

***Mercado v. Volkswagen Group of America, Inc. d/b/a Audi of America, Inc.,***  
**U.S. District Court, Central District of California, Civil Action No. 5:18-cv-02388-JWH-SP**

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

**THIS NOTICE OF A CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.**  
**PLEASE READ IT CAREFULLY.**

- A Settlement has been proposed in a class action lawsuit against Volkswagen Group of America, Inc. (“VWGoA”) in which Plaintiffs have alleged that the front brakes in certain Audi Q7 vehicles contain a defect that allegedly causes a squealing sound. The class action, pending in the United States District Court for the Central District of California, is entitled *Mercado v. Volkswagen Group of America, Inc. d/b/a Audi of America, Inc.*, Civil Action No. 5:18-cv-02388 (the “Action” or “Lawsuit”). VWGoA has denied the claims and maintains that the front brakes are not defective. The Action has not gone to trial and the Court has not decided in favor of the Plaintiffs or VWGoA. Instead, the Plaintiffs and VWGoA agreed to settle the Action.
- You are a “Settlement Class Member” and are affected by this Settlement if you are a current or past owner or lessee of a model year 2017 or 2018 Audi Q7 vehicle that was imported and distributed by VWGoA in the United States or Puerto Rico (hereinafter, collectively, “Settlement Class Vehicles”).
- This Notice explains the Action, the Settlement, your legal rights, your available benefits and who is eligible for them, how to obtain them if you are eligible, and applicable time deadlines. As a Settlement Class Member, you have various options that you may exercise before the Court decides whether to approve the Settlement. Additional information is available online at [www.BrakeNoiseSettlement.com](http://www.BrakeNoiseSettlement.com).
- Your legal rights are affected whether you act or do not 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. Why did I receive this Notice, and what are the settlement benefits?

A federal court authorized this Notice because you have the right to know about the proposed Settlement of this class action lawsuit and about all of your rights and options before the Court decides whether to grant final approval of the Settlement. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

According to records, you are a current or past owner or lessee of a model year 2017 or 2018 Audi Q7 imported and distributed by Volkswagen Group of America, Inc. ("VWGoA") in the United States or Puerto Rico (hereinafter, collectively, "Settlement Class Vehicles"):

As a current or past owner or lessee of a Settlement Class Vehicle, you are considered a "Settlement Class Member." A class action lawsuit was filed alleging that a defect caused the front brakes of the Settlement Class Vehicles to emit a squealing noise. VWGoA has denied the claims and maintains that the front brakes are not defective, that no applicable warranties were breached, no statutes or laws were violated, and that no wrongdoing occurred with respect to the Settlement Class Vehicles. The Lawsuit has been resolved through a Settlement under which the following benefits will be provided:

#### **A. Warranty Extension for Current Owners and Lessees of Settlement Class Vehicles**

Effective on February 11, 2022, VWGoA will extend its New Vehicle Limited Warranties applicable to the Settlement Class Vehicles to cover one repair of a diagnosed condition of squealing of the front brakes, by an authorized Audi dealer, of front brakes of said vehicles within four years or 48,000 miles, whichever occurs first, of the Settlement Class Vehicle's In-Service date, by replacing the brake pads and inserting an additional spring in each caliper of the front brakes (hereinafter, the "Warranty Extension" or "Extended Warranty"):

##### General Terms and Conditions of the Extended Warranty:

- (a) The Extended Warranty is subject to the same terms and conditions set forth in the Settlement Class Vehicle's New Vehicle Limited Warranty and Warranty and Maintenance Booklet, except that repairs to the front brakes under this Settlement are permissible pursuant to the extended time and mileage limitations set forth above and in the Settlement Agreement, which is available at [www.BrakeNoiseSettlement.com](http://www.BrakeNoiseSettlement.com).
- (b) Front brake squeal resulting from misuse, abuse, alteration or modification, a collision or crash, vandalism, lack of or improper maintenance and/or damage from an environmental or outside source shall be excluded and not covered by the Extended Warranty.
- (c) The Extended Warranty will, until its expiration, be fully transferable to subsequent owners of Settlement Class Vehicles.
- (d) A vehicle is not eligible for an Extended Warranty if it was purchased with a salvaged title or if it was acquired by an insurance company as a result of a total loss.
- (e) VWGoA shall not be responsible for, and shall not warrant, repair or replacement work performed on a Settlement Class Vehicle by an independent service center that is not an authorized Audi dealer.

