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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

*In re ZF-TRW Airbag Control
Units Products Liability Litigation*

Case No. 2:19-ml-02905-JAK-MRW

MDL No. 2905

ALL ACTIONS AGAINST THE
HYUNDAI AND KIA
DEFENDANTS

**[PROPOSED] ORDER (1) GRANTING
MOTION FOR PRELIMINARY
APPROVAL OF HYUNDAI-KIA
CLASS SETTLEMENT,
CERTIFYING HYUNDAI-KIA
SETTLEMENT CLASS, AND
DIRECTING NOTICE; AND
(2) SCHEDULING A FAIRNESS
HEARING**

1 The Hyundai and Kia Plaintiffs,¹ the Hyundai and Kia Defendants,² and the
2 Mobis Defendants³ (collectively, the “Parties”), have agreed to a proposed class
3 action settlement, the terms and conditions of which are set forth in an executed
4 Settlement Agreement (“Settlement Agreement”).⁴ The Parties negotiated the terms
5 of the Settlement Agreement through extensive arm’s-length negotiations with the
6 guidance and attention of the late Settlement Special Master Patrick A. Juneau.
7 Under the Settlement Agreement, subject to the terms and conditions therein and
8 subject to Court approval, the Action will be dismissed with prejudice as to the
9 Hyundai and Kia Defendants and the Mobis Defendants (together, the “Settling
10 Defendants”). The Hyundai and Kia Plaintiffs and the proposed Class would fully,
11 finally, and forever resolve, discharge, and release their claims against the Released
12 Parties in exchange for the relief set forth in the Settlement Agreement.

13 This Court conducted a hearing regarding the Hyundai and Kia Plaintiffs’
14 Motion for Preliminary Approval of Class Settlement and Direction of Notice
15 Under Fed. R. Civ. P. 23(e) (the “Motion”). Upon considering the Motion and
16 exhibits thereto, the Settlement Agreement and related documents and exhibits, the
17
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19 ¹ The “Hyundai and Kia Plaintiffs” are Larae Angel, Bobbi Jo Birk-LaBarge, John
20 Colbert, Brian Collins, Gerson Damens, Bonnie Dellatorre, Dylan DeMoranville,
21 Joseph Fuller, Tina Fuller, Lawrence Graziano, Michael Hernandez, Kinyata Jones,
22 Diana King, Richard Kintzel, Carl Paul Maurilus, Kenneth Ogorek, Burton
Reckles, Dan Sutterfield, Amanda Swanson, and Lore Van Houten.

23 ² The “Hyundai and Kia Defendants” are Defendants Hyundai Motor Company,
Hyundai Motor America, Kia Corporation, and Kia America, Inc.

24 ³ The “Mobis Defendants” are Hyundai Mobis Co. Ltd. and Mobis Parts America,
25 LLC. Following dismissal of the Hyundai-Kia Plaintiffs’ claims against Mobis
26 Parts America, LLC without prejudice (ECF 396), Mobis Parts America, LLC is no
longer a party to the case but is included as a party to the Settlement Agreement.

27 ⁴ For purposes of this Order, the Court adopts and incorporates all terms and
28 definitions set forth in the Settlement Agreement, including all exhibits and related
documents thereto.

1 record in these proceedings, the representations and recommendations of counsel,
2 and the requirements of law, the Court finds that:

- 3 i. this Court has jurisdiction over the subject matter and Parties requesting
4 preliminary approval of the Settlement;
- 5 ii. the proposed Class meets the requirements of Rule 23 of the Federal Rules of
6 Civil Procedure and should be preliminarily certified for Settlement purposes
7 only;
- 8 iii. the persons and entities identified below should be appointed Settlement
9 Class Representatives and Settlement Class Counsel for Settlement purposes
10 only;
- 11 iv. the Settlement is the result of extensive informed, good-faith, arm's-length
12 negotiations between the Parties and their capable and experienced counsel,
13 and is not the result of collusion;
- 14 v. the Settlement is fair, reasonable, and adequate and should be preliminarily
15 approved;
- 16 vi. the proposed Settlement is sufficiently fair, reasonable, and adequate to
17 warrant sending notice of the Settlement to the Class;
- 18 vii. the proposed Notice Program and proposed forms of notice satisfy Rule 23
19 and Constitutional Due Process requirements and are reasonably calculated
20 under the circumstances to apprise the Class of the pendency of the Action,
21 preliminary class certification for settlement purposes only, the terms of the
22 Settlement, details regarding Settlement Class Counsel's application for an
23 award of attorneys' fees and expenses and request for Settlement Class
24 Representative service awards, their rights to opt-out of the Class and object
25 to the Settlement, and the process for submitting a Claim;
- 26 viii. good cause exists to schedule and conduct a Fairness Hearing, pursuant to
27 Rule 23(e), to assist the Court in determining whether to grant final approval
28 of the Settlement, certify the Class for settlement purposes only, and issue a

1 Final Order and Final Judgment, and whether to grant Settlement Class
2 Counsel’s forthcoming application for an award of attorneys’ fees and
3 expenses and request for Settlement Class Representative service awards;
4 and
5 ix. the other related matters pertinent to the preliminary approval of the
6 Settlement should also be approved.

7 Based on the foregoing, **THE COURT HEREBY GRANTS THE**
8 **MOTION FOR PRELIMINARY APPROVAL AND MAKES THE**
9 **FOLLOWING FINDINGS AND ORDERS:**

10 **Jurisdiction, Preliminary Class Certification for Settlement Purposes Only,**
11 **and Appointment of Settlement Class Representatives and Settlement Class**
12 **Counsel**

13 1. The Court finds that it has jurisdiction over the Action and the Parties
14 requesting preliminary approval of the Settlement pursuant to 28 U.S.C. §§ 1331
15 and 1332 for purposes of settlement, and venue is proper in this district pursuant to
16 28 U.S.C. § 1391(a). The Court shall retain continuing jurisdiction for the purpose
17 of enforcing the Settlement Agreement after the entry of a Final Order and
18 Judgment.

