

SEAL  
13-Jun-25

Vancouver  
REGISTRY



Court File No. **VLC-S-S-254477**

NO.  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:



PLAINTIFF

AND:

FORD MOTOR COMPANY and  
FORD MOTOR COMPANY OF CANADA, LIMITED/  
FORD DU CANADA LIMITEE

DEFENDANTS

Brought under the *Class Proceedings Act*, R.S.B.C. 1996, c.50

**NOTICE OF CIVIL CLAIM**

This action has been started by the plaintiff(s) for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

**TIME FOR RESPONSE TO CIVIL CLAIM**

A response to civil claim must be filed and served on the plaintiff(s),

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFF(S)

**Part 1: STATEMENT OF FACTS**

**A. Introduction - Overview**

1. The within proposed auto defect liability multi-jurisdictional class proceeding involves certain model and model year Ford vehicles, defined below as “**Affected Class Vehicles**”, engineered, designed, manufactured, assembled, tested, marketed, distributed, supplied, leased and/or sold by the Defendants, Ford Motor Company (“**Ford US**”) and Ford Motor Company of Canada, Limited/Ford du Canada Limitee (“**Ford Canada**”), in Canada, including the Province of British Columbia, equipped with either the 10R60 or 10R80/10R80 Modular Hybrid Transmission (MHT) transmissions (collectively, the “**Transmission**”) that contain one or more design and/or manufacturing defects. In particular, the defects in the Transmissions are caused by: (1) axial movement of the triple-clutch (“C-D-F clutch”) assembly within the cylinder sleeve; (2) internal oil cross-leakages, sticking of the valves, and solenoid failures in the valve body; (3) issues with the adaptive transmission shift learning strategy employed by the transmission control module (“TCM”); and/or (4) miscalibration of the solenoid identification strategy (the “**Transmission Defect**”).
2. The Transmission Defect results in harsh or delayed engagement and/or harsh or delayed shifting of the Transmission gears that causes the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affect the driver’s ability to control the speed, acceleration and deceleration of the vehicle, all of which poses a real, substantial and imminent risk of harm, injury and/or death to vehicle occupants.

3. “Affected Class Vehicles” refers to the following model and model year Ford vehicles engineered, designed, manufactured, assembled, tested, marketed, advertised, distributed, supplied, sold and/or leased by the Defendants, Ford US and/or Ford Canada, in Canada, including the Province of British Columbia, that contain the Transmission Defect:

<u>Model</u>	<u>Model Year</u>	<u>Transmission</u>
Ford Bronco	2021-2023	10R60
Ford Expedition	2018-2023	10R80/10R80MHT
Ford Explorer	2020-2023	10R60/ 10R80MHT
Ford F-150	2017-2023	10R80/10R80MHT
Ford Mustang	2018-2023	10R80/10R80MHT
Ford Ranger	2019-2023	10R60/ 10R80/10R80MHT
Ford Transit	2020-2023	10R80/10R80MHT
Lincoln Aviator	2020-2023	10R60/ 10R80MHT
Lincoln Navigator	2018-2023	10R80/10R80MHT

The Plaintiff reserves the right to amend the definition of Affected Class Vehicles to include additional models and model years.

4. Internal combustion engines operate in a narrow range of rotations requiring a transmission, operated manually or automatically, to drive the wheels. A transmission is part of a vehicle’s powertrain. The powertrain consists of the engine, driveshafts, axles, and differentials. The compound operation of all of these components utilizes the rotational energy from the vehicle’s engine and translates it into motive power.
5. Since the vehicle’s engine can only spin within a certain speed, the transmission plays an integral role in the powertrain by translating the rotational movement of the engine more efficiently as and when needed. A transmission multiplies or decreases the amount of power sent from the engine – it achieves this by using gears having different ratios that translate the engine’s rotational power to the wheels differently.
6. A vehicle can either be equipped with a manual or an automatic transmission. In a manual transmission, the driver manually selects different gears using a gear shifter and controls the connection between the engine and the transmission by engaging and disengaging the

clutch. Whereas an automatic transmission uses a complex system of interrelated components that work together to automatically select the most efficient and correct gear and control the engagement between the engine and the transmission without driver input to change the gears.

7. In an automatic transmission if any of the internal components, including the torque converter, planetary gear sets, the hydraulic system (consisting of the oil pump and valve body), solenoids, and the TCM, fail to work cohesively as intended, the automatic transmission will suffer from, *inter alia*, harsh or erratic gear shifting, delayed engagement of gears, and skipping of gears, causing the vehicle to shudder, jerk, lunge, clunk and hesitate between gears, all of which can lead to sudden and/or unexpected loss or increase of motive power. A proper functioning automatic transmission is therefore integral to safely and reliably accelerate and decelerate a vehicle.
8. The Transmission, developed in collaboration with General Motors Company (“GM”), was introduced in 2017 as the successor to the Defendants’, Ford US’s and Ford Canada’s, 6R transmission.
9. The 6R transmission and the Transmission have six and ten forward gears, respectively. Additional forward gears provide a wider range of gear ratios thereby improving fuel and gear shifting efficiency and torque delivery.
10. The most significant difference between the Transmission and the 6R transmission is the use of the C-D-F clutch assembly, which is on a dedicated intermediate shaft, placed in the middle of the transmission architecture, replacing two ordinary clutches, and is the key for packaging the 10-speed transmission into the same space as the 6R transmission.
11. The Transmission variants – 10R60 and 10R80/10R80MHT – have the same or substantially similar architecture, layout and/or design, and as such the Transmission Defect is common for all the Affected Class Vehicles.
12. Through extensive research and development, and rigorous pre-release testing, the Defendants, Ford US and Ford Canada, knew, or ought to have known, since 2017, that the Transmission was defective as it did not function as intended.



13. Since 2017, the Defendants, Ford US and Ford Canada, have issued over 20 Technical Service Bulletins (“TSBs”) addressing the Transmission Defect. While the TSBs were meant to address putative class member and consumer complaints relating to the harsh or delayed engagement and/or harsh or delayed shifting of the Transmission gears, the Defendants, Ford US and Ford Canada, advised that such issues were normal for the Transmission and failed and/or refused to provide an adequate remedy and/or fix for the Transmission Defect.
14. The Transmission Defect exposes putative class members to an unreasonable risk of harm, injury and/or death if the Transmission unexpectedly and/or suddenly malfunctions or fails during operation.
15. Owners and/or lessees of the Affected Class Vehicles have been injured in fact, incurred damages, and suffered ascertainable loss, expense or damage as a result of the Transmission Defect. Had the Plaintiff and putative class members known of the Transmission Defect, they would not have purchased and/or leased those vehicles, or would have paid substantially less for them.
16. The Defendants’, Ford US’s and/or Ford Canada’s, marketing of their vehicles as safe, dependable and reliable is pervasive across North America as characterized by their longstanding ubiquitous slogan: “Built Ford Tough”.
17. No reasonable consumer expects to purchase a vehicle with a concealed defect that presents a real, substantial and imminent danger to vehicle occupants as a result of the defect. The Transmission Defect is material to the Plaintiff and putative class members because when they purchased and/or leased their Affected Class Vehicle they reasonably relied on the expectation that the Affected Class Vehicles would be free from defects.
18. The Defendants, Ford US and/or Ford Canada, knowingly omitted, concealed and/or suppressed material facts regarding the Transmission Defect and misrepresented the safety standard, quality, or grade of the Affected Class Vehicles, all at the time of purchase and/or lease or otherwise, which directly caused harm or loss to the Plaintiff and putative class members. As a direct result of the Defendants’, Ford US’s and/or Ford Canada’s, unfair,

deceptive and/or fraudulent business practices and wrongful conduct, the Plaintiff and putative class members have suffered ascertainable losses or damages, including, *inter alia*: (1) out-of-pocket expenses for repair of the Transmission; (2) costs for future repairs or the replacement of the Transmission; (3) sale of their vehicles at a loss; and/or (4) diminished value of their vehicles.

19. The Defendants, Ford US and Ford Canada, have failed to provide a remedy for the Transmission Defect, and further, refused to provide putative class members with loaner vehicles or offer to reimburse owners and/or lessees of the Affected Class Vehicles for, *inter alia*, car or lease payments, towing charges, rental vehicles, time off work, loss of use, and other miscellaneous costs while they wait for the Defendants, Ford US and Ford Canada, to find a sufficient remedy and/or fix for the Transmission Defect.
20. The Plaintiff seeks relief for all other owners and/or lessees of the Affected Class Vehicles with the Transmission Defect, including, *inter alia*, recovery of damages, replacement and/or repair under various provincial consumer protection legislation, breach of express warranty, breach of implied warranty or condition of merchantability, statutory and equitable claims and reimbursement of all expenses associated with the replacement and/or repair of the defective Transmission in the Affected Class Vehicles and/or buy back of the Affected Class Vehicles.

**B. The Parties**

**i. The Representative Plaintiff**

21. The Plaintiff, [REDACTED] has an address for service c/o 210 - 4603 Kingsway, Burnaby, British Columbia, Canada, V5H 4M4.
22. On or about July 27, 2022, the Plaintiff purchased a new Ford F-150 truck (“**Ford F-150**”), an Affected Class Vehicle, primarily for personal, family or household use, from Magnuson Ford Sales Ltd., a Ford dealership, located in Abbotsford, British Columbia, Canada for the price of \$93,045.95 inclusive of tax. The Plaintiff’s Ford F-150 is equipped with the 10R80 Transmission.

23. Prior to purchasing his Ford F-150, the Plaintiff reviewed the Defendants', Ford US's and/or Ford Canada's, websites and marketing materials regarding the Ford F-150, which failed to disclose the presence of the Transmission Defect.
24. Through exposure and interaction with the Defendants, Ford US and/or Ford Canada, the Plaintiff was aware of the Defendants', Ford US's and/or Ford Canada's, uniform and pervasive marketing messages of, *inter alia*, dependability, safety and the innovative 10-speed automatic transmission. However, despite touting the safety and dependability of the Affected Class Vehicles, and in particular the innovative 10-speed automatic transmission, at no point did the Defendants, Ford US and/or Ford Canada, or its representatives, disclose to the Plaintiff the Transmission Defect before his purchase.
25. Since the Plaintiff's purchase of the Ford F-150 he has experienced numerous times: (i) a clunking and/or crackling sound emanating from the Transmission on acceleration and/or driving the Ford F-150 at higher speeds; (ii) hesitation between Transmission gear shifting; (iii) the Ford F-150 lurching or jerking forward upon deceleration of speed on downshifting of Transmission gears between 2<sup>nd</sup> and 1<sup>st</sup> gears; and (iv) slipping of the Transmission gears upon acceleration. The Plaintiff advised of these Transmission problems that he was experiencing in his Ford F-150 to the Ford dealership on several occasions, the last one being or about March 21, 2025.
26. The Plaintiff would not have purchased the Ford F-150, would have paid less for it, or purchased a comparable truck of another vehicle manufacturer, had the Plaintiff known about the Transmission Defect.
27. The Plaintiff did not receive the benefit of his bargain when he purchased his Ford F-150. He purchased a vehicle that is of a lesser standard, grade, and quality than represented, and he did not receive a vehicle that met ordinary and reasonable consumer expectations regarding safe and reliable operation, in particular a properly functioning transmission. The Transmission Defect has significantly diminished the value of the Ford F- 150 as it is not safe, dependable and reliable as represented by the Defendants, Ford US and/or Ford Canada, and which poses a real, substantial and imminent risk of harm, injury and/or death.

**ii. The Defendants**

28. The Defendant, Ford US, is a company duly incorporated pursuant to the laws of the State of Delaware, one of the United States of America, and has a registered agent, The Corporation Trust Company, at the Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, United States of America, 19801.
29. The Defendant, Ford Canada, is a company duly incorporated pursuant to the laws of Canada, registered within British Columbia under number A0058695, and has an attorney for service, Ian Giroday, at DuMoulin Boskovich, Mailbox 12173, Suite 1301 - 808 Nelson Street, Vancouver, British Columbia, V6Z 2H2, Canada.
30. At all material times to the cause of action herein, the Defendant, Ford US, is an American automobile manufacturer that, *inter alia*, designs, manufactures, assembles, markets, advertises, distributes, supplies and/or sells Ford vehicles, including the Affected Class Vehicles, as averred to in paragraph three herein, containing the Transmission Defect, at its automobile plants located in the States of Michigan and Ohio, United States of America, and elsewhere, for distribution and/or sale in the United States of America and Canada, including the Province of British Columbia.
31. At all material times to the cause of action herein, the Defendant, Ford US, markets, advertises, distributes, supplies and/or sells Ford vehicles, including the Affected Class Vehicles, as averred to in paragraph three herein, containing the Transmission Defect, through, *inter alia*, its related subsidiaries, affiliates and/or operating units, including the Defendant, Ford Canada, independent retailers and authorized dealerships in the United States of America and Canada, and within the Province of British Columbia. The Defendant, Ford US, also provides all the technical information for the purposes of designing, manufacturing, servicing and/or repairing its Affected Class Vehicles to its subsidiaries, affiliates and/or operating units, including the Defendant, Ford Canada.
32. At all material times to the cause of action herein, the Defendant, Ford Canada, was, and is, a wholly owned subsidiary of the Defendant, Ford US, which, *inter alia*, designs, manufactures, assembles, markets, advertises, distributes, supplies, sells and/or repairs,

Ford vehicles, including the Affected Class Vehicles, as averred to in paragraph three herein, containing the Transmission Defect, in Canada, and within the Province of British Columbia. The Defendant, Ford Canada, was the sole distributor of the Affected Class Vehicles in Canada, including the Province of British Columbia. It sold and/or leased the Affected Class Vehicles through its dealer and retailer network, which were controlled by the Defendants, Ford Canada and/or Ford US, and were their agents.

33. At all material times to the cause of action herein, the Defendants, Ford US and/or Ford Canada, shared the common purpose of, *inter alia*, designing, developing, manufacturing, assembling, marketing, distributing, supplying, leasing, selling, servicing and/or repairing Ford vehicles, including the Affected Class Vehicles, as averred to in paragraph three herein, containing the Transmission Defect, in Canada, and within the Province of British Columbia. Further, the business and interests of the Defendants, Ford US and/or Ford Canada, are inextricably interwoven with that of the other as to the Transmission Defect in the Affected Class Vehicles, such that each is the agent of the other.
34. Hereinafter, the Defendants, Ford US and/or Ford Canada, are collectively referred to as the Defendant, “**Ford**”, and/or the “**Defendants**”, unless referred to individually or otherwise.

