

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>Burl Walnut Wood Trim SERVICE WARRANTY COVERAGE</b> 2010 to 2016 E-Class (212 platform)	DATE: January 27, 2023

## **Burl Walnut Wood Trim SERVICE WARRANTY COVERAGE**

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 “Burl Walnut Trim” in model year 2010 to 2016 Mercedes-Benz E-Class (212 platform) vehicles is defective. This Burl Walnut Trim is also sometimes referred to as “Burred Walnut.”

The purpose of this NCU update is to alert you that:

1. The settlement went into effect on **January 23, 2023**. Customers are now eligible to receive extended warranty coverage and may start contacting authorized Mercedes-Benz dealerships to schedule an appointment for the repairs.
2. **Before scheduling a repair appointment and ordering replacement parts kits:** The customer should be given a repair order containing: (1) an estimate for the repair, (2) the portion covered under the extended warranty; and (3) the customer’s contribution amount for the repair, if applicable. **The customer must agree to pay their contribution amount for the repair and sign the repair order before the parts kit can be ordered.**

### **SETTLEMENT AND EXTENDED WARRANTY INFORMATION**

**What benefits does the settlement provide?:** As part of the settlement, MBUSA has agreed to offer sliding-scale coverage to: (1) reimburse certain amounts that owners or lessees of Subject Vehicles paid out-of-pocket for certain repairs to address fading or discoloration; and (2) cover certain amounts for future repairs to address fading or discoloration. Coverage will include inspection of the vehicle by an authorized Mercedes-Benz dealer to diagnose the possible cause of any observed fading, discoloration, or development of a cloudy appearance.

**What Is Covered:** As part of the settlement, MBUSA has agreed to replace the Burl Walnut Trim of a Subject Vehicle because of fading or discoloration not caused by external influences such as chemical exposure, harsh or abrasive cleaners, accidents, or alterations, and not otherwise falling into an exclusion from coverage unrelated to ultraviolet radiation exposure set forth in the New Vehicle Limited Warranty. The extended warranty coverage will be provided on a sliding-scale for Subject Vehicles with fewer than 15 years from the original warranty start date.



**What Is Not Covered:** Coverage does not cover repairs or replacements necessitated by external influences such as chemical exposure, harsh or abrasive cleaners, accidents, or alterations, and ultraviolet radiation exposure.

**Which Vehicles:** The warranty coverage provided by the settlement applies to the following vehicle types purchased or leased in the United States and originally equipped with the Burl Walnut or Burred Walnut interior trim option (“Subject Vehicles”):

- Model year 2010 to 2016 Mercedes-Benz E-Class (212 platform) vehicles

**What are the terms of the extended warranty?:** Warranty coverage will be extended on the following sliding scale of coverage from 4 years to 15 years from the original warranty start date.

- **Period One** is defined as the time period during which the Subject Vehicle has or had fewer than four years (48 months) from the Subject Vehicle’s original in-service date. For Period One, you may claim 100% of the warranty repair cost.
- **Period Two** is defined as the time period from the end of Period One until the Subject Vehicle has or had fewer than eight years (96 months) from the Subject Vehicle’s original in-service date. For Period Two, you may claim 75% of the warranty repair cost. This means that the other 25% must be collected from the customer.
- **Period Three** is defined as the time period from the end of Period Two until the Subject Vehicle has or had fewer than ten years (120 months) from the Subject Vehicle’s original in-service date. For Period Three, you may claim 55% of the warranty repair cost. This means that the other 45% must be collected from the customer.
- **Period Four** is defined as the time period from the end of Period Three until the Subject Vehicle has or had fewer than thirteen years (156 months) from the Subject Vehicle’s original in-service date. For Period Four, you may claim 50% of the warranty repair cost. This means that the other 50% must be collected from the customer.
- **Period Five** is defined as the time period from the end of Period Four until the Subject Vehicle has or had fewer than fifteen years (180 months) from the Subject Vehicle’s original in-service date. For Period Five, you may claim 30% of the warranty repair cost. This means that the other 70% must be collected from the customer.

**Under the settlement, certain customers were entitled to preserve their coverage period under the sliding-scale warranty coverage:** Customers falling into this category will receive a letter notifying them of their approved claim, their coverage level (Period One to Five) and instructions to contact their authorized Mercedes-Benz dealership to schedule an appointment for the repairs. The customer should present their letter to the authorized Mercedes-Benz dealership when they bring their vehicle in for repair. As discussed above, however, please refer to the “Service Packages” section in VMI/Netstar to determine if a customer: (a) is eligible for extended warranty coverage; and (b) what level of warranty coverage is available to them.