19 2. In deciding whether to preliminarily certify a settlement class, a court
20 must consider the same factors that it would consider in connection with a proposed
21 litigation class—*i.e.*, all Rule 23(a) factors and at least one subsection of Rule 23(b)
22 must be satisfied—except that the Court need not consider the manageability of a
23 potential trial, since the settlement, if approved, would obviate the need for a trial.
24 *See Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 620 (1997); *Wang v. Chinese*
25 *Daily News, Inc.*, 737 F.3d 538, 542-44 (9th Cir. 2013); *see also In re ZF-TRW*
26 *Airbag Control Units Prod. Liab. Litig.*, No. LAML 1902905-JAK-MRW(x), 2023
27 WL 6194109, at *10 (C.D. Cal. July 31, 2023) (“*In re ZF-TRW ACUs Toyota*
28 *Prelim. App.*”).

1 3. Where, as here, “the parties negotiate a settlement agreement before
2 the class has been certified, settlement approval requires a higher standard of
3 fairness and a more probing inquiry than may be normally required under Rule
4 23(e).” *Roes 1-2 v. SFBSC Mgmt., LLC*, 944 F.3d 1035, 1048 (9th Cir. 2019); *see*
5 *also In re Apple Inc. Device Performance Litig.*, No. 21-15758, 2022 WL 4492078,
6 at *8 (9th Cir. Sept. 28, 2022). At the preliminary stage, however, “the settlement
7 need only be potentially fair.” *Acosta v. Trans Union, LLC*, 243 F.R.D. 337, 386
8 (C.D. Cal. 2007). Finally, a court must reach a “reasoned judgment that the
9 agreement is not the product of fraud or overreaching by, or collusion between, the
10 negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and
11 adequate to all concerned.” *Officers for Just. v. Civ. Serv. Comm’n of City & Cnty.*
12 *of S.F.*, 688 F.2d 615, 625 (9th Cir. 1982).

13 4. The Court finds that the requirements of Rule 23 of the Federal Rules
14 of Civil Procedure and other law and rules applicable to preliminary settlement
15 approval of class actions have been satisfied. As reflected in the record before the
16 Court, the proposed settlement appears to be the product of serious, informed
17 negotiations that were conducted in good faith and at arms’ length between the
18 Parties’ counsel and falls within the range of possible approval as fair, reasonable,
19 and adequate. *See Rodriguez v. West Publ’g Corp.*, 563 F.3d 948 (9th Cir. 2009).
20 Therefore, the Court preliminarily approves the settlement of this Action as
21 memorialized in the Settlement Agreement, and finds it will be likely to certify the
22 following Class for settlement purposes only:

23 All persons or entities who or which, on the date of the
24 Preliminary Approval Order, own or lease, or previously
25 owned or leased, Subject Vehicles distributed for sale or
26 lease in the United States or any of its territories or
27 possessions. Excluded from this Class are: (a) Hyundai
28 and Kia, their officers, directors, employees, and outside
counsel; their affiliates and affiliates’ officers, directors,
and employees; their distributors and distributors’ officers

1 and directors; and Hyundai’s and Kia’s Dealers and their
2 officers and directors; (b) the Mobis Defendants, their
3 officers, directors employees, and outside counsel, and
4 their affiliates and affiliates’ officers, directors, and
5 employees; (c) Settlement Class Counsel, Plaintiffs’
6 counsel, and their employees; (d) judicial officers and
7 their immediate family members and associated court
8 staff assigned to this case; (e) all persons or entities who
9 previously released their economic loss claims with
10 respect to the issues raised in the Action in an individual
11 settlement with Hyundai and Kia, with the Mobis
12 Defendants, or with any of them; and (f) persons or
13 entities who or which timely and properly exclude
14 themselves from the Class.

15 5. Specifically, the Court finds, for settlement purposes, that the Class
16 likely satisfies the following factors of Rule 23:

17 a. Numerosity: In the Action, there are approximately 3.7 million
18 Hyundai and Kia Subject Vehicles owned or leased by millions of members of the
19 proposed Class who are located throughout the United States. Their joinder is,
20 therefore, impracticable. Thus, the Rule 23(a)(1) numerosity requirement is met.
21 *See Rannis v. Recchia*, 380 F. App’x 646, 651 (9th Cir. 2010) (courts generally find
22 numerosity is met where there are at least 40 class members); *see also In re ZF-*
23 *TRW ACUs Toyota Prelim. App.*, 2023 WL 6194109, at *10 (“Although there is no
24 specific numeric requirement, courts generally have found that a class of at least 40
25 members is sufficient.”) (citation omitted); *In re Chrysler-Dodge-Jeep Ecodiesel*
26 *Mktg., Sales Pracs., & Prod. Liab. Litig. (“FCA EcoDiesel”)*, No. 17-MD-02777-
27 EMC, 2019 WL 536661, at *5 (N.D. Cal. Feb. 11, 2019) (numerosity satisfied
28 where “there are approximately 100,000 vehicles that were sold or leased to
consumers in the United States”).

b. Commonality: The threshold for commonality under Rule
23(a)(2) is not high and is met where class members share at least one common
issue of law or fact. *See Wolin v. Jaguar Land Rover N. Am., LLC*, 617 F.3d 1168,

1 1172 (9th Cir. 2010). Courts routinely find commonality where, as here, the class
2 claims arise from a defendant’s alleged uniform course of fraudulent conduct. *See,*
3 *e.g.*, ECF No. 983 (“Mitsubishi Prelim. Order”) at 11 (finding commonality
4 satisfied for the Mitsubishi Settlement where “Plaintiffs have identified at least one
5 common question: Whether [Defendants’] alleged omissions and uniform
6 misrepresentations to Class Members were fraudulent”); *In re ZF-TRW ACUs*
7 *Toyota Prelim. App.*, 2023 WL 6194109, at *11 (finding the same regarding the
8 Toyota Settlement). The common question “must be of such a nature that it is
9 capable of classwide resolution – which means that determination of its truth or
10 falsity will resolve an issue that is central to the validity of each one of the claims in
11 one stroke.” *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 350 (2011). Here, the
12 commonality requirement is satisfied for settlement purposes because there are
13 multiple questions of law and fact that center on Hyundai’s and Kia’s sale and lease
14 of the Hyundai and Kia Subject Vehicles equipped with allegedly defective Airbag
15 Control Units (“ACUs”), as alleged in the ACAC.