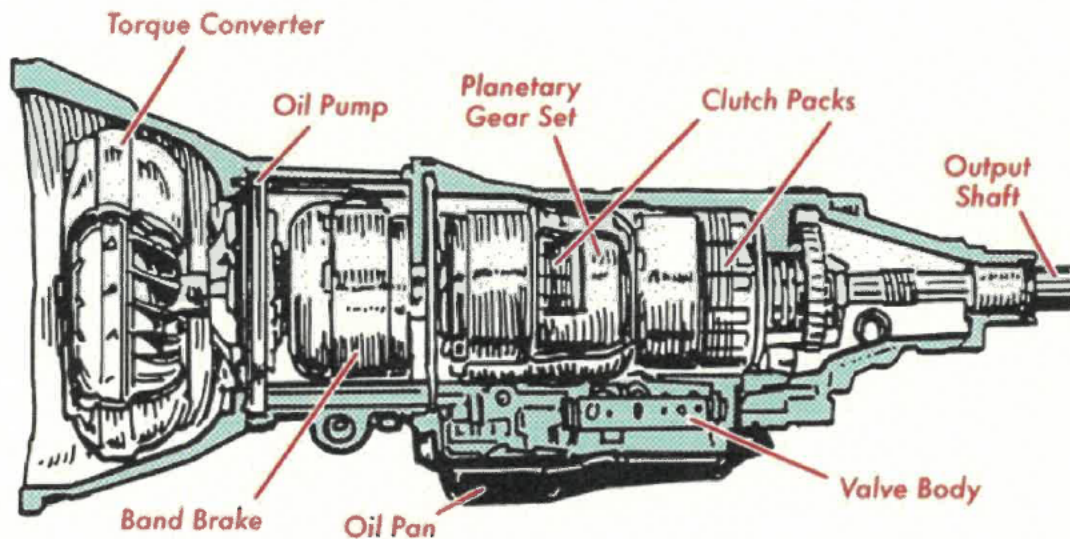
**C. The Class**

35. This action is brought on behalf of members of a class consisting of the Plaintiff, all British Columbia residents, and all other persons resident in Canada, who own, owned, lease and/or leased any one or more of the Affected Class Vehicles (“**Class**” or “**Class Members**”), excluding employees, officers, directors, agents of the Defendants and their family members, class counsel, presiding judges and any person who has commenced an individual proceeding against or delivered a release to the Defendants concerning the subject of this proceeding, or such other class definition or class period as the Court may ultimately decide on the application for certification.

## D. Factual Allegations

### i. Operation of an automatic transmission

36. A transmission casing, commonly referred to as a “bell casing” due to its bell shape, houses all the component parts of a transmission. The figure below illustrates all the essential components of an automatic transmission – torque converter, planetary gear set, clutch assembly and friction bands, valve body and shift valves or solenoids. As mentioned above, the various components of an automatic transmission need to work in tandem to ensure that the transmission shifts properly and into the correct gears.



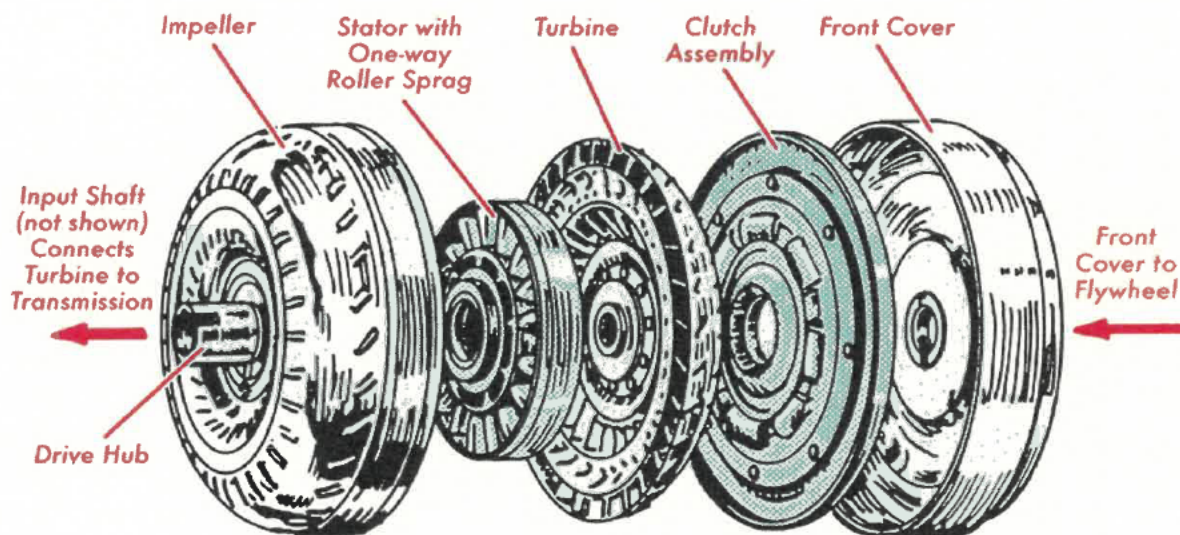
**Figure 1**

#### (a) Torque Converter

37. Unlike manual transmissions, which use a friction clutch to directly couple the transmission with the engine, automatic transmissions employ indirect coupling through the use of the torque converter, which sits between the transmission and the engine.
38. A torque converter has two primary functions: (1) transfer power from the engine to the transmission input shaft; and (2) torque multiplication, meaning it can increase the output

torque when the output shaft (the shaft that transmits the drive out of the transmission) is rotating slower than the input shaft (the shaft that receives power from the engine and transfers it to the transmission). This is helpful for movement of the vehicle from a standstill, and acceleration.

39. The torque converter consists of five main components, namely: the impeller, turbine, stator, a lock-up clutch and the fluid, as illustrated in Figure 2 below.



**Figure 2**

40. The impeller, which is directly connected to the engine's flywheel, is a centrifugal pump that spins and pushes the fluid outward, creating a vacuum that draws more fluid in. The turbine, which is connected to the transmission's input shaft, receives the fluid and is driven to spin by the fluid's momentum.
41. The stator, which is a fixed component within the torque converter, redirects the fluid back towards the impeller after it leaves the turbine. This redirection is crucial for increasing torque, especially at low speeds.
42. The fluid's movement creates a continuous cycle: the impeller pushes fluid, the turbine spins due to the fluid's impact, and the stator redirects the fluid back to the impeller,

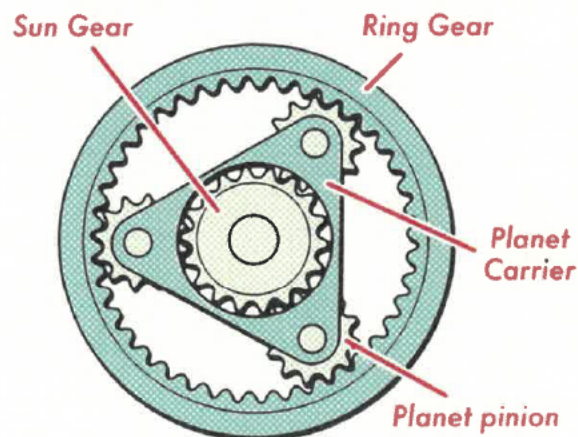


allowing the turbine to spin at a higher speed than the impeller. This “torque multiplication” effect is most pronounced when the turbine is spinning slower than the impeller, such as during initial acceleration or at low speeds.

43. Modern torque converters often incorporate a lock-up clutch, which engages when the engine and transmission speeds are close, improving efficiency at higher speeds.

(b) Planetary Gear Set

44. As a vehicle reaches higher speeds, it needs less torque to maintain that speed. Transmissions can increase or decrease the amount of torque sent to vehicle’s wheels by utilizing different gear ratios. A lower gear ratio delivers more torque, while a higher gear ratio provides less torque.
45. In a manual transmission, the driver controls the gear ratios by manually selecting the different gears using a gear shifter. Whereas, in an automatic transmission, gear ratios are increased or decreased automatically, through the use of the planetary gear set.
46. A planetary gear set has three components: (1) a sun gear; (2) the planet gears/pinions and the carrier; and (3) the ring gear, as illustrated in Figure 3 below.



**Simple Planetary Gear Set**

**Figure 3**



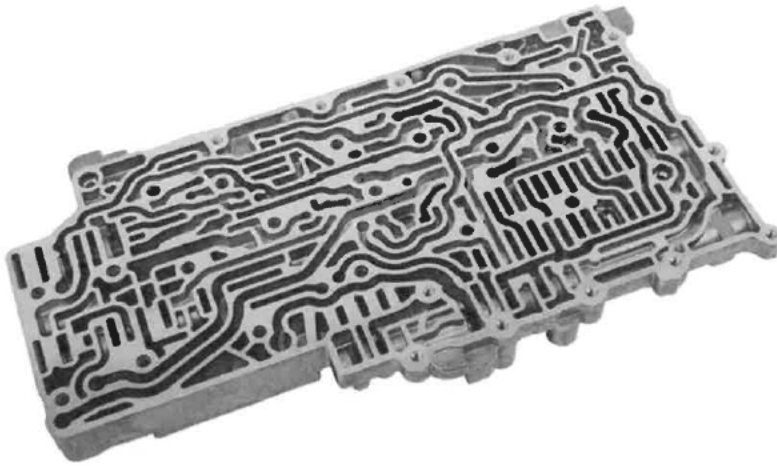
- 47. A single planetary gear set can achieve reverse drive and five levels of forward drive. This depends on which of the three components of the gear set is moving or held stationary.
- 48. The number of planetary gear sets in a transmission varies depending on the transmission's design and the number of gears it provides. Some transmissions, such as a 10-speed transmission, use four planetary gear sets. Other transmissions, such as GM's Hydra-Matic transmission, have three planetary gear sets. The number of planetary gear sets is related to the number of gear ratios a transmission can produce.

(c) Clutch Assemblies and Friction (Brake) Bands

- 49. Clutch assemblies are multiple disc clutches that engage and disengage planetary gear sets to facilitate gear shifts. Brake bands are made of metal lined with organic friction material, which can tighten to hold the ring or sun gear stationary or loosen to let them spin. Transmissions may have a combination of clutch assemblies and brake bands.
- 50. The engagement of a clutch or the tightening and loosening of a brake band is influenced by a combination of mechanical, hydraulic, and electrical designs. This process involves controlled movement of transmission fluid through the valve body, as explained below, all of which happens automatically.

(d) Valve Body and Shift Valves or Solenoids

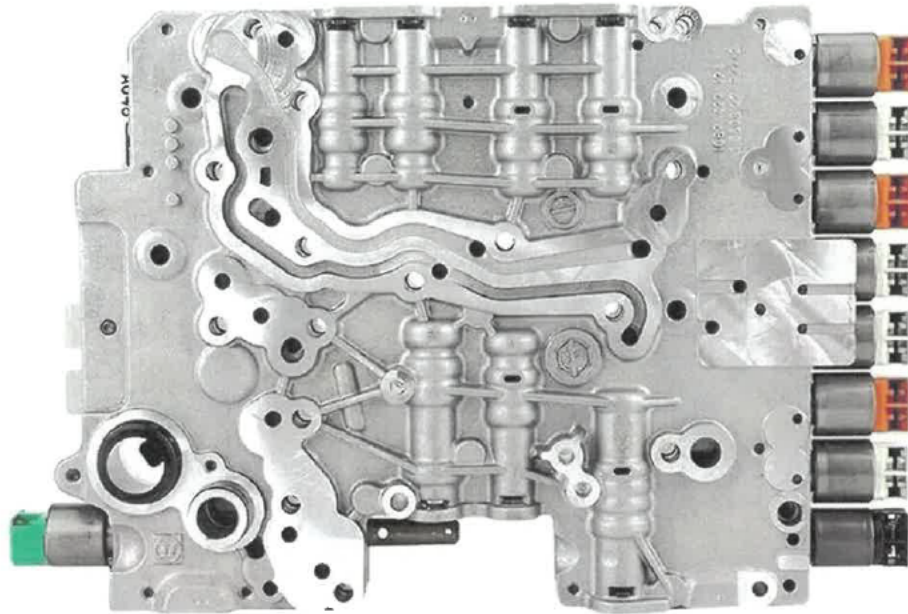
- 51. A valve body is the "brain" of an automatic transmission. It has maze-like passageways, as illustrated in Figure 4 below, that route fluid to all the different components in the transmission. Selection of the appropriate "route" is controlled by the use of shift valves, in hydraulically controlled transmissions, or shift solenoids, in electronically controlled transmissions.



**Figure 4**

52. Shift valves supply hydraulic pressure to the clutches and bands to engage each gear. The valve body of the transmission contains several shift valves. The shift valve determines when to shift from one gear to the next. For instance, the 1-to-2 shift valve determines when to shift from first to second gear. The shift valve is pressurized with fluid from the governor (a valve that tells the transmission how fast the car is going) on one side, and the throttle valve on the other. They are supplied with fluid by an oil pump, and they route that fluid to one of two circuits to control which gear the car runs in.
53. Each shift valve responds to a particular pressure range, so when the vehicle is going faster, the 2-to-3 shift valve will take over, because the pressure from the governor is high enough to trigger that valve.
54. Electronically controlled transmissions, which appear on most newer vehicles, still use hydraulics to actuate the clutches and bands, but each hydraulic circuit is controlled by an electric solenoid in conjunction with a TCM. This simplifies the plumbing on the transmission, allows for more advanced control schemes, and offers more precise and adaptable shifting.

55. Figure 5 below illustrates the shift solenoids connected to the valve body.



**Figure 5**

56. Shift solenoids are critically important components of any vehicle's transmission. These solenoids handle the movement of fluid between the hydraulic circuits, which ensures that the transmission components and valves all work appropriately.

**ii. The Transmission – 10R60 & 10R80**

**(a) Development, Architecture, Layout and Design**

57. The Transmission was developed and engineered as a joint venture between the Defendant, Ford, and GM. The Transmission is the fraternal twin to GM's 10L80-E and 10L90-E transmissions. However, each transmission is slightly different, in that GM and the Defendant, Ford, each owns multiple intellectual property that they have implemented to their respective transmissions.
58. Prior to 2017, the bulk of the rear-wheel drive and all-wheel drive Ford passenger vehicles came with the 6R transmission. As the 6R transmission became outdated and ill-equipped to deal with the increasingly powerful powertrains being offered by the Defendant, Ford, it started developing the Transmission.