## **PRE-APPOINTMENT PROCEDURE**

**What should I do if an owner/lessee contacts the dealership to schedule an appointment for a repair?**

- (1) Determine the customer's eligibility.** To determine a customer's eligibility and their coverage level, please refer to the "Service Packages" section in VMI/NetStar. Applicable vehicles will be visible in NetStar/VMI on January 23 or thereabouts and will indicate whether the customer is eligible for Period One, Two, Three, Four or Five coverage, or should only be covered as of the date the vehicle is presented to your dealership. For example, a vehicle that is covered under Period One will show "Burl Walnut Trim Extended Warranty: Preserved Period One" in the "Service Packages" in Netstar/VMI. A vehicle that is covered as of the date the vehicle is presented to your dealership will show only as "Burl Walnut Trim Extended Warranty."
- (2) Provide the customer with a repair estimate. Before scheduling a repair appointment and ordering replacement parts kits,** the customer should be given a repair order containing: (1) an estimate for the repair, (2) the portion covered under the extended warranty; and (3) the customer's contribution amount for the repair, if applicable. **The customer must agree to pay their contribution amount for the repair and sign the repair order before a parts kit can be ordered.**
- (3) Order repair parts kit and schedule the appointment for the repairs.** After you obtain the signed repair order from the customer, schedule the appointment for the repair and order the repair parts kit. Please submit the signed repair order in which the customer agrees to pay their contribution amount for the repair with your parts order.

## **TECHNICIAN INSTRUCTIONS**

**What should I do if a customer brings their vehicle in for repair if their vehicle is fewer than 15 years from the original in-service date?** Now that the settlement is effective, eligible customers who wish to have their vehicles repaired must bring their vehicle to an authorized Mercedes-Benz Service Center. To determine coverage, a technician must first check Netstar/VMI to determine if a customer is eligible. If so, please then confirm that the vehicle meets the age requirements; that one or more Burl Walnut Trim pieces are experiencing fading, discoloration, or development of a cloudy appearance and that such conditions are not caused by external influences such as chemical exposure, or harsh or abrasive cleaners, accidents, or alterations; that exclusions from coverage set forth in the New Vehicle Limited Warranty and that are unrelated to ultraviolet radiation exposure do not otherwise apply; and that the New Vehicle Limited Warranty has not been voided.

**What damage code should be used for warranty repairs provided pursuant to the Settlement?** Now that the settlement is effective, damage code 21223 (damage type 00) must be used for warranty claims covered pursuant to the settlement. The damage code listed in **LI68.10-P-050415** and **LI68.30-P-053962** must not be used.

- RO Date should be when the customer first brings in the vehicle and the date the parts are ordered.



- Claims are submitted through RAPS Claims System.

**Goodwill No Longer Allowed:** In light of the significant benefits that are being provided under the settlement agreement, the Subject Vehicles are no longer eligible for goodwill consideration for repair or replacement of Burl Walnut Trim because of fading, discoloration, or development of a cloudy appearance.

#### **REIMBURSEMENT TO CUSTOMERS FOR VALID REPAIRS PERFORMED PRIOR TO WARRANTY EXTENSION**

**Under the settlement, certain customers are allowed to make claims for reimbursement of past repair costs. If a customer asks about the status of the reimbursement claim, you should respond as follows:** “We do not have any information about the status of individual claims. Please contact the settlement administrator for information about your individual claim. Further information may be obtained by visiting the settlement website ([www.burlwalnutwoodtrimsettlement.com](http://www.burlwalnutwoodtrimsettlement.com)).”

Do not submit a reimbursement claim to MBUSA or include reimbursement on any warranty claims.

#### **OTHER INFORMATION ABOUT THE SETTLEMENT**

**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 “Burl Walnut Trim” 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 “Burl Walnut Trim” is defective in any way.

**Why might a vehicle’s Burl Walnut Trim experience fading or discoloration?** Fading or discoloration of the Burl Walnut Trim, can occur due to a wide range of potential causes, including external influences such as ultraviolet radiation, chemical exposure, harsh or abrasive cleaners, accidents, or alterations. An authorized Mercedes-Benz Service Center will need to inspect a vehicle to diagnose the possible cause of any observed fading or discoloration of the Burl Walnut Trim.

**Does the fading or discoloration of the Burl Walnut Trim mean the vehicle is defective?** No. Fading or discoloration of the Burl Walnut Trim, can occur due to a wide range of potential causes, including external influences such as chemical exposure, harsh or abrasive cleaners, accidents, or alterations. An authorized Mercedes-Benz Service Center will need to inspect a vehicle to diagnose the possible cause of any observed fading or discoloration of the Burl Walnut Trim.

**Can a customer get goodwill consideration to cover the cost of repairing or replacing Burl Walnut Trim experiencing fading or discoloration?** No. In light of the significant benefits that are being provided under the settlement agreement, the Subject Vehicles are no longer eligible for goodwill **consideration** for repair or replacement of Burl Walnut Trim because of fading, discoloration, or development of a cloudy appearance.



**For all other inquiries:** Further information about the Settlement may be obtained by visiting the settlement website ([www.burlwalnutwoodtrimsettlement.com](http://www.burlwalnutwoodtrimsettlement.com)).

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 MBUSA Customer Assistance Center at 1-800-FOR-MERCEDES.