#### **B. Reimbursement for Past Unreimbursed Out-of-Pocket Expenses for Covered Repairs**

If, prior to the Notice Date and within four years or forty-eight thousand (48,000) miles (whichever comes first) of the Settlement Class Vehicle's In-Service Date, a Settlement Class Member incurred and paid out-of-pocket expenses for a Covered Repair (a repair of a diagnosed condition of squealing noise from the front brakes of a Settlement Class Vehicle consisting of replacement of front brake pads and/or insertion of one new lower spring in each front brake caliper) of a Settlement Class Vehicle that was not otherwise reimbursed, and timely submits a valid, complete and signed Claim Form, together with the required Proof of Repair Expense documentation pursuant to the terms of the Settlement Agreement, the Settlement Class Member will be entitled to reimbursement of said past paid and unreimbursed out-of-pocket expenses (parts, labor and taxes) for one such Covered Repair as follows:

(a) If the Covered Repair was performed by an authorized Audi dealer, the Settlement Class Member shall be entitled to receive reimbursement of the full amount (100%) of the paid invoice cost (parts, labor and taxes) of one Covered Repair during that period.

(b) If the Covered Repair was performed by a service entity or facility that is not an authorized Audi dealer, the Settlement Class Member shall be entitled to receive reimbursement of fifty percent (50%) of the paid invoice cost (parts, labor and taxes) of one Covered Repair during that period.

**C. Requirements for and Limitations on Entitlement to Reimbursements Set Forth in Sections B Above**

To qualify for reimbursement of past paid and unreimbursed out-of-pocket expenses provided under Section B above, Settlement Class Members must comply with the following requirements:

(a) Mail to the Claim Administrator, by first-class mail **postmarked no later than one hundred forty (140) days after the Notice Date**, a fully completed Claim Form, a copy of which is attached to this Notice and available at [www.BrakeNoiseSettlement.com](http://www.BrakeNoiseSettlement.com), signed under penalty of perjury, together with all required Proof of Repair Expense documentation listed in the Claim Form.

(b) If the claimant is not a person to whom the Claim Form was addressed, and/or the vehicle with respect to which a Claim is made is not the vehicle identified by VIN number on the mailed Claim Form, the Claim shall contain proof that the claimant is a Settlement Class Member, that the vehicle is a Settlement Class Vehicle and that the Settlement Class Member paid and was not reimbursed for a Covered Repair.

(c) Each Claim for Reimbursement must include, in the Claim Form(s), a statement that the Settlement Class Member has not previously been reimbursed, from any other source, for all or part of the out-of-pocket expense for which reimbursement is being sought under this Settlement, or if any full or partial reimbursement was previously received, delineate the amount of the reimbursement received and the source of the reimbursement.

(d) Any reimbursement pursuant to this Settlement shall be reduced by any previous warranty, carefree maintenance, goodwill, reimbursement, refund, or other payment or concession for the brake repair that was paid or provided by Defendant, an authorized Audi dealer, or any other entity (including insurers and providers of extended warranties or service contracts).

(e) Front brake squeal resulting from misuse, abuse, alteration or modification, a collision or crash, vandalism, lack of or improper maintenance and/or damage from an environmental or outside source, does not qualify for reimbursement.

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

In a class action, one or more persons, called the Class Representatives, sue on behalf of other people who have similar claims. Together all of these people are a Class or Class Members. One Court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

The Class Representatives in this case are the Plaintiffs Valeria Mercado and Andrea Kristyanne Holmes, and the company they sued is called the Defendant.

The Court has not decided in favor of Plaintiffs or Defendant. 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 benefits quickly. The Settlement Class Representatives and the Class Counsel think the Settlement is best for the Settlement Class.

## WHO IS PART OF THE SETTLEMENT?

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

The Court has conditionally approved the following definition of a Settlement Class Member: All persons or entities who purchased or leased a Settlement Class Vehicle imported and distributed by Volkswagen Group of America, Inc. for sale or lease in the United States of America and Puerto Rico.