59. The Defendant's, Ford's, Transmission has three variants – 10R60, 10R80 and 10R140. They have the same or substantially similar architecture, layout and design, but vary in terms of size, weight, and maximum torque ratings. The Transmission Defect is common to the 10R60, 10R80 and 10R140 Transmission
60. The Transmission consists of the various component parts mentioned above which are typical of an automatic transmission; however, it has some unique components that form the basis of the Transmission Defect.
61. The Transmission has six forward underdrive gear ratios (i.e., the input shaft turns faster than the output shaft); one direct drive ratio (i.e., the input and the output shafts spin at the same speeds); and three overdrive ratios (i.e., the output shaft turns faster than the input shaft).
62. There are six shift elements, A-F, (i.e., the clutches used to change gear ratios and control the flow of power) of which clutches C, D and F, are nested together in the C-D-F clutch assembly.
63. The Transmission utilizes six shift linear force solenoids (A-F). The Defendant, Ford, calls them Casting-Integrated Direct-Acting Solenoids (CIDAS). Unlike the shift solenoids in the 6R transmission, they are mechanical, that is, no transmission fluid passes through them. These solenoids use an armature/pin assembly that moves a valve in the main valve body to control and apply hydraulic fluid pressure.
64. Each clutch (A-F) has a corresponding shift solenoid (A-F) that is directly proportional in that zero current equals zero pressure, and maximum current equals maximum pressure. Since there is no pressure with zero current, none of the clutch packs can engage if the power is interrupted to the shift solenoids.
65. Similar to most electronically controlled automatic transmissions, the Transmission uses a shift map using various factors such as engine load and accelerometer input to calculate shift decisions without driver input, all of which is determined by the TCM and the various sensors in the Affected Class Vehicles' powertrain. Very similar to its GM counterpart, the Transmission uses a form of adaptive shift protocol to optimize for smooth shifts. The

TCM is constantly trying to advance or delay solenoid activation to support this goal. The Transmission in the Affected Class Vehicles utilizes adaptive learning to optimize shifting patterns and improve fuel efficiency based on individual driving styles and road conditions. This system allows the transmission to “learn” how the driver prefers to accelerate, decelerate, and make gear changes, adapting the shift points and strategies accordingly.

66. Moreover, the Transmission’s TCM incorporates proprietary software and algorithms that govern and control the operations of the different component parts of the Transmission.

(b) The Transmission Defect

67. The Transmission Defect is caused by one or more of the following problems:

Problem #1: C-D-F Clutch Assembly

68. The C-D-F clutch assembly is unique to the Transmission. It is a triple-clutch system that is housed in a cylindrical shell (or the drum), at the center of which is a bushing that facilitates the movement of the C-D-F clutch assembly on the dedicated intermediate shaft on which it is situated.
69. Due to a manufacturing defect in the assembling process of the C-D-F clutch assembly and/or the materials used, it has the tendency of being forced out of place by excessive heat and pressure. In particular, a poorly designed bushing inside the drum causes axial movement of the C-D-F clutch assembly. This axial movement of the C-D-F clutch assembly within the drum deprives the Transmission of fluid pressure, causing near instantaneous failure.
70. Additionally, the drum is manufactured using aluminum, which is softer than the steel the Defendant, Ford, utilizes to manufacture the Transmission’s various clutches. The C-D-F clutch assembly is inherently defective as it causes the clutches to sometimes stick to the divots on the inside of the drum. The inadvertent contacting of the clutches with the softer surrounding aluminum body of drum causes metallic contamination that collects in the valve body, leading to oil cross-leakages within the valve body.

Problem #2: Valve Body

As mentioned above, a valve body incorporates a combination of mechanical, hydraulic, and electrical mechanisms with a huge concentration of moving parts and electronics, which makes it susceptible to internal oil cross-leakage and solenoid failure if metallic contamination occurs.

71. Generally, the shift solenoids used in the Transmission are reliable, however, internal oil cross-leakages in the valve body caused by metallic contamination put undue stress on the solenoids by trying to push them open when the TCM signals their closure, or vice versa.

Problem #3: Adaptive Shift Learning Strategy

72. The Transmission utilizes adaptive learning, a system that allows the transmission to adjust its behavior based on driving style and conditions. This system learns from the driver's input and adapts the shift points and fluid pressure within the valve body for smoother and more efficient gear changes. Adaptive learning aims to increase transmission durability and provide a consistent gear shift feeling.
73. The Defendant's, Ford's, adaptive learning is unreliable and leads to inconsistencies in shifting. In an attempt to optimize the shifting for fuel economy, the defective adaptive learning system makes the Affected Class Vehicles more prone to skipping gears.

Problem #4: Incorrectly Programmed Solenoids

74. The valve bodies of the Transmission come pre-programmed with corresponding shift solenoids, which are in turn incorporated into the TCM.
75. Each solenoid in the Transmission has a 13-digit numerical code that identifies the specific solenoid configuration and calibration of the Transmission. The Defendant, Ford, refers to this as the solenoid ID strategy, which is essential for programming the TCM with the correct solenoid settings for optimal performance and gear shift quality.
76. The TCM uses this code to determine when and how each solenoid should be activated to control the Transmission's gears and clutches. Using the correct solenoid ID strategy

ensures smooth and accurate gear changes, preventing jerks, slippage, or other gear shift quality issues. Incorrectly programmed solenoids can lead to internal transmission damage due to improper pressure or clutch engagement.

77. The Defendant, Ford, during the manufacturing process, failed to program the TCM with the correct solenoid ID strategy.
78. One or more of above defects make the Transmission prone to premature failure resulting in harsh or delayed engagement and/or harsh or delayed shifting of the Transmission gears that causes the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affects the driver's ability to control the speed, acceleration and deceleration of the vehicle, posing a real, substantial and imminent risk of harm, injury and/or death to vehicle occupants.

**iii. The Defendant's, Ford's, knowledge of the Transmission Defect**

79. Since the Transmission was introduced and equipped in the Affected Class Vehicles, drivers have repeatedly complained about difficulty shifting and vehicle lunging and/or jerking to the Defendant, Ford. During the relevant time period herein, there was an unusually large number of complaints of harsh and belabored transmission shifting such that the Defendant, Ford, was put on notice of the Transmission Defect.
80. Beginning in March 2018 and up to as recently as January 2025, the Defendant, Ford, issued over 20 TSBs to address the Transmission Defect.
81. Namely, the Defendant, Ford, knew, or ought to have known, that the Transmission Defect was present dating back to before March 2018, the date the Defendant, Ford, issued its first TSB related to the Transmission. These include, *inter alia*:

No.	TSB (Date of Issuance)	Models	Transmission Issue
1.	18-2079 (March 2, 2018)	2017 F-150	Some 2017 F-150/Raptor vehicles equipped with a 10R80 automatic transmission built on or before 1-Aug-2017 may exhibit harsh or delayed shifts and/or an illuminated

No.	TSB (Date of Issuance)	Models	Transmission Issue
			malfunction indicator lamp (MIL) with diagnostic trouble code (DTC) P0711 stored in the transmission control module (TCM).
2.	18-2274 (September 7, 2018)	2018 F-150	Some 2018 F-150 vehicles equipped with a 2.7L, 3.5L or 5.0L engine and 10R80 automatic transmission and built on or before 15 May 2018 may exhibit harsh/bumpy upshift, downshift and/or engagement concerns.
3.	20-2083 (March 16, 2020)	2020 F-150; 2020 Mustang; 2020 Ranger	Some 2020 F-150/Mustang/Ranger vehicles equipped with a 10R80 transmission and built on 21-Oct-2019 and through 16-Dec-2019 may exhibit a high-pitched whine noise coming from the transmission at low speeds during light acceleration or coasting. This may be due to the outer output shaft bearing. To correct the condition, follow the Service Procedure steps to replace the transmission inner output shaft bearing, fluid passage sleeve and outer output shaft bearing.
4.	20-2185 (June 16, 2020)	2020 Transit	Some 2020 Transit vehicles equipped with a 10R80 automatic transmission may exhibit a harsh engagement into drive with or without an illuminated malfunction indicator lamp (MIL) with diagnostic trouble codes (DTCs) P0772 and/or P2704 in the powertrain control module (PCM). This may be due to sticking valves in the main control valve body. Most vehicles will improve and no longer exhibit the condition after the first 160 km (100 mi) of driving. To correct the condition, follow the Service Procedure steps to replace the main control valve body and/or perform drive procedure.
5.	20-2226 (July 7, 2020)	2020 Transit	Some 2020 Transit vehicles equipped with a 10R80 automatic transmission may exhibit a harsh engagement into drive with or without an illuminated malfunction indicator lamp (MIL) with diagnostic trouble codes (DTCs) P0772 and/or P2704 in the powertrain control module (PCM). This may be due to sticking valves in the main control valve body. Most vehicles will improve and no



No.	TSB (Date of Issuance)	Models	Transmission Issue
			longer exhibit the condition after the first 8,000 km (5,000 mi) of driving. To correct the condition, follow the Service Procedure steps to perform the transmission accelerated main control break-in routine and/or replace the main control valve body.
6.	20-2277 (August 19, 2020)	2019-2020 Ranger	Some 2019-2020 Ranger vehicles may exhibit a shudder/vibration when accelerating from a stop. This may be due to an excessive rear axle pinion angle. To correct the condition, follow the Service Procedure steps to adjust the rear axle pinion angle.
7.	20-2339 (September 24, 2020)	2019 Ranger	Some 2019 Ranger vehicles may exhibit a vehicle buck/surge during low speed operation and/or an engine that runs rough after cold start. This may be due to various software parameters within the powertrain control module (PCM). To correct the condition, follow the Service Procedure to reprogram the PCM.
8.	21-2315 (September 27, 2021)	2018-2021 Expedition; 2017-2020 F-150; 2018- 2021 Mustang; 2019- 2021 Ranger; 2018- 2021 Navigator	Some 2017-2020 F-150, 2018-2021 Expedition/Navigator/Mustang and 2019-2021 Ranger vehicles equipped with a 10R80 automatic transmission may exhibit a harsh engagement/harsh shift/delayed shift. It is possible the vehicle may also have an illuminated malfunction indicator lamp (MIL) or diagnostic trouble codes (DTC) P0751,P0752, P0756, P0757, P0761, P0762, P0766, P0767, P0771, P0772, P2700, P2701, P2702, P2703, P2704, P2705,P2707, P2708, P0729, P0731, P0732, P0733, P0734, P0735, P0736, P076F, P07D9, P07F6 and/or P07F7 stored in the powertrain control module (PCM) or transmission control module (TCM). This may be due to incompatibility of the adaptive calibration to adapt to hardware wear-in over time. To correct the condition, follow the Service Procedure steps to overhaul the main control valve body

No.	TSB (Date of Issuance)	Models	Transmission Issue
			and/or perform an adaptive learning drive cycle.
9.	21-2357 (October 18, 2021)  <u>Note:</u> Supersedes 21- 2315  Reason for update: Consolidated prior TSBs/SSMs – No Corrections	2018-2021 Expedition; 2017-2020 Ford F-150; 2018-2021 Mustang; 2018-2021 Ranger; 2018-2021 Navigator	Some 2017-2020 F-150, 2018-2021 Expedition/Navigator/Mustang and 2019-2021 Ranger vehicles equipped with a 10R80 automatic transmission may exhibit a harsh engagement/harsh shift/delayed shift. It is possible the vehicle may also have an illuminated malfunction indicator lamp (MIL) or diagnostic trouble codes (DTC) P0751,P0752, P0756, P0757, P0761, P0762, P0766, P0767, P0771, P0772, P2700, P2701, P2702, P2703, P2704, P2705,P2707, P2708, P0729, P0731, P0732, P0733, P0734, P0735, P0736, P076F, P07D9, P07F6 and/or P07F7 stored in the powertrain control module (PCM) or transmission control module (TCM). This may be due to incompatibility of the adaptive calibration to adapt to hardware wear-in over time. To correct the condition, follow the Service Procedure steps to overhaul the main control valve body and/or perform an adaptive learning drive cycle.
10.	21-2357 (April 21, 2022)	2018-2022 Expedition; 2017-2020 F-150; 2018- 2022 Mustang; 2019- 2022 Ranger; 2018- 2022 Navigator	Some 2017-2020 F-150, 2018-2022 Expedition/Navigator/Mustang and 2019-2022 Ranger vehicles equipped with a 10R80 automatic transmission may exhibit a harsh engagement/harsh shift/delayed shift. It is possible the vehicle may also have an illuminated malfunction indicator lamp (MIL) or diagnostic trouble codes (DTC) P0751, P0752, P0756, P0757, P0761, P0762, P0766, P0767, P0771, P0772, P2700, P2701, P2702, P2703, P2704, P2705, P2707, P2708, P0729, P0731, P0732, P0733, P0734, P0735, P0736, P076F, P076F, P07D9, P07F9 and/or P07F7 stored in the powertrain control module (PCM) or transmission control module (TCM). This may be due to incompatibility of the adaptative calibration to adapt to hardware break-in over time. To correct the condition, follow the Service Procedure to

No.	TSB (Date of Issuance)	Models	Transmission Issue
			overhaul the main control valve body and/or perform an adaptive learning drive cycle.
11.	22-2411 (March 2, 2023)	2022 Bronco; 2022 Explorer; 2022 Aviator	Some 2022 Explorer/Aviator/Bronco vehicles built on or before 9-Aug-2022 and equipped with a 10R60 automatic transmission may exhibit a harsh 7-6 gear downshift. This may be caused by the A clutch piston return spring snap ring becoming dislodged. To correct the condition, follow the Service Procedure to replace the front support assembly and A clutch components.
12.	22-2428 (May 26, 2023)	2021-2023 Bronco; 2018-2023 Expedition; 2020-2023 Explorer; 2017-2023 F-150; 2018- 2023 Mustang; 2019- 2023 Ranger; 2020- 2023 Transit; 2020-2023 Aviator; 2018-2023 Navigator	Some 2017-2023 F-150, 2018-2023 Expedition/Navigator/Mustang, 2019-2023 Ranger, 2020-2023 Explorer/Aviator/Transit and 2021-2023 Bronco vehicles equipped with a 10R60 transmission and built on or before 23-Dec-2022 or with a 18R80/10R80MHT transmission and built on or before 15 Aug-2022 may exhibit a harsh/delayed engagement and/or harsh/delayed shift. It is possible the vehicle may also have an illuminated malfunction indicator lamp (MIL) or diagnostic trouble codes (DTC) P0751, P0752, P0756, P0757, P0761, P0762, P0766, P0767, P0771, P0772, P2700, P2701, P2702, P2703, P2704, P2705, P2707, P2708, P0729, P0731, P0732, P0733, P0734, P0735, P0736, P076F, P07D9, P07F6 and/or P07F7 stored in the powertrain control module (PCM) or transmission control module (TCM). This may be due to the software in the powertrain control module (PCM) or transmission control module (TCM), the transmission solenoid ID strategy, sticking valves in the main control valve body and/or axial movement of the CDF clutch cylinder (7H351) sleeve. To correct the condition, follow the Service Procedure to identify and correct the condition.