16 c. Typicality: The Hyundai and Kia Plaintiffs’ claims are typical of
17 the Class for purposes of this Settlement because they concern the same general
18 alleged conduct, arise from the same legal theories, and allege the same types of
19 harm and entitlement to relief. Rule 23(a)(3) is therefore satisfied. *See Mitsubishi*
20 *Prelim. Order* at 11 (finding typicality satisfied where “[e]ach Class Member
21 purchased or leased a Mitsubishi Class Vehicle with an undisclosed defective DS84
22 ACU, and relied on Mitsubishi’s misrepresentations about reliable safety features
23 when they decided to purchase or lease their vehicles”); *In re ZF-TRW ACUs*
24 *Toyota Prelim App.*, 2023 WL 6194109, at *11 (finding typicality satisfied with
25 respect to the Toyota Settlement); *see also FCA EcoDiesel*, 2019 WL 536661, at *5
26 (finding typicality satisfied where the plaintiffs’ claims were based on the same
27 pattern of wrongdoing as those brought on behalf of class members). Courts
28 permissively construe commonality and typicality. *Hanlon v. Chrysler Corp.*, 150

1 F.3d 1011, 1020 (9th Cir. 1998), *overruled on other grounds by Wal-Mart Stores,*
2 *Inc. v. Dukes*, 564 U.S. 338 (2011).

3 d. Adequacy: Rule 23(a)(4) requires that the “representative parties
4 will fairly and adequately protect the interests of the class.” Fed. R. Civ. P.
5 23(a)(4). Courts determine adequacy by analyzing: (1) whether the proposed
6 settlement class representatives have interests antagonistic to the class; and
7 (2) whether the proposed class counsel has the competence to undertake the
8 litigation at issue. *See In re Volkswagen “Clean Diesel” Mktg., Sales Pracs., &*
9 *Prods. Liab. Litig. (“VW Clean Diesel”)*, No. 2672 CRB (JSC), 2017 WL 672820,
10 at *5 (N.D. Cal. Feb. 16, 2017). Rule 23(a)(4) is satisfied here because there are no
11 conflicts of interest between the Hyundai and Kia Plaintiffs and the Class, and the
12 Hyundai and Kia Plaintiffs have retained competent counsel to represent them and
13 the Class. Settlement Class Counsel regularly engage in consumer class litigation
14 and other complex litigation like the Action and have dedicated substantial
15 resources to the prosecution of the Action. Moreover, the Hyundai and Kia
16 Plaintiffs and Settlement Class Counsel have vigorously and competently
17 represented the Class members’ interests in the Action. *See In re ZF-TRW ACUs*
18 *Toyota Prelim. App.*, 2023 WL 6194109, at *12 (finding adequacy satisfied).

19 e. Predominance and Superiority: Rule 23(b)(3) is satisfied for
20 settlement purposes, as well, because the common legal and alleged factual issues
21 here predominate over individualized issues, and resolution of the common issues
22 for tens of thousands of Class members in a single, coordinated proceeding is
23 superior to tens of thousands of individual lawsuits addressing the same legal and
24 factual issues. With respect to predominance, Rule 23(b)(3) requires that
25 “[c]ommon issues of fact and law . . . ha[ve] a direct impact on every class
26 member’s effort to establish liability that is more substantial than the impact of
27 individualized issues in resolving the claim or claims of each class member.”
28 *Sacred Heart Health Sys., Inc. v. Humana Mil. Healthcare Servs., Inc.*, 601 F.3d

1 1159, 1170 (11th Cir. 2010) (internal quotation marks and citation omitted). Based
2 on the record currently before the Court, the predominance requirement is satisfied
3 for settlement purposes because common questions present a significant aspect of
4 the case and can be resolved for all Class Members in a single common judgment.
5 See Mitsubishi Prelim. Order at 13; *In re ZF-TRW ACUs Toyota Prelim. App.*, 2023
6 WL 6194109, at *12; *VW Clean Diesel*, 2017 WL 672820, at *8.

7 Superiority is also met because the Settlement Agreement’s residual cash
8 payment of up to \$350 per Recalled Vehicle and up to \$150 per Unrecalled Vehicle
9 renders the adjudication of individual Class member claims substantially less
10 efficient than their simultaneous adjudication on a class wide basis, especially
11 considering the complex legal and technical nature of this Action. See *In re ZF-*
12 *TRW ACUs Toyota Prelim. App.*, WL 6194109, at *13 (“In light of the large
13 number of Class members and the cost of bringing an individual claim relative to
14 the potential recovery, it would be substantially less efficient for Class members to
15 pursue their claims on an individual basis than on a classwide basis.”). Finally, the
16 fact that the Parties have executed the Settlement Agreement obviates any potential
17 class management issues. *Id.*; see also *Windsor*, 521 U.S. at 620.

18 6. The Court previously appointed Roland Tellis and David Stellings Co-
19 Lead Counsel in this litigation, see ECF 106, and Settlement Class Counsel for the
20 Toyota and Mitsubishi Settlement Classes in this MDL. See *In re ZF-TRW ACUs*
21 *Toyota Prelim. App.*, 2023 WL 6194109, at *23-24; Mitsubishi Prelim. Order at 24.