Excluded from the Settlement Class are (a) all Judges who have presided over the Action, and their spouses; (b) all current employees, officers, directors, agents, and representatives of Volkswagen Group Companies, and their family members; (c) any affiliate, parent, or subsidiary of Defendants and any entity in which Defendants have a controlling interest; (d) anyone acting as a used car dealer; (e) anyone who purchased a Settlement Class Vehicle for the purpose of commercial resale; (f) 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; (g) any insurer of a Settlement Class Vehicle; (h) issuers of extended vehicle warranties and service contracts; (i) any Settlement Class Member who, prior to May 25, 2021 settled with and released Defendants or any Released Parties from any Released Claims; and (j) 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 call 1-844-929-2988 or visit [www.BrakeNoiseSettlement.com](http://www.BrakeNoiseSettlement.com) for more information.

## SETTLEMENT BENEFITS – WHAT YOU GET

### 5. What does the Settlement provide?

The benefits afforded by the Settlement are described in Question 1. More details are provided in the next three sections.

### 6. Who can send in a Claim for Reimbursement?

Any United States or Puerto Rico resident who purchased or leased a Settlement Class Vehicle can send in a timely Claim for Reimbursement for money spent within the parameters and within the time period described in Question 1.

### 7. How do I send in a Claim for Reimbursement?

To submit a Claim for Reimbursement, you must do the following within the required deadline:

- A. Complete, sign under penalty of perjury, and date the Claim Form(s) (copies of which are enclosed with this Class Notice and available at [www.BrakeNoiseSettlement.com](http://www.BrakeNoiseSettlement.com)). It is recommended that you keep a copy of the completed Claim Form.
- B. Mail the completed, signed, and dated Claim Form(s) and your supporting Proof of Repair Expense documentation (e.g., repair record[s], receipts, and proof of payment) by First-Class Mail, **postmarked no later than July 1, 2022**, to the address provided on the Claim Form(s). The information that must be reflected in your records is described on the Claim Form(s). It is recommended that you keep a copy of your records and receipts.

If you are eligible for reimbursement benefits under the Settlement but fail to submit the completed Claim Form(s) and supporting documentation by the required deadline, you will not receive a reimbursement.

### 8. When do I get my reimbursement or learn whether I will receive a payment?

If the Claim Administrator determines your Claim is valid, your reimbursement will be mailed to you after the Settlement becomes final, which is called the "Effective Date." The Court will hold a Final Fairness Hearing on **June 10, 2022**, to decide whether to approve the Settlement as fair, reasonable, and adequate. Information about the progress of the case will be available at [www.BrakeNoiseSettlement.com](http://www.BrakeNoiseSettlement.com).

If the Claim Administrator determines your Claim should not be paid, you will be mailed a letter telling you this. If the reason for rejecting your Claim is due to a deficiency in your Claim Form(s) and/or supporting documentation, the letter will notify you of the deficiency in your Claim and what you need to submit, and by when, to correct the deficiency. To check on the status of your Claim, you can call 1-844-929-2988.

#### 9. What am I giving up to participate in the Settlement and stay in the Settlement Class?

Unless you exclude yourself by taking the steps described in Question 10 below, you are staying in the Settlement Class, which means that you will be bound by the release of claims in the Settlement Agreement, and cannot sue, continue to sue, or be part of any other lawsuit about the same matters, claims, and legal issues that were asserted or could have been asserted in this case (except for claims of personal injury or property damage other than damage to the Settlement Class Vehicles, which are not excluded by the release of claims). It also means that all of the Court's orders and judgments will apply to you and legally bind you. The specific claims and parties you will be releasing are set forth in the Settlement Agreement, which is available for review on the settlement website, [www.BrakeNoiseSettlement.com](http://www.BrakeNoiseSettlement.com).