No.	TSB (Date of Issuance)	Models	Transmission Issue
13.	23-2030 (January 27, 2023)	2020-2022 Explorer; 2021-2022 F-150; 2020- 2022 Police Interceptor; 2020-2022 Aviator	2020-2022 Aviator/Explorer/Police Interceptor, 2021-2022 F-150 vehicles equipped with a 10R80 MHT transmission and built on or before 15-Nov-2022 may exhibit an 8th gear start after coming to a stop and/or a no movement in reverse (R) condition. This may be due to the driver applying the accelerator pedal and brake pedal simultaneously during regenerative braking. To improve the condition, follow the Service Procedure to reprogram the powertrain control module (PCM) and refer the customer to the Automatic Transmission section of the Owner's Manual warning regarding applying both pedals simultaneously.
14.	23-2176 (June 5, 2023)	2020-2022 Explorer	Some 2020-2022 Explorer vehicles equipped with 2.3L engine and 10R60 automatic transmission may exhibit a delayed reverse engagement. This may be due to the software in the powertrain control module (PCM). To correct the condition, follow the Service Procedure to reprogram the PCM.
15.	23-2250 (August 14, 2023)  <u>Note:</u> Supersedes 22-2428 and 23-2176	2021-2023 Bronco; 2018-2023 Explorer; 2017-2023 F-150; 2018- 2023 Mustang; 2019- 2023 Ranger; 2020- 2023 Transit; 2020-2023 Aviator; 2018-2023 Navigator	Some 2017-2023 F-150, 2018-2023 Expedition/Navigator/Mustang, 2019-2023 Ranger, 2020-2023 Explorer/Aviator/Transit and 2021-2023 Bronco vehicles equipped with a 10R60/10R80/10R80MHT transmission may exhibit a harsh/delayed engagement and/or harsh/delayed shift, an illuminated malfunction indicator lamp (MIL) with diagnostic trouble codes (DTC) P0751, P0752, P0756, P0757, P0761, P0762, P0766, P0767, P0771, P0772, P2700, P2701, P2702, P2703, P2704, P2705, P2707, P2708, P0729, P0731, P0732, P0733, P0734, P0735, P0736, P076F, P07D9, P07F6 and/or P07F7 stored in the powertrain control module (PCM) or transmission control module (TCM). This may be due to the software in the powertrain control module (PCM) or transmission control module (TCM), the transmission solenoid ID strategy, sticking

No.	TSB (Date of Issuance)	Models	Transmission Issue
			valves in the main control valve body and/or axial movement of the CDF clutch cylinder (7H351) sleeve. To correct the condition, follow the Service Procedure to identify and correct the condition.
16.	23-2351 (November 14, 2023)	2021-2023 Bronco; 2018-2023 Explorer; 2017-2023 F-150; 2018-2023 Mustang; 2019-2023 Ranger; 2020-2023 Transit; 2020-2023 Aviator; 2018-2023 Navigator	Some 2021-2022 F-150, 2022-2023 Expedition/Navigator/Mustang and 2020-2023 Transit/Explorer/Aviator vehicles equipped with a 10R80/10R80 MHT transmission may exhibit a harsh/delayed engagement and/or harsh/delayed shift, an illuminated MIL with DTC P0751, P0752, P0756, P0757, P0761, P0762, P0766, P0767, P0771, P0772, P2700, P2701, P2702, P2703, P2704, P2705, P2707, P2708, P0729, P0731, P0732, P0733, P0734, P0735, P0736, P076F, P07D9, P07F6 and/or P07F7 stored in the PCM or TCM. This may be due to the software in the PCM or TCM, the transmission solenoid ID strategy, sticking valves in the main control valve body and/or axial movement of the CDF clutch cylinder (7H351) sleeve. To correct the condition, follow the Service Procedure to identify and correct the condition.
17.	23-2352 (November 14, 2023)	2021-2023 Bronco; 2020-2023 Explorer; 2020-2023 Aviator	Some 2020-2023 Explorer/Aviator and 2021-2023 Bronco vehicles equipped with a 10R60 transmission may exhibit a harsh/delayed engagement and/or harsh/delayed shift, an illuminated malfunction indicator lamp (MIL) with diagnostic trouble codes (DTC) P0751, P0752, P0756, P0757, P0761, P0762, P0766, P0767, P0771, P0772, P2700, P2701, P2702, P2703, P2704, P2705, P2707, P2708, P0729, P0731, P0732, P0733, P0734, P0735, P0736, P076F, P07D9, P07F6 and/or P07F7 stored in the powertrain control module (PCM) or transmission control module (TCM). This may be due to the software in the powertrain control module (PCM) or transmission control module (TCM), the transmission solenoid ID strategy and/or sticking valves in

No.	TSB (Date of Issuance)	Models	Transmission Issue
			the main control valve body. To correct the condition, follow the Service Procedure to identify and correct the condition.
18.	24-2059 (March 13, 2024)  <u>Note:</u> Supersedes 23- 2351  <u>Reason for update:</u> Removed 2023 Ford F-150	2022-2023 Expedition; 2020-2023 Explorer; 2021-2022 F-150; 2022- 2023 Mustang; 2020- 2023 Transit; 2020-2023 Aviator; 2022-2023 Navigator	Some 2021-2022 F-150, 2022-2023 Expedition/Navigator/Mustang and 2020-2023 Transit/Explorer/Aviator vehicles equipped with a 10R80/10R80 MHT transmission may exhibit a harsh/delayed engagement and/or harsh/delayed shift, an illuminated MIL with DTC P0751, P0752, P0756, P0757, P0761, P0762, P0766, P0767, P0771, P0772, P2700, P2701, P2702, P2703, P2704, P2705, P2707, P2708, P0729, P0731, P0732, P0733, P0734, P0735, P0736, P076F, P07D9, P07F6 and/or P07F7 stored in the PCM or TCM. This may be due to the software in the PCM or TCM, the transmission solenoid ID strategy, sticking valves in the main control valve body and/or axial movement of the CDF clutch cylinder (7H351) sleeve. To correct the condition, follow the Service Procedure to identify and correct the condition.
19.	24-2100 (March 28, 2024)  <u>Note:</u> Supersedes 24- 2059  <u>Reason for update:</u> Revise the Service Procedure LTIS statement	2022-2023 Expedition; 2020-2023 Explorer; 2021-2022 F-150; 2022- 2023 Mustang; 2020- 2023 Transit; 2020-2023 Aviator; 2022-2023 Navigator	Some 2021-2022 F-150, 2022-2023 Expedition/Navigator/Mustang and 2020-2023 Transit/Explorer/Aviator vehicles equipped with a 10R80/10R80 MHT transmission may exhibit a harsh/delayed engagement and/or harsh/delayed shift, an illuminated MIL with DTC P0751, P0752, P0756, P0757, P0761, P0762, P0766, P0767, P0771, P0772, P2700, P2701, P2702, P2703, P2704, P2705, P2707, P2708, P0729, P0731, P0732, P0733, P0734, P0735, P0736, P076F, P07D9, P07F6 and/or P07F7 stored in the PCM or TCM. This may be due to the software in the PCM or TCM, the transmission solenoid ID strategy, sticking valves in the main control valve body and/or axial movement of the CDF clutch cylinder (7H351) sleeve. To correct the condition, follow the Service Procedure to identify and correct the condition.

No.	TSB (Date of Issuance)	Models	Transmission Issue
20.	24-2176 (May 30, 2024)  <u>Note:</u> Supersedes 24-2100 and 24-2070  <u>Reason for update:</u> Added 2023 F-150 vehicles, updated the Issue and the Service Procedure.	2022-2023 Expedition; 2020-2023 Explorer; 2021-2023 F-150; 2022-2023 Mustang; 2020-2023 Transit; 2020-2023 Aviator; 2022-2023 Navigator	Some 2021-2022 F-150, 2022-2023 Expedition/Navigator/Mustang and 2020-2023 Transit/Explorer/Aviator vehicles equipped with a 10R80/10R80 MHT transmission may exhibit a harsh/delayed engagement and/or harsh/delayed shift, an illuminated MIL with DTC P0751, P0752, P0756, P0757, P0761, P0762, P0766, P0767, P0771, P0772, P2700, P2701, P2702, P2703, P2704, P2705, P2707, P2708, P0729, P0731, P0732, P0733, P0734, P0735, P0736, P076F, P07D9, P07F6 and/or P07F7 stored in the PCM or TCM. This may be due to the software in the PCM or TCM, the transmission solenoid ID strategy, sticking valves in the main control valve body and/or axial movement of the CDF clutch cylinder (7H351) sleeve. To correct the condition, follow the Service Procedure to identify and correct the condition.
21.	24-2254 (August 23, 2024)	2022 Expedition; 2020-2022 Explorer; 2021-2022 F-150; 2021-2022 Mustang; 2020-2023 Transit; 2022 Navigator	Some 2020-2022 Explorer, 2020-2023 Transit, 2021-2022 F-150, 2021-2022 Mustang and 2022 Expedition/Navigator vehicles equipped with a 10R80 transmission (excluding hybrid) may exhibit harsh/delayed engagements and/or harsh/delayed shifts, an illuminated MIL with DTC P0751, P0752, P0756, P0757, P0761, P0762, P0766, P0767, P0771, P0772, P2700, P2701, P2702, P2703, P2704, P2705, P2707, P2708, P0729, P0731, P0732, P0733, P0734, P0735, P0736, P076F, P07D9, P07F6 and/or P07F7 stored in the PCM or TCM. This may be due to axial movement of the CDF clutch cylinder (7H351) sleeve causing hydraulic circuit leaks. To correct the condition, follow the Service Procedure to verify hydraulic circuit leakage and replace the CDF clutch cylinder (7H351) if necessary.
22.	24-2436 (January 8, 2025)	2022 Expedition; 2020-2022 Explorer; 2021-2022 F-150; 2021-2022	Some of the vehicles listed in the Model statement above may exhibit at least one of the following conditions:

No.	TSB (Date of Issuance)	Models	Transmission Issue
	<p>Note: Supersedes 24-2304 and 24-2176</p> <p><u>Reason for update:</u> Updated the TSB Service Procedure, part list quantities and added missing labor operation</p>	<p>Mustang; 2020-2023 Transit; 2022 Navigator</p>	<ul style="list-style-type: none"> <li>• Harsh engagement</li> <li>• Delayed engagement</li> <li>• Harsh shift</li> <li>• Delayed shift</li> <li>• Illuminated MIL with DTCs P0751, P0752, P0756, P0757, P0761, P0762, P0766, P0767, P0771, P0772, P2700, P2701, P2702, P2703, P2704, P2705, P2707, P2708, P0729, P0731, P0732, P0733, P0734, P0735, P0736, P076F, P07D9, P07F6 and/or P07F7 stored in the PCM or TCM</li> </ul>

82. The above-noted Diagnostic Trouble Codes (DTCs) referenced in the TSBs are critical as they highlight the Transmission Defect, specifically, the sticking of shift solenoid A (P0751, P0752); sticking of shift solenoid B (P0756, P0757); sticking of shift solenoid C (P0761, P0762); sticking of shift solenoid D (P0766, P0767); sticking of shift solenoid E (P0771, P0772); sticking of shift solenoid F (P2707, P2708); incorrect ratio – gear 6 (P0729); incorrect ratio – gear 1 (P0731); incorrect ratio – gear 2 (P0732); incorrect ratio – gear 3 (P0733); incorrect ratio – gear 4 (P0734); incorrect ratio – gear 5 (P0735); incorrect ratio – reverse (P0736); incorrect ratio – gear 7 (P076F); incorrect ratio – gear 8 (P07D9); incorrect ratio – gear 9 (P07F6); incorrect ratio – gear 10 (P07F7); and clutch solenoids not being as per specifications set by the manufacturer (P2700, P2701, P2702, P2703, P2704, P2705).
83. In addition to the numerous TSBs, the Defendant, Ford, has issued Service Special Messages (“SSMs”) to its dealers and repair technicians to address the Transmission Defect.
84. The Defendant’s, Ford’s, proposed remedies and/or fixes to the various issues highlighted in these TSBs and SSMs included, *inter alia*, software updates to the TCM to address harsh



shift issues; implementation of an accelerated main-control break-in routine in Affected Class Vehicles with low mileage to address harsh shifts; inspection of the main control valve body for sticking valves or replacing it with an improved version; inspection of the C-D-F clutch cylinder sleeve; and/or inspection of the park valve circuit for wear or damage.

85. As such, by early 2018, the Defendant, Ford, knew, or should have known, through sufficient pre-release product testing, consumer complaints, or other methods, that the Affected Class Vehicles contained the Transmission Defect.
86. The Defendant, Ford, has failed and/or refused to issue a recall to replace the defective Transmission in the Affected Class Vehicles as its TSB recommendations have failed to sufficiently or adequately remedy or fix the Transmission's gear shifting problems.