22 7. Co-Lead Counsel now apply for appointment of themselves and the
23 Plaintiffs’ Steering Committee members as Settlement Class Counsel for the Class.
24 Having considered that application, the Court hereby appoints the following as
25 Settlement Class Counsel for purposes of the Settlement only: Baron & Budd, P.C.,
26 Lieff Cabraser Heimann & Bernstein, LLP, Ahdoot & Wolfson, PC, Beasley,
27 Allen, Crow, Methvin, Portis & Miles, P.C., Bleichmar Fonti & Auld LLP, Boies,
28 Schiller & Flexner LLP, Casey Gerry Schenk Francavilla Blatt & Penfield, LLP,

1 DiCello Levitt Gutzler LLC, Gibbs Law Group LLP, Keller Rohrback LLP, Kessler
2 Topaz Meltzer and Check LLP, Podhurst Orseck, P.A., Pritzker Levine LLP,
3 Robbins Geller Rudman & Dowd LLP, and Robins Kaplan LLP.

4 8. Co-Lead Counsel have further applied for appointment of the
5 following Settlement Class Representatives: Larae Angel, Bobbi Jo Birk-LaBarge,
6 John Colbert, Brian Collins, Gerson Damens, Bonnie Dellatorre, Dylan
7 DeMoranville, Joseph Fuller, Tina Fuller, Lawrence Graziano, Michael Hernandez,
8 Kinyata Jones, Diana King, Richard Kintzel, Carl Paul Maurilus, Kenneth Ogorek,
9 Burton Reckles, Dan Sutterfield, Amanda Swanson, and Lore Van Houten. Having
10 considered that application, the Court hereby appoints these individuals as
11 Settlement Class Representatives for purposes of the Settlement only.

12 **Preliminary Approval of the Settlement**

13 9. Upon preliminary evaluation, there are no indications that the
14 settlement is the product of fraud or overreaching by, or collusion between, the
15 negotiating parties. *See Officers for Just.*, 688 F.2d at 625. The settlement appears
16 to be the result of extensive, good-faith, arm’s-length negotiations that took place
17 between the Parties by counsel who are experienced in similar litigation along with
18 the guidance of the Settlement Special Master Patrick A. Juneau—who was
19 appointed Settlement Special Master by this Court on June 7, 2022 (Dkt. No.
20 493)—and which followed substantial discovery that was sufficient to enable
21 counsel and the Court to make informed decisions. *See Manual for Complex*
22 *Litigation (Third)* § 30.42 (West 1995) (“A presumption of fairness, adequacy, and
23 reasonableness may attach to a class settlement reached in arm’s-length
24 negotiations between experienced, capable counsel after meaningful discovery.”).

25 10. The proposed Settlement Agreement provides for a Settlement Fund
26 that will be used for the following purposes: (a) to pay for Class members’
27 reasonable out-of-pocket expenses pursuant to Section III.B of the Settlement
28 Agreement; (b) to pay notice and related costs; (c) to pay for settlement and claims

1 administration, including expenses associated with the Settlement Special
2 Administrator and his consultants, taxes, fees, and related costs; (d) to make
3 residual cash payments to Class members pursuant to Section III.C of the
4 Settlement Agreement; (e) to pay Settlement Class Counsel’s fees and expenses as
5 the Court awards; (f) to make service award payments to the Settlement Class
6 Representatives; and (g) to pay Taxes. The Settlement Fund may also be utilized for
7 additional outreach and notice costs that the Parties jointly agree is necessary in
8 furtherance of the terms of this Settlement.

9 11. Certain notice and settlement administration costs will be accrued prior
10 to final approval of the Settlement. As such, the Settling Defendants agree to
11 deposit \$5,000,000 into Hyundai and Kia ACU Class Action Settlement QSF
12 (“QSF”) by no later than thirty (30) days after the Preliminary Approval Order. The
13 \$5,000,000 will be used to pay notice and settlement administration costs as they
14 are accrued prior to final approval of the Settlement. The Settling Defendants also
15 agree to deposit into the QSF \$43,600,100.90 no later than fourteen (14) days
16 following entry of the Final Approval Order to fund the Settlement Fund. If this
17 Court does not grant final approval to the Settlement, all funds remaining in the
18 QSF shall revert to the Settling Defendants.

19 12. The proposed Settlement Agreement provides the following
20 consideration to the Class:

21 a. **Out-of-Pocket Claims Process**: the Out-of-Pocket Claims
22 Process shall be used to pay for Class members’ reasonable out-of-pocket expenses
23 related to the Recalls, unless and until the balance of the Settlement Fund falls
24 below \$10,000,000.00. Should Unrecalled Vehicles be subject to a Recall before
25 the Claims Period expires, the Out-of-Pocket Claims process shall also apply to
26 such Unrecalled Vehicles. Class members shall have 18 months from the date of the
27 Final Approval Order to submit a Claim Form for their out-of-pocket expenses.
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1 b. **Residual Distribution**: the funds that remain after claims made
2 through the Out-of-Pocket Claims Process are paid and all other payments listed in
3 Section III.A.3 of the Settlement Agreement are made shall be distributed on a *per*
4 *capita* basis to all Class members who submitted out-of-pocket claims and to all
5 Class members who registered for a residual payment only. Residual payments
6 shall be up to \$350 for Recalled Vehicles and up to \$150 for Unrecalled Vehicles
7 unless the Parties agree to higher caps and jointly recommend the higher amount to
8 the Settlement Special Administrator for approval.

9 c. **Inspection Program**: If the Court grants final approval of the
10 Settlement, the Hyundai and Kia Defendants shall institute the Settlement
11 Inspection Program protocol as set forth in Exhibit 3 of the Settlement Agreement.

12 d. **New Parts Warranty**: If the Court grants final approval of the
13 Settlement, the Hyundai and Kia Defendants shall provide a warranty for the new
14 parts installed pursuant to the Recalls to address potential airbag non-deployment
15 due to electrical overstress for 10 years from the date of the Preliminary Approval
16 Order.