#### EXCLUDING YOURSELF FROM THE SETTLEMENT

#### 10. How do I get out of this Settlement?

To exclude yourself from the Settlement, you must send a written request for exclusion by U.S. Mail, **postmarked no later than March 28, 2022**, clearly stating that you want to be excluded from the settlement. Your Request for Exclusion must also include your full name, address, telephone number, and signature, the model year and VIN of your vehicle, state whether you are a current or former owner or lessee of a Settlement Class Vehicle and specifically state your desire to be excluded from the Settlement Class. You must mail your Request for Exclusion, **postmarked no later than March 28, 2022**, to each of the following:

CLAIM ADMINISTRATOR	CLASS COUNSEL	DEFENSE COUNSEL
Brake Noise Settlement P.O. Box 58220 Philadelphia, PA 19102	GREG COLEMAN LAW PC 16748 McCormick Street Los Angeles, CA 91436  AHDoot & Wolfson, PC 2600 W. Olive Ave., Suite 500 Burbank, CA 91505  WHITFIELD BRYSON LLP 900 W. Morgan Street Raleigh, NC 27603	Michael B. Gallub, Esq. HERZFELD & RUBIN, P.C. 125 Broad Street New York, NY 10004

You cannot exclude yourself on the phone or by email. If you timely submit your request to be excluded by U.S. Mail or express mail, you will not get any benefits of the Settlement and you cannot object to the Settlement. You will not be legally bound by anything that happens in this Lawsuit.

#### 11. If I don't exclude myself, can I sue later?

No, not for the same matters and legal claims that were or could have been asserted in the Action, unless your claim is for personal injury or property damage (other than damage to the Settlement Class Vehicle).

#### 12. If I exclude myself, can I get the benefits of this Settlement?

No. If you exclude yourself from the Settlement Class, you won't get any money or benefits from this Settlement, and you should not submit a Claim Form. You cannot do both.

### 13. Do I have a lawyer in this case?

The Court has appointed the law firms of Greg Coleman Law PC, Ahdoot & Wolfson, PC and Whitfield Bryson LLP to represent Settlement Class Members. These law firms are called “Class Counsel.”

### 14. Should I get my own lawyer?

You do not need to hire your own lawyer to participate in the Settlement because Class Counsel will be representing you and the Settlement Class. However, if you want your own lawyer, you may hire one at your own cost.

### 15. How will the lawyers be paid, and will the Settlement Class Representatives receive service awards?

Class Counsel have prosecuted this case on a contingency basis. They have not received any fees or reimbursement for costs and expenses associated with this case. Class Counsel will file an application with the Court requesting an award of reasonable attorney fees and reasonable costs and expenses (“Fees and Expenses”) in an amount not exceeding a combined total sum of \$1,960,000. VWGoA has agreed not to oppose Class Counsel’s application for Fees and Expenses to the extent not exceeding that combined total sum, and Class Counsel have agreed not to accept any Fees and Expenses in excess of that combined total sum. 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 following amounts, for their efforts in pursuing this litigation for the benefit of the Settlement Class: \$5,000 each to Plaintiffs Valeria Mercado and Andrea Kristy Anne Holmes.

Any award for Class Counsel Fees and Expenses and any service awards will be paid by Defendant and will not reduce any benefits available to you under the Settlement.

Class Counsel’s application for Fees and Expenses and Settlement Class Representative service awards will be filed no later than 21 days before the deadline for you to comment or object to the Settlement, and a copy will be made available for review at [www.BrakeNoiseSettlement.com](http://www.BrakeNoiseSettlement.com).

## SUPPORTING OR OBJECTING TO THE SETTLEMENT

### 16. How do I tell the Court that I like or dislike the Settlement?

**If you are a member of the Settlement Class and do not request to be excluded, you can tell the Court you like the Settlement and think it should be approved, or you can ask the Court to deny approval by filing a written objection. You can object to the Settlement and/or to Class Counsel’s requests for Fees and Expenses and Settlement Class representative service awards.** You cannot ask the Court to order a different settlement; the Court can only approve or reject this Settlement. If the Court denies approval of the Settlement, no settlement payments will be sent out and the Lawsuit will continue. If that is what you want to happen, you must object. You are not required to submit anything to the Court unless you are objecting to the Settlement.

To object to or comment on the Settlement, you must do one of the following:

- (i) Submit your written objection or comment, and any supporting papers or materials, to the Court. You may do so by mailing them by U.S. First-Class Mail, **postmarked no later than April 12, 2022**, addressed to Clerk of the Court, United States District Court for the Central District of California, Eastern Division, 3470 Twelfth Street, Room 134, Riverside CA 92501; or
- (ii) File your written objection or comment, and any supporting papers or materials, with the Court in person at any location of the United States District Court for the Central District of California, no later than **April 12, 2022**; or
- (iii) File your written objection or comment, and any supporting papers or materials, on the Court’s ECF online docket for this case, no later than **April 12, 2022**.