#### **iv. Motor Vehicle Safety Standards**

87. In Canada, motor vehicle safety standards are governed by the *Motor Vehicle Safety Act*, S.C. 1993, c.16 ("**MVSA**") and the *Motor Vehicle Safety Regulations*, C.R.C., c. 1038 ("**Regulations**"). The Minister of Transport has the power and authority to verify that companies and persons comply with the *MVSA*, *Regulations* and vehicle safety standards. Transport Canada is delegated the authority to oversee the *MVSA* and *Regulations*. In the United States, the National Highway Traffic Safety Administration ("**NHTSA**") oversees, *inter alia*, vehicle safety standards, such as the Federal Motor Vehicle Safety Standard ("**FMVSS**"). Increasingly, the general approach to setting vehicle safety standards in Canada is to harmonize or analogize them with the *FMVSS* in the United States as much as possible. As such, vehicles designed or manufactured in the United States that comply with *FMVSS* may be imported and sold in Canada pursuant to the requirements of the *MVSA* and *Regulations*.
88. Vehicle manufacturers are required to file a report with Transport Canada and NHTSA within five days of identifying any safety related defects in their vehicles pursuant to the *MVSA* and *FMVSS*. The initial report is required to identify all vehicles potentially containing the defect and include a description of the manufacturer's basis for its

determination of the recall population and a description of how the vehicles or items of equipment to be recalled differ from similar vehicles or items of equipment that the manufacturer has not included in the recall. Additionally, the report must contain a “description of the defect” and identify and describe the risk to motor vehicle safety reasonably related to the defect.

89. The purpose of these government regulations is to facilitate the notification of owners of defective and noncomplying motor vehicles, and the remedy of such defects and noncompliance, by equitably apportioning the responsibility for safety-related defects and noncompliance with *MVSA* and *FMVSS* among vehicle manufacturers.
90. The Defendant, Ford, has failed and/or neglected to comply with its mandatory obligations under the *MVSA* and *Regulations* to report the Transmission Defect to Transport Canada, notify owners and/or lessees of the Affected Class Vehicles of the Transmission Defect, and issue a recall to replace the Transmission in the Affected Class Vehicles.

**v. The Defendant, Ford, Misrepresented and Actively Concealed the Transmission Defect**

91. The Defendant, Ford, highlights the following “key features” and “benefits” of the Transmission:
  - High-speed one-way clutch helps deliver smooth and responsive shifting.
  - Engine rpm matching on coast-down shifts provides a seamless transition to lower gears — effective when cornering.
  - Utilizes real-time adaptive shift schedule algorithms which monitor more than a dozen powertrain- and driver-control signals to help ensure the transmission is in the right gear at the right time.
92. Beginning in 2017 and continuing to the present, the Defendant, Ford, has misrepresented the safety, performance and reliability of the Transmission, through its website, multimedia advertisements, brochures, and in-person statements by its employees, authorized dealers, agents, sales representatives and/or repair technicians—touting the Transmission’s safety, reliability, enhanced responsiveness and performance, with statements such as:

## 10-SPEED TRANSMISSION

Standard with five F-150 engines for 2019, the innovative 10-speed automatic transmission with SelectShift® capability helps deliver higher average power for acceleration – improving responsiveness and performance. With optimized gear spacing, including 3 overdrive gears, the 10-speed gearbox helps maximize shift points and gear ratios to optimize power, low-rpm torque and fuel efficiency.

93. The Defendant, Ford, further highlights its “innovative, class-exclusive 10-speed automatic transmission”, as follows:

### TOUGH. POWER. PERFECTED

The proven 2.3 L EcoBoost® engine with Auto Start-Stop technology is designed to optimize power and efficiency using turbocharging and direct gasoline injection. It’s also paired with the innovative, class-exclusive 10-speed automatic transmission.

94. In a brochure for a 2017 F-150, the Defendant, Ford, provides:

### 10 SPEEDS. COUNTLESS INNOVATIONS.

Continuing its relentless pace of innovation, the 2017 Ford F-150 debuts all-new 10-speed SelectShift® automatic transmission – the first production 10-speed RWD planetary transmission.

95. In the same brochure, regarding the materials used to manufacture the Transmission, the Defendant, Ford, states:

Created with high-strength steel, along with aluminum alloys and composites to reduce weight, this all-new gearbox is paired with the all-new, 2nd-generation 3.5L EcoBoost® engine to deliver higher average power for acceleration – improving responsiveness and performance.

96. The Defendant, Ford, further represents that the Transmission is the “The Future of Tough”, as follows:

There’s already a truckload of reasons why the 2017 Ford F-150 is like no other pickup. All new 3.5L EcoBoost engine teamed with all new 10-speed SelectShift automatic add 2 more. With more than 20

patents approved or pending, this innovative powertrain is right at home in the The Future of Tough.

97. The Defendant, Ford, has never disclosed the Transmission Defect to Class Members and consumers. Instead, from 2017 to the present, the Defendant, Ford, has attempted to downplay public recognition of the Transmission Defect by propagating the falsehood that the harsh and bumpy gear shifting in the Affected Class Vehicles was “normal,” through statements made to consumers and the general public by the Defendant’s, Ford’s, employees, authorized dealers, agents, sales representatives and/or repair technicians, and through TSBs which sought to normalize the poor performance and safety issues related to the Transmission.
98. Despite its knowledge of the Transmission Defect since at least March 2018, the Defendant, Ford, has not formally recalled the Affected Class Vehicles to replace the Transmission, repair the Transmission Defect and/or has not offered to reimburse Affected Class Vehicle owners and/or lessees who incurred costs relating to the Transmission Defect.
99. The Defendant, Ford, has allowed the Plaintiff and Class Members to continue to drive the Affected Class Vehicles, while actively concealing the Transmission Defect, which severely affects the driver’s ability to control the speed, acceleration and deceleration of the vehicle, and all of which poses a real, substantial and imminent risk of harm, injury and/or death to vehicle occupants.

**vi. The warranties provided by the Defendant, Ford, for the Affected Class Vehicles**

100. The Defendant, Ford, provides warranties directly to the Plaintiff and Class Members for the Affected Class Vehicles.
101. The Defendant, Ford, offers a “New Vehicle Limited Warranty” for three years or 60,000 kilometers, whichever occurs first.
102. The Defendant, Ford also offers extended warranty coverage for the powertrain components for five years or 96,000 kilometers, whichever occurs first. This extended

warranty coverage includes the transmission and all internal parts, the torque converter, clutch assemblies, valve bodies, transmission housing and transmission mounts.

103. The Defendant's, Ford's, warranty states that "dealers will, without charge, repair, replace, or adjust all parts on your vehicle that malfunction or fail during normal use during the applicable coverage period due to a manufacturing defect in factory-supplied materials or factory workmanship."
104. The warranty terms became part of the basis of the bargain when the Plaintiff and Class Members purchased and/or leased their Affected Class Vehicles.

**vii. Agency relationship between Defendants and their authorized dealerships as to the Affected Class Vehicles**

105. The Defendants as the vehicle manufacturers and/or distributors, impliedly or expressly acknowledged that Ford authorized dealerships are their sales agents, the dealers have accepted that undertaking, they have the ability to control authorized Ford dealers, and they act as the principal in that relationship, as is shown by the following:
  - (a) The Defendants can terminate the relationship with their dealers at will;
  - (b) The relationships are indefinite;
  - (c) The Defendants are in the business of selling vehicles as are their dealers;
  - (d) The Defendants provide tools and resources for Ford dealers to sell vehicles;
  - (e) The Defendants supervise their dealers regularly;
  - (f) Without the Defendants the relevant Ford dealers would not exist;
  - (g) The Defendants as the principal require the following of their dealers:
    - (i) Reporting of sales;
    - (ii) Computer network connection with the Defendants;

- (iii) Training of dealers' sales and technical personnel;
  - (iv) Use of the Defendants' supplied computer software;
  - (v) Participation in the Defendants' training programs;
  - (vi) Establishment and maintenance of service departments in Ford dealerships;
  - (vii) Certification of Defendants' pre-owned vehicles;
  - (viii) Reporting to the Defendants with respect to vehicle delivery, including reporting Plaintiffs' names, addresses, preferred titles, primary and business phone numbers, e-mail addresses, vehicle VIN, delivery date, type of sale, lease/finance terms, factory incentive coding, if applicable, vehicles' odometer readings, extended service contract sale designations, if any, and names of delivering dealership employees; and
  - (ix) Displaying the Defendants' logos on signs, literature, products, and brochures within Ford dealerships.
- (h) Dealerships bind the Defendants with respect to:
- (i) Warranty repairs on the vehicles the dealers sell; and
  - (ii) Issuing service contracts administered by the Defendants.
- (i) The Defendants further exercise control over their dealers with respect to:
- (i) Financial incentives given to Ford dealer employees;
  - (ii) Locations of dealers;
  - (iii) Testing and certification of dealership personnel to ensure compliance with the Defendants' policies and procedures; and

- (iv) Customer satisfaction surveys, pursuant to which the Defendants allocate the number of their vehicles to each dealer, thereby directly controlling dealership profits.
- (j) Ford dealers sell Defendants' vehicles on the Defendants' behalf, pursuant to a "floor plan," and the Defendants do not receive payment for their vehicles until the dealerships sell them;
- (k) Dealerships bear the Defendants' brand names, use its logos in advertising and on warranty repair orders, post Ford brand signs for the public to see, and enjoy a franchise to sell the Defendants' products, including the Affected Class Vehicles;
- (l) The Defendants require Ford dealers to follow the rules and policies of the Defendants in conducting all aspects of dealer business, including the delivery of the Defendants' warranties described above, and the servicing of defective vehicles such as the Affected Class Vehicles;
- (m) The Defendants require their dealers to post the Defendants brand names, logos, and signs at dealer locations, including dealer service departments, and to identify themselves and to the public as authorized Ford dealers and servicing outlets for the Defendants' vehicles;
- (n) The Defendants require their dealers to use service and repair forms containing its brand names and logos;
- (o) The Defendants require Ford dealers to perform the Defendants' warranty diagnoses and repairs, and to do the diagnoses and repairs according to the procedures and policies set forth in writing by the Defendants;
- (p) The Defendants require Ford dealers to use parts and tools either provided by the Defendants or approved by Defendants and to inform the Defendants when dealers discover that unauthorized parts have been installed on one of the Defendants' vehicles;

- (q) The Defendants require dealers' service and repair employees to be trained by the Defendants in the methods of repair of Ford-brand vehicles;
- (r) The Defendants audit Ford dealerships' sales and service departments and directly contact the customers of said dealers to determine their level of satisfaction with the sale and repair services provided by the dealers; dealers are then granted financial incentives or reprimanded depending on the level of satisfaction;
- (s) The Defendants require their dealers to provide it with monthly statements and records pertaining, in part, to dealers' sales and servicing of the Defendants' vehicles;
- (t) The Defendants provide technical service bulletins, SSMS and messages to their dealers detailing chronic defects present in product lines, and repair procedures to be followed for chronic defects;
- (u) The Defendants provide their dealers with specially trained service and repair consultants with whom dealers are required by the Defendants to consult when dealers are unable to correct a vehicle defect on their own;
- (v) The Defendants require Ford-brand vehicle owners to go to authorized Ford dealers to obtain servicing under the Defendants' warranties; and
- (w) Ford dealers are required to notify the Defendants whenever a vehicle is sold or put into warranty service.

## **Part 2: RELIEF SOUGHT**

1. The Plaintiff, on his own behalf and on behalf of Class Members, claims against the Defendants, Ford US and Ford Canada, jointly and severally, as follows:
  - (a) an order certifying this action as a class proceeding and appointing the Plaintiff as the named representative;



- (b) a declaration that the Defendants, Ford US and Ford Canada, were negligent in the manufacture and/or design of the Affected Class Vehicles equipped with a defective transmission causing the Plaintiff and Class Members to suffer damages;
- (c) a declaration that the Defendants, Ford US and Ford Canada:
  - (i) breached their duty of care to the Plaintiff and Class Members;
  - (ii) breached express warranties as to the Affected Class Vehicles and are consequently liable to the Plaintiff and Class Members for damages;
  - (iii) breached implied warranties or conditions of merchantability as to the Affected Class Vehicles and are consequently liable to the Plaintiff and Class Members for damages pursuant to sections 18(a), (b) and 56 of the *Sale of Goods Act*, R.S.B.C. 1996, c. 410 (“*SGA*”); sections 16(2), (4) and 52 of the *Sale of Goods Act*, R.S.A. 2000, c. S-2; sections 16(1), (2) and 52 of the *Sale of Goods Act*, R.S.S. 1978, c. S-1; sections 16(a), (b) and 54 of the *Sale of Goods Act*, C.C.S.M. 2000, c. S10; sections 15(1), (2) and 51 of the *Sale of Goods Act*, R.S.O. 1990, c. S.1; sections 16(a),(c) and 54 of the *Sale of Goods Act*, R.S.N.L. 1990, c. S-6 ; sections 17(a), (b) and 54 of the *Sale of Goods Act*, R.S.N.S. 1989, c. 408; sections 20(a), (b) and 67 of the *Sale of Goods Act*, R.S.N.B. 2016, c. 110; sections 16(a), (b) and 53 of the *Sale of Goods Act*, R.S.P.E.I. 1988, c. S-1; sections 15(a), (b) and 50 of the *Sale of Goods Act*, R.S.Y. 2002, c. 198; sections 18(a),(b) and 60 of the *Sale of Goods Act*, R.S.N.W.T. 1988, c. S-2; and sections 18(a),(b) and 60 of the *Sale of Goods Act*, R.S.N.W.T. (Nu) 1988, c. S-2; and articles 1458, 1725 and 1730 of the *Civil Code of Québec*, CQLR, c. CCQ-1991;
  - (iv) breached articles 37, 38, 40, 41, 53, 54 of the *Consumer Protection Act*, C.Q.L.R. c P-40.1;
  - (v) breached the duty to act in good faith and with honesty in representations and in the performance of obligations, pursuant to articles 6, 7, and 1375 of the *Civil Code of Québec*, C.Q.L.R., c C.C.Q.-1991; and