17 The New Parts Warranty will cover repairs or replacement (including parts
18 and labor) that become necessary due to a defect in a new part installed pursuant to
19 the Recalls. A Class member’s rights under Section III.F of the Settlement
20 Agreement and the New Parts Warranty are transferred with the Subject Vehicle.

21 Inoperable or junkyard vehicles, vehicles with a scrapped, salvaged, rebuilt,
22 or flood-damaged title, vehicles with altered mileage, racing or similarly modified
23 vehicles intended for non-street use or vehicles that are dismantled, crushed, or fire
24 damaged, are not eligible for the New Parts Warranty.

25 In the event the ZF-TRW ACUs in Unrecalled Vehicles are recalled in the
26 future, the Hyundai and Kia Defendants shall extend the New Parts Warranty’s
27 coverage for the parts installed pursuant to the future recall, subject to the terms of
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1 Section III.F of the Settlement Agreement, except that the New Parts Warranty's
2 coverage will be for 10 years from the date of the future recall.

3 e. **Outreach and Loaner Program**: The Hyundai and Kia
4 Defendants will undertake an outreach program designed to increase Recall
5 Remedy completion rates. The budget for the Outreach and Loaner Program is
6 \$3,500,000.00, to be incurred by Hyundai and Kia separate and apart from the
7 funds deposited by the Settling Defendants in the QSF. To the extent the Outreach
8 and Loaner Program expenditures are less than \$3,500,000.00, then the Hyundai
9 and Kia Defendants shall deposit the difference into the Settlement Fund to be
10 distributed as part of the residual payment distribution.

11 f. **Future Rental Car Reimbursement, Loaner Vehicle, and**
12 **Future Outreach Program**: Subject to dealer availability, Hyundai and Kia shall
13 provide loaner vehicles to Class Members who, after the Effective Date, seek a
14 Recall Remedy from a Hyundai and Kia Dealer during the Claims Period and
15 request a courtesy loaner vehicle while the Recall Remedy is being performed.
16 Should Unrecalled Vehicles be subject to a ZF-TRW ACU recall, Class Members
17 who own or lease such Unrecalled Vehicles may request a courtesy loaner vehicle
18 while the Recall Remedy is being performed or alternatively may submit a claim
19 for reimbursement of reasonable rental car costs from the Settlement Fund during
20 the Claims Period. Additionally, Hyundai and Kia shall provide outreach related to
21 any such recalls for the Unrecalled Vehicles. Hyundai and Kia will receive a credit
22 of \$10,000,000.00 against the Settlement Amount for providing future loaner
23 vehicles and future outreach programs.

24 13. After entry of this Preliminary Approval Order, the Hyundai and Kia
25 Defendants, at their discretion, may, after consultation with Co-Lead Counsel,
26 implement certain of the above benefits in advance of final approval (with respect
27 to the Inspection Program and the New Parts Warranty) or the occurrence of the
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1 Effective Date (with respect to the Future Rental Car Reimbursement, Loaner
2 Vehicle, and Future Outreach Program).

3 14. If there are any funds remaining in the Settlement Fund after the
4 Residual Distribution, and if it is not feasible and/or economically reasonable to
5 distribute the remaining funds to Class members who submitted claims, then the
6 balance shall be distributed *cy pres*, subject to the agreement of the Parties, through
7 their respective counsel, and Court approval.

8 15. The Court concludes that the proposed settlement between the Parties
9 is sufficiently fair, adequate, and reasonable to warrant preliminary approval. There
10 is a sufficient “record supporting the conclusion that the proposed settlement will
11 likely earn final approval after notice and an opportunity to object.” Fed. R. Civ. P.
12 23(e)(1), 2018 advisory committee notes. The Court finds that it will likely be able
13 to approve the proposed Class under Rule 23(e)(2), because the Class and its
14 representatives are likely to meet all relevant requirements of Rule 23(a) and Rule
15 23(b)(3).

16 **Approval of the Class Notice Program and Direction to Effectuate the Notice**

17
18 16. The Parties have proposed the appointment of Patrick J. Hron as
19 Settlement Special Administrator, and JND Legal Administration LLC (“JND”) as
20 Settlement Notice Administrator. Having considered the declaration and
21 attachments of JND, and the declaration of Patrick J. Hron, the Court hereby
22 approves the appointments.

23 17. The Court has also considered the form and content of the Class
24 Notice Program submitted by JND, and finds that the Class Notice Program and
25 methodology as described in the Settlement Agreement and in the Declaration of
26 Jennifer M. Keough: (a) meet the requirements of due process and Federal Rules of
27 Civil Procedure 23(c) and (e); (b) constitutes the best notice practicable under the
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1 circumstances to all persons entitled to notice; and (c) satisfies the Constitutional
2 requirements regarding notice.

3 18. The Court finds that the Class Notice Program: (a) apprises the Class
4 members of the pendency of the Action, the terms of the proposed Settlement, and
5 their rights and deadlines under the Settlement; (b) is written in simple terminology;
6 (c) is readily understandable; (d) provides sufficient notice of Settlement Class
7 Counsel's request for attorneys' fees and costs and individual service award
8 payments to Settlement Class Representatives; and (e) complies with the Federal
9 Judicial Center's illustrative class action notices.

10 19. The Court hereby approves the Class Notice Program, and the
11 methodology described in the Settlement Agreement and in the Declaration of
12 Jennifer M. Keough in all respects, and it hereby orders that notice commence no
13 later than April 21, 2025.

14 20. The Court authorizes the Settlement Notice Administrator, through
15 data aggregators or otherwise, to request, obtain and utilize vehicle registration
16 information from the Department of Motor Vehicles for all 50 states, the District of
17 Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, and all other United States
18 territories and/or possessions for the purposes of providing the identity of and
19 contact information for purchasers and lessees of Hyundai and Kia Subject
20 Vehicles. Vehicle registration information includes, but is not limited to,
21 owner/lessee name and address information, registration date, year, make and
22 model of the vehicle.

