty coverage does not cover repainting necessitated by external influences such as automobile accidents, scratches, or road debris. Warranty coverage will not take effect until the settlement is judicially approved and other events occur. If the settlement becomes effective, coverage will include inspection of the vehicle to diagnose the possible cause of any observed peeling, flaking, or bubbling of the exterior paint or clear coat.

**Which Vehicles:** The warranty coverage provided by the settlement applies to the following vehicle types (“Subject Vehicles”):

- C-Class (model years 2004-2015)
- GLK-Class (model years 2010-2015)
- CLS-Class (model years 2006-2007, 2009, 2014)
- CLK-Class (model years 2004-2009)
- S-Class (model years 2008, 2015, 2017)
- SL-Class (model years 2004-2009, 2011-2017)
- CL-Class (model years 2005-2006, 2013-2014)
- SLS-Class (model years 2014-2015)
- E-Class (model years 2005-2006, 2010-2017)
- G-Class (model years 2005, 2011-2017)
- GT-Class (model years 2016-2018)
- SLC-Class (model years 2017)
- SLK-Class (model years 2005-2016)
- Maybach 57 (model year 2008).





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**Does this Settlement mean that the Subject Vehicles are defective?:** No. The court has not decided in favor of the plaintiffs. MBUSA denies the material factual allegations and legal claims asserted by the plaintiffs and settlement class members, including allegations that the “590 Mars Red” paint is defective in any way.

**Why is MBUSA settling this litigation?:** MBUSA has agreed to settle this litigation to enhance the satisfaction of its customers, avoid further costs of litigation, and return focus to its core business. MBUSA denies the material factual allegations and legal claims asserted by the plaintiffs and settlement class members, including allegations that “590 Mars Red” paint is defective in any way.

**Why might a vehicle’s Mars Red paint experience peeling, flaking, or bubbling of the exterior paint or clear coat?:** Peeling, flaking, or bubbling of the exterior paint or clear coat can occur due to a wide range of potential causes, including improper maintenance and external influences such as automobile accidents, scratches, road debris, chemical burn, tree sap, or bird droppings. An authorized Mercedes-Benz Service Center will need to inspect a vehicle to diagnose the possible cause of any observed peeling, flaking, or bubbling of the exterior paint or clear coat.

**Does peeling, flaking, or bubbling of the exterior paint or clear coat mean the vehicle is defective?:**

No. Peeling, flaking, or bubbling of the exterior paint or clear coat can occur due to a wide range of potential causes, including improper maintenance and external influences such as automobile accidents, scratches, road debris, chemical burn, tree sap, or bird droppings. An authorized Mercedes-Benz Service Center will need to inspect a vehicle to diagnose the possible cause of any observed peeling, flaking, or bubbling of the exterior paint or clear coat.

**Goodwill Coverage No Longer Allowed** – In light of the significant benefits that will be provided under the settlement agreement if and when it goes into effect, the Subject Vehicles are no longer eligible for goodwill coverage for the repairs described in LI98.00-P-058914. In the event a customer wishes to have a repair under LI98.00-P-058914 performed prior to the settlement taking effect, he or she must pay for the repair out of pocket, retain receipts, and submit a claim for reimbursement pursuant to the requirements of the settlement agreement. A description of the benefits that the settlement agreement will provide, if approved by the court, will be provided through the Settlement website. The settlement website will be communicated at a later date.

**What benefits does the Settlement provide?:** As part of the settlement, MBUSA has agreed to perform the repairs described in LI98.00-P-058914 to repaint any non-plastic exterior surface of a Subject Vehicle because of peeling, flaking, or bubbling of the exterior paint or clear coat not caused by external influences such as automobile accidents, scratches, or road debris. If and when the Settlement is approved by the court and goes into effect, extended warranty coverage will be provided on a sliding-scale for Subject Vehicles with fewer than 15 years from the original warranty start date and fewer than 150,000 miles, whichever comes first, and is limited to refinishing of affected areas only, in accordance LI98.00-P-058914.

More detailed information concerning the scope and conditions of warranty coverage will be provided in a subsequent News Channel Update when the settlement has become effective and customers become eligible to receive warranty coverage under the settlement.

**Are owners/lessees of Subject Vehicles eligible for warranty coverage under the Settlement now?**

No. The settlement will not take effect until after it has received final approval from the court and any appeals have been exhausted in favor of the settlement. A subsequent News Channel Update will be provided through normal channels when the settlement has become effective and customers become eligible to receive warranty coverage under the settlement.



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**What if an owner or lessee of a Subject Vehicle needs a Qualified Repair prior to the settlement taking effect?**

If a customer has a Qualified Repair performed on his or her vehicle prior to the settlement taking effect, such customer may submit a claim for reimbursement as a Qualified Past Repair in accordance with the terms of the Settlement. When MBUSA is authorized to communicate more information about the Settlement, it will be done through a dedicated Settlement website.

**For all other inquiries:** When MBUSA is authorized to communicate more information about the Settlement, it will be done through a dedicated Settlement website. A subsequent News Channel Update will provide the Settlement website address when the settlement has been approved by the court and becomes effective.

While we regret any inconvenience this may cause, MBUSA is determined to maintain a high level of vehicle quality and customer satisfaction.

Should you have any questions, Please contact the Customer Assistance Center at 1-800-FOR-MERCEDES.