- (vi) engaged in unfair practices contrary to sections 4 and 5 of the *Business Practices and Consumer Protection Act*, S.B.C. 2004 (“*BPCPA*”); Sections 5 and 6 of the *Consumer Protection Act*, RSA 2000, c. C-26.3; Sections 6 and 7 of *The Consumer Protection and Business Practices Act*, SS, 2013, c C-30.2; Sections 2 and 3 of *The Business Practices Act*, C.C.S.M. c B120; Sections 14(1) and (2) of the *Consumer Protection Act*, 2002, S.O. 2002, c 30, Sch A, and Section 10 of the *Consumer Protection Act*, SNB 2024, c 1; articles 215, 219, and 228 of the *Consumer Protection Act*, C.Q.L.R. c. P-40.1, and are consequently liable to Class Members for damages;
- (d) a declaration that it is not in the interests of justice to require that notice be given, where applicable, under the *BPCPA*; *Consumer Protection Act*, R.S.A. 2000, c. C-26.3; *The Consumer Protection and Business Practices Act*, S.S., 2013, c C-30.2; *The Business Practices Act*, C.C.S.M. c B120; *Consumer Protection Act*, 2002, S.O. 2002, c 30, Sch A; *Consumer Product Warranty and Liability Act*, S.N.B. 1978, c C-18.1; and *Consumer Protection Act*, SNB 2024, c 1; *Consumer Protection Act*, C.Q.L.R. c. P-40.1 and waiving any such applicable notice provisions;
- (e) an Order for the statutory remedies available under the *BPCPA*; *Consumer Protection Act*, R.S.A. 2000, c. C-26.3; *The Consumer Protection and Business Practices Act*, S.S., 2013, c C-30.2; *The Business Practices Act*, C.C.S.M. c B120; *Consumer Protection Act*, 2002, S.O. 2002, c 30, Sch A; *Consumer Product Warranty and Liability Act*, S.N.B. 1978, c C-18.1; *Consumer Protection Act*, SNB 2024, c 1; and article 272 of the *Consumer Protection Act*, C.Q.L.R. c. P-40.1, including damages, cancellation and/or rescission of the purchase and/or lease of the Affected Class Vehicles;
- (f) an Order directing the Defendants, Ford US and Ford Canada, to advertise any adverse findings against it pursuant to section 172(3)(c) of the *BPCPA*; Section 19 of the *Consumer Protection Act*, R.S.A. 2000, c. C-26.3; Section 93(1)(f) of *The Consumer Protection and Business Practices Act*, S.S., 2013, c C-30.2; Section

23(2)(f) of *The Business Practices Act*, C.C.S.M. c B120; Section 18(11) of the *Consumer Protection Act*, 2002, S.O. 2002, c 30, Sch A and Section 15 of the *Consumer Product Warranty and Liability Act*, S.N.B. 1978, c C-18.1; *Consumer Protection Act*, SNB 2024, c 1; and *Consumer Protection Act*, C.Q.L.R. c. P-40.1;

- (g) a declaration that the Defendants, Ford US and Ford Canada, breached sections 36 and/or 52 of the *Competition Act*, R.S.C 1985, c. C-34 (“***Competition Act***”) and are consequently liable to the Plaintiff and Class Members for damages;
- (h) an Order enjoining the Defendants, Ford US and Ford Canada, from continuing their unlawful and unfair business practices as alleged herein;
- (i) a declaration that the Defendants, Ford US and Ford Canada, fraudulently concealed the Transmission Defect in the Affected Class Vehicles from the Plaintiff and Class Members;
- (j) injunctive and/or declaratory relief requiring Defendants, Ford US and Ford Canada, to recall, repair and/or replace the defective Transmission equipped in the Affected Class Vehicles and to fully reimburse and make whole all Class Members for all costs and economic losses associated therewith;
- (k) an order pursuant to section 29 of the *Class Proceeding Act*, R.S.B.C. 1996, c.50 (“***CPA***”) directing an aggregate assessment of damages;
- (l) costs of notice and administering the plan of distribution of the recovery in this action plus applicable taxes pursuant to section 24 of the *CPA*;
- (m) damages, including actual, compensatory, incidental, statutory and consequential damages;
- (n) special damages;
- (o) punitive damages;
- (p) costs of investigation pursuant to section 36 of the *Competition Act*;

(q) pre-judgment and post-judgment interest pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c. 79; and

(r) such further and other relief as to this Honorable Court may seem just.

### **Part 3: LEGAL BASIS**

#### **E. Jurisdiction**

1. There is a real and substantial connection between British Columbia and the facts alleged in this proceeding. The Plaintiff and Class Members plead and rely upon the *Court Jurisdiction and Proceedings Transfer Act*, R.S.B.C. 2003, c.28 ("*CJPTA*") in respect of the Defendants. Without limiting the foregoing, a real and substantial connection between British Columbia and the facts alleged in this proceeding exists pursuant to sections 10 (e)(i), (e)(iii)(A)(B), (f), (g), (h) and (i) of the *CJPTA* because this proceeding:

(e)(i) concerns contractual obligations, to a substantial extent, were to be performed in British Columbia;

(e)(iii)(A)(B) the contract is for the purchase of property, services or both, for use other than in the course of the purchaser's trade or profession, and resulted from a solicitation of business in British Columbia by or on behalf of the seller;

(f) concerns restitutionary obligations that, to a substantial extent, arose in British Columbia;

(g) concerns a tort committed in British Columbia;

(h) concerns a business carried on in British Columbia; and

(i) is a claim for an injunction ordering a party to do or refrain from doing anything in British Columbia.

**F. Causes of Action**

**i. Negligence**

2. The Defendant, Ford, at all material times owed a duty of care to the Plaintiff and Class Members to provide a product that did not have a material, manufacturing, design and/or workmanship defect. The Affected Class Vehicles equipped with the defective Transmission pose a real, substantial and imminent risk of harm, injury and/or death to Class Members.
3. The Defendant, Ford, as the designer, engineer, manufacturer, promoter, marketer and/or distributor of the Affected Class Vehicles, intended for use by ordinary consumers, owed a duty of care to the Plaintiff and Class Members to ensure that the Affected Class Vehicles and their component parts, including the transmission, were reasonably safe for use.
4. At all material times, the Defendant, Ford, owed a duty of care to the Plaintiff and Class Members and breached that standard of care expected in the circumstances. It knew that its Transmission equipped in the Affected Class Vehicles was defective resulting in harsh or delayed engagement and/or harsh or delayed shifting of the transmission gears causing the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affect the driver's ability to control the speed, acceleration and deceleration of the vehicle, and all of which poses a real, substantial and imminent risk of harm, injury and/or death to vehicle occupants.
5. The Defendant, Ford, owed the Plaintiff and Class Members a duty to carefully monitor the safety and post-market performance of the Transmission equipped in the Affected Class Vehicles. The Defendant, Ford, had a duty to warn, or promptly warn, the Plaintiff and Class Members that its Transmission equipped in the Affected Class Vehicles was defective.
6. The circumstances of the Defendant, Ford, being in the business of designing, manufacturing, distributing, selling, leasing and/or placing the Affected Class Vehicles and their component parts, including the vehicle's transmission, into the Canadian stream of commerce are such that the Defendant, Ford, is in a position of legal proximity to the

Plaintiff and Class Members, and therefore is under an obligation to be fully aware of safety when designing, manufacturing, assembling, distributing and/or selling a product such as the Affected Class Vehicles equipped with the defective Transmission.

7. It was reasonably foreseeable that a failure by the Defendant, Ford, to design, manufacturer and/or install a transmission in the Affected Class Vehicles that did not cause harsh or delayed engagement and/or harsh or delayed shifting of the transmission gears, and thereafter to monitor the performance of the transmission following market introduction, and take corrective measures when required, would lead to the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affect the driver's ability to control the speed, acceleration and deceleration of the vehicle.
8. The Defendant, Ford, through its employees, officers, directors, and agents, failed to meet the reasonable standard of care or conduct expected of a vehicle supplier, distributor and/or manufacturer in the circumstances in that:
  - (a) it knew, or ought to have known, about the Transmission Defect in the Affected Class Vehicles and should have timely warned the Plaintiff and Class Members;
  - (b) it designed, developed, manufactured, tested, assembled, marketed, advertised, distributed, supplied, leased and/or sold vehicles equipped with a defective Transmission resulting in harsh or delayed engagement and/or harsh or delayed shifting of the transmission gears causing the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affect the driver's ability to control the speed, acceleration and deceleration of the vehicle;
  - (c) it failed to timely warn the Plaintiff, Class Members and/or consumers about the Transmission Defect in the Affected Class Vehicles resulting in harsh or delayed engagement and/or harsh or delayed shifting of the transmission gears causing the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affect the driver's ability to control the speed, acceleration and deceleration of the vehicle, and all of which poses a real, substantial and imminent risk of harm, injury and/or death to vehicle occupants.

- (d) it failed to change the design, manufacture, material and/or assembly of the defective Transmission equipped in the Affected Class Vehicles in a reasonable and timely manner;
- (e) it failed to redesign the Transmission such that it did not result in harsh or delayed engagement and/or harsh or delayed shifting of the transmission gears;
- (f) it failed to provide a safer alternative transmission equipped in the Affected Class Vehicles that did not result in harsh or delayed engagement and/or harsh or delayed shifting of the transmission gears causing the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears;
- (g) it failed to properly inspect and test the Transmission equipped in the Affected Class Vehicles;
- (h) it knew, or ought to have known, about the Transmission Defect in the Affected Class Vehicles but failed to disclose it;
- (i) it failed to timely issue and implement adequate safety, repair and/or replacement recalls of the Affected Class Vehicles with the defective Transmission;
- (j) the Transmission presented a serious safety hazard to vehicle occupants as the Affected Class Vehicles are prone to shifting harshly and erratically causing the Affected Class Vehicles to shudder, jerk, lunge and hesitate between gears, which severely affect the driver's ability to control the speed, acceleration and deceleration of the vehicle, and all of which poses a real, substantial and imminent risk of harm, injury and/or death to vehicle occupants;
- (k) notwithstanding that it foresaw personal injury and the loss of life and property of the drivers and passengers in the Affected Class Vehicles, it failed or failed to promptly eliminate or correct the Transmission Defect; and
- (l) it failed to exercise reasonable care and judgment in matters of design, manufacture, materials, workmanship, and/or quality of product which would reasonably be expected of them as an automobile supplier, distributor and/or manufacturer.

9. As a result of the Transmission Defect in the Affected Class Vehicles by reason of the Defendant's Ford's, negligence and its failure to disclose and/or adequately warn of the Transmission Defect, the Plaintiff and Class Members have suffered damages and will continue to suffer damages. The value of each of the Affected Class Vehicles is reduced or diminished. The Plaintiff and each Class Member must expend the time to have his/her vehicle repaired and be without their vehicle. The Defendant, Ford, should compensate the Plaintiff and each Class Member for their incurred out-of-pocket expenses for, *inter alia*, replacement, repair, towing, alternative transportation and vehicle payments as a result of the Transmission Defect.

**ii. Breach of Express Warranty**

10. The Plaintiff and Class Members hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.
11. As an express warrantor, manufacturer, distributor, supplier and/or merchant, the Defendant, Ford, had certain obligations to conform the Affected Class Vehicles with the defective Transmission to its express warranties.
12. The Defendant, Ford, marketed, distributed and/or sold the Affected Class Vehicles in Canada, including the Province of British Columbia, as safe and reliable vehicles through authorized dealerships and/or independent retail dealers. Such representations formed the basis of the bargain in the Plaintiff's and Class Members' decisions to purchase and/or lease the Affected Class Vehicles.
13. The Defendant, Ford, offers a "New Vehicle Limited Warranty" for three years or 60,000 kilometers, whichever occurs first.
14. The Defendant, Ford, also offers extended warranty coverage for the powertrain components for five years or 96,000 kilometers, whichever occurs first. This extended warranty coverage includes the transmission and all internal parts, the torque converter, clutch assemblies, valve bodies, transmission housing and transmission mounts.
15. The warranty terms became part of the basis of the bargain when the Plaintiff and Class



Members purchased and/or leased their Affected Class Vehicles.

16. Under express warranties provided to Class Members, the Defendant, Ford, promised to repair or replace covered defective transmission components arising out of defects in materials and/or workmanship, including the Transmission, at no cost to owners and/or lessees of the Affected Class Vehicles.
17. The Defendant, Ford, also marketed the Affected Class Vehicles as high quality, reliable, and safe vehicles and that the Defendant, Ford, would stand behind the quality of its products and promptly repair any defects. These statements helped conceal the existence of the Transmission Defect and its corresponding safety risk from the Plaintiff and Class Members in order to shift the expense of Affected Class Vehicle transmission repairs or replacement to the Plaintiff and Class Members.
18. Under the express warranties provided to the Plaintiff and Class Members, the Defendant, Ford, promised to repair or replace covered components arising out of defects in materials and/or workmanship, including the Transmission Defect, at no cost to owners and/or lessees of Affected Class Vehicles and within a reasonable time. As alleged herein, the Defendant, Ford, breached its express warranties.
19. Class Members experienced the existence of the Transmission Defect within the warranty periods but had no knowledge of the existence of the Transmission Defect and associated safety risk, which were known and concealed by the Defendant, Ford. Despite the existence of the express warranties, the Defendant, Ford, failed to adequately inform the Plaintiff and Class Members that Affected Class Vehicles were equipped with a defective transmission and failed to provide a suitable repair or replacement of the Transmission free of charge within a reasonable time.
20. The failure to provide a suitable repair or replacement of the defective Transmission constitutes futility of the warranty.
21. In addition, the Transmission is substantially certain to prematurely fail or malfunction.
22. The Defendant, Ford, breached its express warranty promising to repair and correct a

manufacturing defect or defect in materials or workmanship of any parts it supplied.

23. The Defendant, Ford, has not suitably repaired or replaced the defective Transmission free of charge for the Plaintiff and Class Members despite the existence of the Transmission Defect in Affected Class Vehicles at the time of sale and/or lease.
24. The Defendant, Ford, further breached its express warranties by selling and/or leasing the Affected Class Vehicles that were defective with respect to transmission materials, component parts, workmanship, and manufacture.
25. Affected Class Vehicles were not of merchantable quality and were unfit for the ordinary purposes for which passenger vehicles are used because the transmission materials, component parts, workmanship, and/or manufacturing defects which cause transmission failure and/or failure to perform as warranted.
26. The Plaintiff and Class Members had sufficient direct dealings with the Defendant, Ford, and its agents and/or its authorized dealerships, to establish privity of contract between the Defendant, Ford, on the one hand, and the Plaintiff and Class Members, on the other hand. Nonetheless, privity is not required here because the Plaintiff and each Class Member are intended third-party beneficiaries of contracts between the Defendant, Ford, and its dealers, and specifically, of its warranties. The authorized dealers were not intended to be the ultimate users of the Affected Class Vehicles and have no rights under the warranty agreements provided with the Affected Class Vehicles; the warranty agreements were designed for and intended to benefit purchasers of the Affected Class Vehicles only.
27. The Defendant, Ford, was provided notice of the Transmission Defect by numerous consumer complaints made to its authorized dealers and through its own testing, affording the Defendant, Ford, a reasonable opportunity to cure its breach of written warranties would be unnecessary and futile here because the Defendant, Ford, has known of and concealed the Transmission Defect and has failed to provide a suitable repair or replacement of the defective Transmission free of charge within a reasonable time.
28. Any attempt by the Defendant, Ford, to disclaim or limit recovery to the terms of the express warranties is unconscionable and unenforceable here. Specifically, the

Defendant's, Ford's, warranty limitation is unenforceable because it knowingly sold a defective product without informing consumers of the Transmission Defect. The time limits incorporated in the Defendant's, Ford's, warranty periods were also unconscionable and inadequate to protect the Plaintiff and Class Members. The Plaintiff and Class Members did not determine these time limitations, the terms of which unreasonably favored the Defendant, Ford. A gross disparity in bargaining power existed between the Defendant, Ford, and Class Members, and the Defendant, Ford, knew or ought to have known that Affected Class Vehicles were defective at the time of sale and/or lease and that the Transmission Defect posed a safety risk.