23 21. The Court authorizes the Hyundai and Kia Defendants and their
24 affiliates to share with the Settlement Notice Administrator data and other
25 information about purchasers and lessees of Hyundai and Kia Subject Vehicles, as
26 necessary, for the purpose of identifying potential Class members and effecting
27 service of Class Notice. This data and other information includes, but is not limited
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1 to, owner/lessee name and address information, Vehicle Identification Numbers,
2 vehicle registration information, and vehicle year, make, and model.

3 22. The Settlement Notice Administrator shall send the Direct Mail
4 Notice, substantially in the form attached to the Declaration of Jennifer M. Keough,
5 by e-mail and/or first-class U.S. Mail, proper postage prepaid to Class members.

6 23. The Court further approves, as to form and content, the Email Notice,
7 Postcard Notice, Long-Form Notice, and the Claim Form, which are attached to the
8 Declaration of Jennifer M. Keough. The Court also approves the use of
9 www.ACUSettlement.com for the Settlement Website. The website shall conform
10 to the terms of the Settlement Agreement, and shall include documents relating to
11 the Settlement, orders of the Court relating to the Settlement and such other
12 information as the Settling Defendants and Co-Lead Counsel mutually agree would
13 be beneficial to potential Class members. The website shall also accept
14 electronically filed Claim Forms and shall be optimized for search engines and for
15 use on mobile phones. The Settling Defendants shall pay the costs of the Class
16 Notice in accordance with the Settlement Agreement. The Parties are hereby
17 authorized to establish the means necessary to implement the notice and/or other
18 terms of the Settlement Agreement.

19 **Establishment of Qualified Settlement Fund**

20 24. The Court finds that the Escrow Account is to be a “qualified
21 settlement fund” as defined in Section 1.468B-1(c) of the Treasury Regulations in
22 that it satisfies each of the following requirements:

23 a. The Account is to be established pursuant to an Order of this
24 Court and is subject to the continuing jurisdiction of this Court;

25 b. The Account is to be established to resolve or satisfy one or
26 more claims that have resulted or may result from an event that has occurred and
27 that has given rise to at least one claim asserting liabilities; and
28

1 c. The assets of the Account are to be segregated from other assets
2 of Settling Defendants, the transferor of the payment to the Settlement Fund, and
3 controlled by an Account Agreement.

4 25. Under the “relation back” rule provided under Section 1.468B-
5 1(j)(2)(i) of the Treasury Regulations, the Court finds that the Settling Defendants
6 may elect to treat the Account as coming into existence as a “qualified settlement
7 fund” on the latter of the date the Account meets the requirements of Paragraphs
8 24(b) and 24(c) of this Order or January 1 of the calendar year in which all of the
9 requirements of Paragraph 24 of this Order are met. If such a relation-back election
10 is made, the assets held by the Settlement Fund on such date shall be treated as
11 having been transferred to the Account on that date.

12 26. The name of the Qualified Settlement Fund shall be “Hyundai and Kia
13 ACU Class Action Settlement QSF.”

14 27. The Court approves Citi Private Bank as the Escrow Agent.

15 28. The Court approves Miller Kaplan Arase LLP as the Tax
16 Administrator.

17 29. The QSF shall be funded pursuant to the requirements agreed to in the
18 Settlement Agreement.

19 30. The Court retains continuing jurisdiction and supervision over the
20 QSF.

21 **Fairness Hearing, Opt-Outs, and Objections**

22 31. The Fairness Hearing is set for September 29, 2025, at 8:30 a.m. The
23 Fairness Hearing will be held before the Honorable John A. Kronstadt at the United
24 States District Court, Central District of California, First Street Courthouse, 350 W.
25 First Street, Courtroom 10B, Los Angeles, CA 90012, to consider, *inter alia*, the
26 following: (a) whether the Class should be certified for settlement purposes;
27 (b) whether the settlement and Settlement Agreement should be finally approved as
28 fair, reasonable, and adequate; and (c) whether to approve Settlement Class Counsel

1 Attorneys' Fees and Expenses ("Fee Request") and individual service award
2 payments to the Settlement Class Representatives.

3 32. Class members who wish to be excluded from the Class must mail a
4 written request for exclusion to the Settlement Notice Administrator at the address
5 provided in the Long Form Notice, postmarked on or before August 25, 2025,
6 specifying that the Class member wants to be excluded and otherwise complying
7 with the terms stated in the Long Form Notice and the Settlement Agreement. The
8 written request for exclusions must include the Class member's name, address,
9 telephone number, valid Vehicle Identification Number(s) of the Hyundai or Kia
10 Subject Vehicle(s) forming the basis of the Class member's inclusion in the Class,
11 the date of the Class member's purchase or lease of the Subject Vehicle(s), a
12 statement indicating the Class member requests to be excluded from the Class, and
13 a handwritten signature, personal signature (an electronic signature is insufficient).

14 33. Class members who timely and validly exclude themselves from the
15 Class shall not be bound by the Settlement Agreement, the Settlement, or the Final
16 Approval Order and Final Judgment. The Settlement Notice Administrator shall
17 provide copies of any requests for exclusion to Co-Lead Counsel, the Hyundai and
18 Kia Defendants' Counsel, and the Mobis Defendants' Counsel as provided in the
19 Settlement Agreement. If a potential Class member files a request for exclusion,
20 they may not assert an objection to the settlement.

21 34. Any potential Class member who does not properly and timely exclude
22 themselves from the Class shall remain a Class member and shall be bound by all
23 the terms and provisions of the Settlement Agreement, the Final Approval Order,
24 and Final Judgment, even if he or she has litigation pending or subsequently
25 initiates litigation against the Settling Defendants, or the Released Parties, asserting
26 the claims released in Section VII of the Settlement Agreement.