If you choose to mail your written objection to the Court, you must also, no later than the above date, mail copies of the objection and supporting papers or materials to:

- Ahdoot & Wolfson, PC, 2600 W. Olive Ave., Suite 500, Burbank, CA 91505
- Michael B. Gallub, Esq., Herzfeld & Rubin, P.C., 125 Broad Street, New York, NY 10004 on behalf of Defendant; and
- Brake Noise Settlement, P.O. Box 58220, Philadelphia, PA 19102

Regardless of which method you choose, your written objection must state clearly that you are objecting to the Settlement, Fees and Expenses and/or Settlement Class representative service awards in *Mercado v. Volkswagen Group of America, Inc.*, Civil Action No. 5:18-cv-02388, and must include your full name, current address, and telephone number, the model, model year, and VIN of your vehicle, proof that you own(ed) or lease(d) the vehicle (e.g., a true copy of a vehicle title, registration, or license receipt), a written 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 Final Fairness Hearing, the name, address and telephone number of any counsel representing the objector, and your signature. Any Settlement Class Member objecting to the Settlement must also provide a detailed list of any other objections submitted by the objector, or the objector's counsel, to any class action settlements in any court in the previous five (5) years, or affirmatively state that the Settlement Class Member, or his or her counsel, has not objected to any other class action Settlement in the previous five (5) years, in the written materials provided with the objection. If you intend to appear at the Final Fairness Hearing through counsel, your comment must also state the identity of all attorneys representing you who will appear at the Final Fairness Hearing.

If you do not submit a written objection in accordance with the deadline and procedure set forth above, you will waive your right to be heard at the Final Fairness Hearing and to appeal from any order or judgment of the Court concerning the matter.

#### 17. What is the difference between objecting and excluding myself?

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

### FINAL FAIRNESS HEARING

#### 18. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Fairness Hearing at **9:00 a.m. on June 10, 2022**, before the Honorable Judge John W. Holcomb at the United States District Court for the Central District of California, Courtroom 2, 3470 Twelfth Street, Riverside CA 92501, to determine whether the Settlement should receive final approval. At this Final Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will also consider Class Counsel's application for Fees and Expenses and service awards to Settlement Class Representatives.

#### 19. Do I have to come to the Final Fairness Hearing?

No. Class Counsel will answer questions the Court may have. However, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. You may also pay your own lawyer to attend, but it is not necessary for your objection to be considered by the Court.

#### 20. May I speak at the Final Fairness Hearing?

If you do not exclude yourself, you may ask the Court's permission to speak at the Final Fairness Hearing concerning the proposed Settlement or the application of Class Counsel for attorneys' Fees and Expenses and Settlement Class

Representative service awards. To do so, you must send in a letter saying that it is your intention to appear at the Final Fairness Hearing in *Mercado v. Volkswagen Group of America, Inc.*, Civil Action No. 5:18-cv-02388. The letter must state the position you intend to present at the Final Fairness Hearing, state the identities of all attorneys who will represent you (if any), and must include your full name, current address, and telephone number, the model year and VIN of your vehicle(s), and your signature. **You must either send your letter by U.S. First-Class Mail to the Clerk of the Court, Class Counsel, and defense counsel at the three addresses listed under Question 16 above, postmarked no later than April 12, 2022, or file your letter with the Court either in person or on the Court's on-line ECF docket (as specified under Question 16 above) no later than April 12, 2022.** You may combine this letter and your comment (described under Question 16) in a single document. You cannot speak at the Final Fairness Hearing if you excluded yourself from the Settlement.

#### **IF YOU DO NOTHING**

21. What happens if I do nothing at all?

If you do nothing, you will be bound by the Settlement if the Court approves it.

#### **MORE INFORMATION**

22. Where can I get more information?

For more information, please visit the website at [www.BrakeNoiseSettlement.com](http://www.BrakeNoiseSettlement.com), where you can find extra Claim Forms, a copy of the settlement Agreement, certain applicable court filings and other pertinent documents, and more information on this litigation and Settlement. Updates regarding the case, including important dates and deadlines, will also be available on the website. You may also call the Claim Administrator at 1-844-929-2988 or email [info@BrakeNoiseSettlement.com](mailto:info@BrakeNoiseSettlement.com).