29. The limited warranty promising to repair and/or correct a manufacturing defect fails in its essential purpose because the contractual remedy is insufficient to make the Plaintiff and Class Members whole because the Defendant, Ford, failed and/or has refused to adequately provide the promised remedies within a reasonable time.
30. The Defendant, Ford, knew that Affected Class Vehicles were inherently defective and did not conform to its warranties and the Plaintiff and Class Members were induced to purchase and/or lease Affected Class Vehicles under false and/or fraudulent pretenses.
31. Class Members experienced the existence of the Transmission Defect within the warranty periods but had no knowledge of the existence of the Transmission Defect which was known and concealed by the Defendant, Ford. Despite the existence of express warranties, the Defendant, Ford, failed to inform the Plaintiff and Class Members that Affected Class Vehicles were equipped with a defective Transmission during the warranty periods and wrongfully transferred the costs of repair or replacement of the Transmission to the Plaintiff and Class Members.
32. As a result of the Transmission Defect, the Affected Class Vehicles are not reliable, and owners and/or lessees of these vehicles have lost confidence in the ability of Affected Class Vehicles to perform the function of safe and reliable transportation.
33. The Plaintiff and Class Members could not have reasonably discovered the Transmission Defect.

34. As a direct and proximate result of the Defendant's, Ford's, breach of express warranties, the Plaintiff and Class Members have suffered damages.
35. Finally, as a result of the Defendant's, Ford's, breach of express warranty as set forth herein, the Plaintiff and Class Members assert, as additional and/or alternative remedies, the revocation of acceptance of goods and the return to the Plaintiff and Class Members the purchase price and/or lease payments of all Affected Class Vehicles currently owned and/or leased, and for such other incidental and consequential damages as allowed.

**iii. Breach of the Implied Warranty or Condition of Merchantability pursuant to SGA and Parallel Provincial Sale of Goods Legislation**

36. The Plaintiff and Class Members hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.
37. The Defendant, Ford, is a "seller" with respect to motor vehicles within the meaning of the *SGA, Sale of Goods Act*, R.S.A. 2000, c. S-2; *Sale of Goods Act*, R.S.S. 1978, c. S-1; *The Sale of Goods Act*, C.C.S.M. 2000, c. S10; *Sale of Goods Act*, R.S.O. 1990, c. S.1; *Sale of Goods Act*, R.S.N.L. 1990, c. S-6 ; *Sale of Goods Act*, R.S.N.S. 1989, c. 408; *Sale of Goods Act*, R.S.N.B. 2016, c. 110; *Sale of Goods Act*, R.S.P.E.I. 1988, c. S-1; *Sale of Goods Act*, R.S.Y. 2002, c. 198; *Sale of Goods Act*, R.S.N.W.T. 1988, c. S-2; and *Sale of Goods Act*, R.S.N.W.T. (Nu) 1988, c. S-2, pursuant to its agency relationship with its authorized dealers, distributors, resellers, retailers and/or intermediaries.
38. The Defendant, Ford, is and was at all relevant times a seller with respect to Affected Class Vehicles equipped with the defective Transmission. The Defendant, Ford, directly sold and marketed vehicles equipped with the defective Transmission to customers through authorized dealers, like those from whom Class Members bought and/or leased their vehicles, for the intended purpose of consumers purchasing the vehicles. The Defendant, Ford, knew that the Affected Class Vehicles equipped with the defective Transmission would and did pass unchanged from the authorized dealers to Class Members, with no modification to the transmission.
39. The Transmission equipped in the Affected Class Vehicles is inherently defective as results

in harsh or delayed engagement and/or harsh or delayed shifting of the Transmission gears causing the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affects the driver's ability to control the speed, acceleration and deceleration of the vehicle, and all of which poses a real, substantial and imminent risk of harm, injury and/or death to vehicle occupants.

40. A warranty that the Affected Class Vehicles were in merchantable condition was implied by law pursuant to sections 18(a) and/or (b) of the *SGA*, sections 16(2) and/or (4) of the *Sale of Goods Act*, R.S.A. 2000, c. S-2; sections 16(1) and (2) of the *Sale of Goods Act*, R.S.S. 1978, c. S-1; sections 16(a) and/or (b) of *The Sale of Goods Act*, C.C.S.M. 2000, c. S10; sections 15(1) and/or (2) of the *Sale of Goods Act*, RSO 1990, c. S.1; sections 16(a) and/or (c) of the *Sale of Goods Act*, R.S.N.L. 1990, c. S-6 ; sections 17(a) and/or (b) of the *Sale of Goods Act*, R.S.N.S. 1989, c. 408; sections 20(a) and/or (b) of the *Sale of Goods Act*, R.S.N.B. 2016, c. 110; sections 16(a) and/or (b) of the *Sale of Goods Act*, R.S.P.E.I. 1988, c. S-1; sections 15(a) and/or (b) of the *Sale of Goods Act*, R.S.Y. 2002, c. 198; sections 18(a) and/or (b) of the *Sale of Goods Act*, R.S.N.W.T. 1988, c. S-2; and sections 18(a) and (b) of the *Sale of Goods Act*, R.S.N.W.T. (Nu) 1988, c. S-2.
41. The Defendant, Ford, marketed, distributed, leased and/or sold the Affected Class Vehicles in Canada, including the Province of British Columbia, as safe and reliable vehicles through authorized dealerships and/or independent retail dealers. Such representations formed the basis of the bargain in Class Members' decisions to purchase and/or lease the Affected Class Vehicles.
42. Affected Class Vehicles equipped with the Transmission were defective at the time they left the possession of the Defendant, Ford. The Defendant, Ford, knew of this defect at the time these transactions occurred. Thus, Affected Class Vehicles equipped with the defective Transmission, when sold and/or leased and at all times thereafter, were not in merchantable condition or quality and were not fit for their ordinary intended purpose.
43. The Plaintiff and Class Members purchased and/or leased the Affected Class Vehicles from the Defendant, Ford, through its subsidiaries, authorized agents for retail sales, through private sellers or were otherwise expected to be the eventual purchasers and/or lessees of

the Affected Class Vehicles when bought and/or leased from a third party. At all relevant times, the Defendant, Ford, was the manufacturer, distributor, warrantor and/or seller of the Affected Class Vehicles. As such, there existed privity and/or vertical privity of contract between the Plaintiff and Class Members and the Defendant, Ford, as to its Affected Class Vehicles. Alternatively, privity of contract need not be established nor is it required because the Plaintiff and Class Members are intended third-party beneficiaries of contracts between the Defendant, Ford, and its resellers, authorized dealers and/or distributors and, specifically, of the Defendant's Ford's, implied warranties.

44. The Defendant's, Ford's, resellers, authorized dealers and/or distributors are intermediaries between the Defendant, Ford, and consumers. These intermediaries sell the Affected Class Vehicles to consumers and are not, themselves, consumers of the Affected Class Vehicles and, therefore, have no rights against the Defendant, Ford, with respect to the Plaintiff's and Class Members' acquisition of the Affected Class Vehicles. The Defendant's, Ford's, warranties were designed to influence consumers who purchased and/or leased the Affected Class Vehicles.
45. The Defendant, Ford, knew or had reason to know of the specific use for which the Affected Class Vehicles were purchased and/or leased.
46. As a result of the Transmission Defect, the Affected Class Vehicles were not in merchantable condition when sold and/or leased and are not fit for the ordinary purpose of providing safe and reliable transportation.
47. The Defendant, Ford, knew about the Transmission Defect in the Affected Class Vehicles, allowing it to cure its breach of warranty if it chose to do so.
48. At all times that the Defendant, Ford, warranted, leased and/or sold its Affected Class Vehicles, it knew or should have known that its warranties were false and yet it did not disclose the truth or stop manufacturing or selling its Affected Class Vehicles and, instead, continued to issue false warranties and continued to insist the products were safe. The Affected Class Vehicles were defective when the Defendant, Ford, delivered them to its resellers, authorized dealers and/or distributors which leased and/or sold the Affected Class

Vehicles and the Affected Class Vehicles were, therefore, still defective when they reached Plaintiff and Class Members.

49. The Defendant's, Ford's, attempt to disclaim or limit the implied warranty of merchantability vis-à-vis the Plaintiff, Class Members and/or consumers is unconscionable and unenforceable. Specifically, the Defendant's, Ford's, warranty limitation is unenforceable because it knowingly sold and/or leased a defective product without informing the Plaintiff, Class Members and/or consumers about the Transmission Defect in the Affected Class Vehicles. The time limits contained in the Defendant's, Ford's, warranty periods were also unconscionable and inadequate to protect the Plaintiff and Class Members. Among other things, the Plaintiff and Class Members had no meaningful choice in determining these time limitations, the terms of which unreasonably favored the Defendant, Ford. A gross disparity in bargaining power existed between the Defendant, Ford, and the Plaintiff and Class Members, and the Defendant, Ford, knew that the Affected Class Vehicles were equipped with a defective Transmission which results in harsh or delayed engagement and/or harsh or delayed shifting of the Transmission gears causing the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affects the driver's ability to control the speed, acceleration and deceleration of the vehicle.
50. The Plaintiff and Class Members have complied with all obligations under the warranty or otherwise have been excused from performance of said obligations as a result of the Defendant's, Ford's, conduct alleged herein. Affording the Defendant, Ford, a reasonable opportunity to cure its breach of written warranties, therefore, would be unnecessary and futile.
51. As a direct and proximate result of the Defendant's, Ford's, breach of implied warranties or conditions of merchantability, the Plaintiff and Class Members have suffered loss, diminution and/or damage as a result of the Transmission Defect in the Affected Class Vehicles pursuant to sections 56 of the *SGA*, section 52 of the *Sale of Goods Act*, R.S.A. 2000, c. S-2; section 52 of the *Sale of Goods Act*, R.S.S. 1978, c. S-1; section 54 of *The Sale of Goods Act*, C.C.S.M. 2000, c. S10; section 51 of the *Sale of Goods Act*, R.S.O.

1990, c. S.1; section 54 of the *Sale of Goods Act*, R.S.N.L. 1990, c. S-6 ; section 54 of the *Sale of Goods Act*, R.S.N.S. 1989, c. 408; section 67 of the *Sale of Goods Act*, R.S.N.B. 2016, c. 110; section 53 of the *Sale of Goods Act*, R.S.P.E.I. 1988, c. S-1; section 60 of the *Sale of Goods Act*, R.S.Y. 2002, c. 198; section 60 of the *Sale of Goods Act*, R.S.N.W.T. 1988, c. S-2; and section 60 of the *Sale of Goods Act*, R.S.N.W.T. (Nu) 1988, c. S-2.

**iv. Violation of *BPCPA* and Parallel Provincial Consumer Protection Legislation**

52. The Plaintiff and Class Members in British Columbia hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.
53. The Defendant, Ford, is in British Columbia for the purposes of the *BPCPA*, and in provinces with parallel consumer protection legislation, as described in **Schedule “A”**.
54. The Affected Class Vehicles are consumer “goods” within the meaning of section 1(1) of the *BPCPA*, and in provinces with parallel consumer protection legislation, as described in **Schedule “A”**.
55. Class Members in British Columbia who purchased and/or leased the Affected Class Vehicles primarily for personal, family or household purposes, and not for resale or for the purposes of carrying on business, are “consumers” within the meaning of section 1(1) of the *BPCPA*, and provinces with parallel consumer protection legislation, as described in **Schedule “A”**.
56. The purchase and/or lease of the Affected Class Vehicles by Class Members in British Columbia for personal, family or household purposes, and not for resale or for carrying on business constitutes a “consumer transaction” within the meaning of section 1(1) of the *BPCPA*, and provinces with parallel consumer protection legislation, as described in **Schedule “A”**.
57. The Defendant, Ford, is a “supplier” within the meaning of section 1(1) of the *BPCPA*, and in provinces with parallel consumer protection legislation, as described in **Schedule “A”**, as it carried on business in British Columbia and who in the course of business participated in a consumer transaction by: (i) supplying goods to a consumer, or (ii)



soliciting, offering, advertising or promoting with respect to a consumer transaction, whether or not privity of contract exists between that person and the consumer, and includes an assignee of, any rights or obligations of the supplier under the *BPCPA*. The Defendant, Ford, is the vehicle supplier and/or manufacturer of the Affected Class Vehicles and distributes, markets and/or supplies such vehicles to consumers including Class Members in British Columbia. At all relevant times, the Defendant, Ford, was a supplier and/or seller of the Affected Class Vehicles as its resellers, authorized dealers and/or distributors were acting as the agents of the Defendant, Ford.