27 35. Any Class member who has not submitted a timely written request for
28 exclusion and who wishes to object to the settlement or Fee Request or service

1 awards to the proposed Settlement Class Representatives must deliver to Co-Lead
2 Counsel, the Hyundai and Kia Defendants' Counsel, and the Mobis Defendants'
3 Counsel, and file with the Court, on or before August 25, 2025, a written statement
4 of his or her objection. To be considered by the Court, the written statement must
5 comply with the terms of the Settlement Agreement and the Long Form Notice.

6 36. The filing of an objection shall allow Co-Lead Counsel or counsel for
7 the Settling Defendants to, at their discretion, notice the deposition of the objecting
8 Class member and/or to seek the production of documents and tangible things
9 relevant to the objections on an expedited basis, so as to promote and ensure the
10 efficient administration of justice, the timely resolution of objections and of this
11 Settlement, and the orderly presentation of any Class member's objection to the
12 Settlement, in accordance with the due process rights of all Class members.
13 Consistent with these objectives, service of a deposition notice and/or a request to
14 produce documents and tangible things in lieu of a formal subpoena shall be
15 sufficient. Likewise, any such deposition may take place remotely, or at an agreed
16 upon location at an agreed upon date and time, but, in no event more than 15 days
17 following service of a deposition notice and/or a request to produce documents and
18 other tangible things. Any objections to the scope of a deposition notice or a request
19 to produce documents and other tangible things issued or served in connection with
20 this provision shall be brought before this Court for resolution on an expedited
21 basis.

22 37. The Court may take such action it deems just and appropriate in the
23 event an objecting Class member fails to appear for deposition or comply with a
24 request to produce documents and other tangible things.

25 38. If the Court determines the objection is frivolous or made for an
26 improper purpose, the Court may take such action it deems just and appropriate.
27 Prior to doing so, however, the Court may allow an objector to voluntarily
28 withdraw their objection.

1 39. The Hyundai and Kia Plaintiffs shall file their motion for final
2 approval, which shall include responses to validly submitted objections (if any),
3 and Settlement Class Counsel’s Fee Request, no later than July 15, 2025. Copies of
4 the motion for final approval and Settlement Class Counsel’s Fee Request shall be
5 posted on the settlement website.

6 40. Any Class member has not excluded themselves from the Class,
7 including Class members who file and serve a written objection, may appear at the
8 Fairness Hearing, either in person or through counsel hired at the Class member’s
9 expense, and may be heard, to the extent allowed by the Court, either in support of
10 or in opposition to the Settlement and/or the Fee Request.

11 41. No Class member shall be heard at the Fairness Hearing unless such
12 person/entity files a “Notice of Intent to Appear in *In re ZF-TRW Airbag Control*
13 *Units Products Liability Litigation*” with the Clerk of Court and delivers it to Co-
14 Lead Counsel and to the Settling Defendants’ Counsel, on or before the date listed
15 in the deadlines chart below. In the notice, the Class Member must include
16 his/her/their name, address, telephone number, the make, model year, and VIN of
17 his/her/their/its Subject Vehicle(s), and a signature.

18 The Clerk of Court’s address is as follows:

19 Clerk of Court
20 United States District Court for the Central District of California
21 First Street Courthouse
22 350 W. First Street, Courtroom 10B
23 Los Angeles, CA 90012

24 Addresses of Co-Lead Counsel, Hyundai and Kia’s Counsel, and the Mobis
25 Defendants’ Counsel are as follows:

26 **Co-Lead Counsel**

27 Roland Tellis
28 Baron & Budd, P.C.
 15910 Ventura Blvd

 David Stelling
 Lieff Cabraser Heimann & Bernstein, LLP
 250 Hudson Street, 8th Floor

1 Suite 1600 New York, NY 10013-1413
2 Encino, CA 91436

3 **Hyundai's and Kia's Counsel**

4 Lance A. Etcheverry
5 Skadden, Arps, Slate, Meagher & Flom LLP
6 525 University Avenue
7 Palo Alto, CA 94301

8 **Mobis Defendants' Counsel**

9 Matthew A. Goldberg
10 DLA Piper LLP (US)
11 One Liberty Place
12 1650 Market Street
13 Suite 5000
14 Philadelphia, PA 19103-7300

15 42. Class members who intend to object at the Fairness Hearing must also
16 have followed the procedures for objecting in writing as set forth in the Settlement
17 Agreement, the Long Form Notice, and this Order.

18 43. The deadlines set forth in this Order, including the date and time of the
19 Fairness Hearing, shall be subject to extension by the Court without further notice
20 to the Class members other than that which may be posted at the Court and/or on
21 the settlement website at www.ACUSettlement.com. Class members should check
22 the settlement website regularly for updates and further details regarding the
23 Settlement and extensions of the deadlines thereunder.

24 44. The Court retains jurisdiction to consider all further applications
25 arising out of or in connection with the Settlement. The Court may approve the
26 Settlement, with such modifications as may be agreed to by the Parties, if
27 appropriate, without further notice to the Class, except that notice of such
28 modifications shall be posted on the settlement website.

45. Not later than 10 days before the date of the Fairness Hearing, the
Settlement Notice Administrator shall file with the Court: (a) a list reflecting all

1 timely, valid requests for exclusion; and (b) the details outlining the scope, methods
 2 of distribution, and results of the Class Notice.

3 **Settlement Deadlines**

4 46. The Court hereby establishes the following schedule, in accordance
 5 with the Settlement Agreement, which shall govern the settlement proceedings in
 6 this Action unless continued or otherwise modified by the Court:

EVENT	DEADLINES <i>(Assumes issuance of Preliminary Approval Order on April 14, 2025)</i>
Class Notice to Commence	April 21, 2025
Plaintiffs’ Motion for Final Approval and Attorneys’ Fees and Expenses	No later than July 15, 2025
Exclusion/Objection Deadline	August 25, 2025
Reply Memoranda in Support of Final Approval and Fee/Expense Motion	No later than September 8, 2025
Deadline to file Notice of Intent to Appear	September 19, 2025
Fairness Hearing	September 29, 2025, at 8:30 a.m.

15 **Effect of Failure to Approve the Settlement or Termination**

16 47. In the event the Court does not approve the Settlement, or for any
 17 reason the Parties fail to obtain a Final Approval Order and Final Judgment as
 18 contemplated in the Settlement, or the Settlement is terminated pursuant to its terms
 19 for any reason, then the following shall apply:

20 a. The Settlement Agreement shall be null and void and shall have
 21 no force or effect, and no Party to the Settlement Agreement shall be bound by any
 22 of its terms, except for the terms of Section X.D of the Settlement Agreement;

23 b. The Parties will petition the Court to have any stay orders
 24 entered pursuant to the Settlement Agreement lifted;

25 c. All of the Settlement Agreement’s provisions, and all
 26 negotiations, statements, and proceedings relating to the Settlement Agreement
 27 shall be without prejudice to the rights of the Parties or any Class member, all of
 28

1 whom shall be restored to their respective positions existing immediately before the
2 execution of the Settlement Agreement, except that the Parties shall cooperate in
3 requesting that the Court set a new scheduling order such that no Party's
4 substantive or procedural rights are prejudiced by the settlement negotiations and
5 proceedings;

6 d. The Hyundai and Kia Plaintiffs and all other Class members, on
7 behalf of themselves and their heirs, assigns, executors, administrators,
8 predecessors, and successors, expressly and affirmatively reserve and do not waive
9 all motions as to, and arguments in support of, all claims, causes of actions, or
10 remedies that have been or might later be asserted in the Actions including, without
11 limitation, any argument concerning class certification, and treble or other
12 damages;

13 e. The Settling Defendants, and the other Released Parties
14 expressly and affirmatively reserve and do not waive all motions and positions as
15 to, arguments in support of, and substantive and procedural rights as to all defenses
16 to the causes of action or remedies that have been sought or might be later asserted
17 in the actions, including without limitation, any argument or position opposing
18 class certification, liability or damages;

19 f. Neither the Settlement Agreement, the fact of its having been
20 made, nor the negotiations leading to it, nor any discovery or action taken by a
21 Party or Class member pursuant to the Settlement Agreement shall be admissible or
22 entered into evidence for any purpose whatsoever;

23 g. Any settlement-related order(s) or judgment(s) entered in this
24 Action after the date of execution of this Settlement Agreement shall be deemed
25 vacated and shall be without any force or effect;

26 h. All costs incurred in connection with the Settlement, including,
27 but not limited to, notice, publication, and customer communications, shall be paid
28 from the Settlement Fund and all remaining funds in the Settlement Fund shall

1 revert to the Settling Defendants as soon as practicable. Neither the Hyundai and
2 Kia Plaintiffs nor Settlement Class Counsel shall be responsible for any of these
3 costs or other settlement-related costs; and

4 i. Any Attorneys' Fees and Expenses previously paid to
5 Settlement Class Counsel shall be returned to the Settling Defendants within 14
6 calendar days of termination of the Settlement Agreement.

7 **General Provisions**

8 48. The Parties are authorized to take all necessary and appropriate steps
9 to establish the means necessary to implement the Settlement Agreement. Co-Lead
10 Counsel, the Hyundai and Kia Defendants Counsel, and the Mobis Defendants'
11 Counsel are hereby authorized to use all reasonable procedures in connection with
12 approval and administration of the Settlement that are not materially inconsistent
13 with this Order or the Settlement Agreement, including making, without further
14 approval of the Court, minor changes to the Settlement Agreement, to the form or
15 content of the Class Notice or to any other exhibits that the Parties jointly agree are
16 reasonable or necessary.

17 49. As set forth in the Settlement Agreement, if the Settlement Agreement
18 is not finally approved by the Court or is terminated for any reason (in whole or in
19 part) the Settlement will be rescinded and will be without further legal effect. The
20 Parties will then litigate the lawsuit as if this Settlement had never occurred,
21 without prejudice to any claims or defenses they may have. Pursuant to Fed. R.
22 Evid. 408, the Settlement, the Settlement Agreement, and all related briefing,
23 arguments, transcripts, and documents will be inadmissible in any proceeding to
24 prove or disprove the validity of any claim, defense, or allegation asserted in the
25 Action. The provisional certification of the Class pursuant to this Order shall be
26 vacated automatically and the Action shall proceed as though the Class had never
27 been certified. The Parties shall have all the rights, defenses, and obligations they
28 would have had absent the Settlement Agreement.

1 50. The terms and provisions of the Settlement Agreement may be
2 amended, modified, or expanded by written agreement of the Parties and approval
3 of the Court; provided, however, that after entry of the Final Approval Order and
4 Final Judgment, the Parties may by written agreement effect such amendments,
5 modifications, or expansions of this Settlement Agreement and its implementing
6 documents (including all exhibits) without further notice to the Class or approval by
7 the Court if such changes are consistent with the Court’s Final Approval Order and
8 Final Judgment and do not limit the rights of Class members under the Settlement
9 Agreement.

10 51. Any confidential information made available to Settlement Class
11 Representatives and Settlement Class Counsel solely through the settlement process
12 shall not be disclosed to third parties (other than experts or consultants retained by
13 Plaintiffs in connection with the Action); shall not be the subject of public
14 comment; shall not be used by Plaintiffs or Settlement Class Counsel in any way in
15 this litigation or otherwise should the Settlement Agreement not be achieved; and
16 shall be returned if a settlement is not concluded; provided, however, that nothing
17 contained herein shall prohibit Plaintiffs from seeking such information through
18 formal discovery if not previously requested through formal discovery or from
19 referring to the existence of such information in connection with the settlement of
20 the Action.

21 **IT IS SO ORDERED:**

22 Date: _____, 2025

23 HON. JOHN A. KRONSTADT
24 United States District Court

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