58. By failing to disclose and actively concealing the Transmission Defect in the Affected Class Vehicles, the Defendant, Ford, engaged in unfair and deceptive trade practices prohibited by sections 4 and 5 of the *BPCPA*, and provinces with parallel consumer protection legislation, as described in **Schedule "A"**. The Defendant, Ford, knew that the Affected Class Vehicles equipped with a defective transmission resulting in harsh or delayed engagement and/or harsh or delayed shifting of the Transmission gears causing the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affects the driver's ability to control the speed, acceleration and deceleration of the vehicle, and all of which poses a real, substantial and imminent risk of harm, injury and/or death to vehicle occupants. The Defendant, Ford, made misleading statements or omissions concerning the Transmission Defect, but yet failed to adequately warn consumers.
59. As alleged herein, the Defendant, Ford, made misleading representations and omissions concerning the safety, reliability, enhanced responsiveness and performance of the Transmission equipped in the Affected Class Vehicles.
60. In purchasing and/or leasing the Affected Class Vehicles, Class Members were deceived by the Defendant's, Ford's, failure to disclose its knowledge of the Transmission Defect and associated safety risk.
61. In particular, the Defendant, Ford, engaged in a pattern of unfair or deceptive acts or practices in failing to disclose to Class Members that the Affected Class Vehicles were equipped with a defective Transmission resulting in harsh or delayed engagement and/or

harsh or delayed shifting of the Transmission gears causing the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affects the driver's ability to control the speed, acceleration and deceleration of the vehicle, and all of which poses a real, substantial and imminent risk of harm, injury and/or death to vehicle occupants, and ending in a costly repair and/or replacement process that the Defendant, Ford, will not cover, as follows:

- (a) failing to disclose that the Affected Class Vehicles equipped with the defective Transmission were not of a particular standard, quality, or grade;
- (b) failing to disclose before, during and/or after the time of purchase, lease and/or repair, any and all known material defects or material nonconformity of the Affected Class Vehicles, including the Transmission Defect;
- (c) failing to disclose at the time of purchase and/or lease that the Affected Class Vehicles, including the defective Transmission, were not in good working order, defective, not fit for their intended, and ordinary purpose, and created a real and substantial danger or harm to occupants of the Affected Class Vehicles;
- (d) failing to give adequate warnings and/or notices regarding the use, defects, and problems with the defective Transmission in the Affected Class Vehicles' to consumers who purchased and/or leased the Affected Class Vehicles, even though the Defendant, Ford, possessed exclusive knowledge of the inherent defect in the Transmission equipped in the Affected Class Vehicles before and at the time of purchase and/or lease;
- (e) failing to disclose, either through warnings and/or recall notices, and/or actively concealing, the fact that the Transmission equipped in the Affected Class Vehicles was defective, even though the Defendant, Ford, knew about the Transmission Defect; and
- (b) representing that the Transmission Defect in the Affected Class Vehicles would be covered under its warranty program.

62. In purchasing and/or leasing the Affected Class Vehicles, Class Members in British Columbia were deceived by the Defendant's, Ford's, failure to disclose its exclusive knowledge that the defective Transmission equipped in the Affected Class Vehicles results in harsh or delayed engagement and/or harsh or delayed shifting of the Transmission gears causing the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affects the driver's ability to control the speed, acceleration and deceleration of the vehicle, and all of which poses a real, substantial and imminent risk of harm, injury and/or death to vehicle occupants.
63. By failing to disclose and actively concealing the Transmission Defect, the Defendant, Ford, engaged in unfair or deceptive acts or practices prohibited by sections 4 and 5 of the *BPCPA*, and parallel provincial consumer protection legislation, as described in **Schedule "A"**.
64. Further, as alleged herein, the Defendant, Ford, made misleading representations and/or omissions concerning the safety, reliability, enhanced responsiveness and performance of the Transmission in the Affected Class Vehicles by:
  - (a) publishing Owners' Manuals that made materially misleading omissions as to claims of safety, high quality and dependability but which uniformly omitted any warning to consumers that the Affected Class Vehicles were equipped with a defective Transmission which results in harsh or delayed engagement and/or harsh or delayed shifting of the Transmission gears causing the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affects the driver's ability to control the speed, acceleration and deceleration of the vehicle, and all of which poses a real, substantial and imminent risk of harm, injury and/or death to vehicle occupants;
  - (b) advertisements which uniformly omitted any information about the Transmission Defect, and which misled consumers into believing that the Transmission would function properly; and
  - (c) emphasizing and extolling in brochures and press releases that the Affected Class

Vehicles equipped with the defective Transmission were safe, dependable, of the highest quality and with exceptional capability.

65. The Defendant's, Ford's, conduct as alleged herein was, and is, in violation of sections 4 and 5 of the *BPCPA*, and parallel provincial consumer protection legislation, as described in **Schedule "A"**, in particular, by:
  - (a) representing that the Affected Class Vehicles, including its Transmission, were defect-free and did not pose a safety hazard, which it did not;
  - (b) representing that the Affected Class Vehicles, including its Transmission, were of a particular standard, quality or grade, when they were not;
  - (c) advertising the Affected Class Vehicles, including its Transmission, with the intent not to sell them as advertised; and
  - (d) representing that the Affected Class Vehicles, including its Transmission, have been supplied in accordance with a previous representation as to safety, reliability, enhanced responsiveness and performance, when they have not.
66. In purchasing and/or leasing the Affected Class Vehicles, Class Members in British Columbia were deceived by the Defendant's, Ford's, failure to disclose its exclusive knowledge of the Transmission and/or its representations made as to safety, reliability, enhanced responsiveness and performance of the Transmission equipped in the Affected Class Vehicles in its sales brochure materials, manuals, press releases and/or websites.
67. The Defendant, Ford, intentionally and knowingly misrepresented and omitted material facts regarding its Affected Class Vehicles, specifically regarding the Transmission Defect, with an intent to mislead Class Members.
68. In purchasing and/or leasing the Affected Class Vehicles, Class Members were deceived by the Defendant's, Ford's, failure to disclose its knowledge of the Transmission Defect and associated safety risk.
69. Class Members had no way of knowing of the Defendant's, Ford's, representations were

false, misleading and incomplete or knowing the true nature of the Transmission Defect in the Affected Class Vehicles. As alleged herein, the Defendant, Ford, engaged in a pattern of deception in the face of a known transmission defect in the Affected Class Vehicles. Class Members did not, and could not, unravel the Defendant's, Ford's, deception on their own.

70. The Defendant, Ford, knew, or ought to have known, that its conduct violated sections 4 and 5 of the *BPCPA*, and parallel provincial consumer protection legislation, as described in **Schedule "A"**.
71. The Defendant, Ford, owed Class Members a duty to disclose the truth about the Transmission Defect in the Affected Class Vehicles as it created a serious safety hazard and the Defendant, Ford:
  - (a) possessed exclusive knowledge of the Transmission Defect in the Affected Class Vehicles;
  - (b) intentionally concealed the foregoing from Class Members; and/or
  - (c) failed to warn consumers or to publicly admit that the Affected Class Vehicles had a transmission defect.
72. The Defendant, Ford, had a duty to disclose that the Transmission equipped in the Affected Class Vehicles was fundamentally flawed as described herein because it created a serious safety hazard and Class Members relied on the Defendant's, Ford's, material misrepresentations and omissions regarding the Affected Class Vehicles and the Transmission Defect.
73. The Defendant's, Ford's, conduct proximately caused injuries to Class Members that purchased and/or leased the Affected Class Vehicles and suffered harm as alleged herein.
74. Class Members were injured and suffered ascertainable loss, injury-in-fact and/or actual damage as a proximate result of the Defendant's, Ford's, conduct in that Class Members incurred costs related the Transmission Defect including, *inter alia*, repair, service and/or replacement costs, rental car costs and overpaid for their Affected Class Vehicles that have

suffered a diminution in value.

75. The Defendant's, Ford's, violations cause continuing injuries to Class Members. The Defendant's, Ford's, unlawful acts and practices complained of herein affect the public interest.
76. The Defendant, Ford, knew of the defective transmission equipped in the Affected Class Vehicles and which were materially compromised by the Transmission Defect.
77. The facts concealed and omitted by the Defendant, Ford, from Class Members are material in that a reasonable consumer would have considered them to be important in deciding whether to purchase an Affected Class Vehicle or pay a lower price. Had Class Members known about the defective nature of the Transmission equipped in the Affected Class Vehicles, they would not have purchased and/or leased the Affected Class Vehicles or would not have paid the prices they paid.
78. Class Members' injuries were directly or proximately caused by the Defendant's, Ford's, unlawful and deceptive business practices.
79. As a result of the Defendant's, Ford's, conduct as alleged herein, Class Members in British Columbia are entitled to a declaration under section 172(1)(a) of the *BPCPA* that an act or practice engaged in by the Defendant, Ford, in respect to the purchase and/or lease of the Affected Class Vehicles contravenes the *BPCPA*, an injunction under section 172(1)(b) of the *BPCPA* to restrain such conduct and/or damages under section 171 of the *BPCPA*, and to such remedies under parallel provincial consumer protection legislation, as described in **Schedule "A"**.
80. Class Members in British Columbia are entitled, to the extent necessary, a waiver of any notice requirements under section 173(1) the *BPCPA*, and parallel provincial consumer protection legislation, as described in **Schedule "A"**, as a result of the Defendant's, Ford's, failure to disclose and/or actively conceal the Transmission Defect from Class Members in British Columbia and its misrepresentations as to safety, reliability, enhanced responsiveness and performance of the Transmission equipped in the Affected Class Vehicles.

**v. Breach of the *Competition Act***

81. The Plaintiff and Class Members hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.
82. By making representations to the public as to safety, reliability, enhanced responsiveness and performance of the Transmission equipped in the Affected Class Vehicles, the Defendant, Ford, breached sections 36 and/or 52 of the *Competition Act*, in that its representations:
  - (a) were made to the public in the form of advertising brochures, manuals, statements and/or other standardized statements as to safety, reliability, enhanced responsiveness and performance of the Transmission equipped in the Affected Class Vehicles;
  - (b) were made to promote the supply or use of a product or for the purpose of promoting its business interests;
  - (c) stated safety of the Affected Class Vehicles; and
  - (d) were false and misleading in a material respect.
83. At all relevant times, the Defendant, Ford, was the seller and/or supplier of the Affected Class Vehicles. As such, there existed contractual privity and/or vertical privity of contract between the Plaintiff and Class Members and the Defendant, Ford, as to the Affected Class Vehicles as its resellers, authorized dealers and/or distributors at all material times were acting as the agents of the Defendant, Ford.
84. The Defendant, Ford, engaged in unfair competition and unfair or unlawful business practices through the conduct, statements and omissions described herein and by knowingly and intentionally concealing the Transmission Defect in the Affected Class Vehicles from Plaintiff and Class Members, along with concealing the safety risks, costs, and monetary damage resulting from the Transmission Defect. The Defendant, Ford, should have disclosed this information because it was in a superior position to know the true facts related to the Transmission Defect and Plaintiff and Class Members could not

reasonably be expected to learn or discover the true facts related to the Transmission Defect.

85. The Transmission Defect in the Affected Class Vehicles constitutes a serious safety issue. The Defendant, Ford, knew that the Affected Class Vehicles equipped with the defective Transmission which results in harsh or delayed engagement and/or harsh or delayed shifting of the Transmission gears causing the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affects the driver's ability to control the speed, acceleration and deceleration of the vehicle, and all of which poses a real, substantial and imminent risk of harm, injury and/or death to vehicle occupants, which triggered the Defendant's, Ford's, duty to disclose the safety issue to consumers.
86. These acts and practices have deceived the Plaintiff and Class Members. In failing to disclose the Transmission Defect and suppressing other material facts from the Plaintiff and Class Members, the Defendant, Ford, breached its duty to disclose these facts, violated the *Competition Act* and caused damage to the Plaintiff and Class Members. The Defendant's, Ford's, omissions and concealment pertained to information that was material to the Plaintiff and Class Members, as it would have been to all reasonable consumers.
87. Further, the Plaintiff and Class Members relied upon the Defendant's Ford's, misrepresentations as to safety, reliability, enhanced responsiveness and performance of the Transmission equipped in the Affected Class Vehicles to their detriment in purchasing and/or leasing the Affected Class Vehicles so as to cause loss and/or damage to the Plaintiff and Class Members.
88. The Plaintiff and Class Members have, therefore, suffered damages and are entitled to recover damages pursuant to section 36(1) and/or 52 of the *Competition Act*.

**vi. Fraudulent Concealment**

89. The Plaintiff and Class Members hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.
90. The Defendant, Ford, intentionally and knowingly concealed, suppressed, and/or omitted



material facts including the standard, quality, or grade of class vehicles and the fact that Affected Class Vehicles contain a transmission defect and corresponding safety risk, with the intent that the Plaintiff and Class Members rely on these omissions. As a direct result of this fraudulent conduct, the Plaintiff Class Members have suffered actual damages.

91. The Defendant, Ford, knew (at the time of sale and thereafter) as a result of pre-release testing that Affected Class Vehicles incorporated the Transmission Defect, concealed the Transmission Defect and never intended to repair or replace the Transmission during the warranty periods. To date, the Defendant, Ford, has not provided Class Members with a adequate repair and/or remedy for the Transmission Defect.
92. The Defendant, Ford, owed a duty to disclose the Transmission Defect and its corresponding safety risk to the Plaintiff and Class Members because the Defendant, Ford, possessed superior and exclusive knowledge concerning the Transmission Defect. The Defendant, Ford, had a duty to disclose any information relating to the safety, reliability, enhanced responsiveness and performance of the Transmission equipped in the Affected Class Vehicles, because it consistently marketed Affected Class Vehicles as safe.
93. As the Defendant, Ford, made representations to the public concerning the safety, reliability, enhanced responsiveness and performance of the Transmission equipped in the Affected Class Vehicles, it was under a duty to disclose the omitted facts as to the Transmission Defect. Rather than disclose the Transmission Defect, the Defendant, Ford, intentionally and knowingly concealed, suppressed, and/or omitted material facts including the standard, quality, or grade of the Affected Class Vehicles and the presence of the Transmission Defect and corresponding safety risk, to sell additional Affected Class Vehicles and avoid the cost of repair or replacement of the Transmission.
94. No reasonable consumer expects a vehicle to contain a concealed defect in manufacture, materials, or workmanship, such as the Transmission Defect, that will lead to thousands of dollars in repair or replacement costs.
95. The Defendant, Ford, intended to conceal the material facts concerning the Transmission Defect with the intent to deceive. This intent was manifested by Defendant, Ford,

concealing the Transmission Defect from prospective purchasers, owners and/or lessees during the warranty period while issuing a TSBs to its dealers and repair technicians. The Defendant, Ford, benefitted by concealing the Transmission Defect in that it could charge a higher price premium by concealing the information and were therefore motivated to do so.

96. The Plaintiff and Class Members would not have purchased and/or leased the Affected Class Vehicles but for the Defendant's, Ford's, omissions and concealment of material facts concerning the nature and quality of Affected Class Vehicles and existence of the Transmission Defect and corresponding safety risk or would have paid less for the Affected Class Vehicles. The Defendant, Ford, knew its concealment and suppression of material facts was false and misleading and knew the effect of concealing those material facts. The Defendant, Ford, knew its concealment and suppression of the Transmission Defect would sell more Affected Class Vehicles and would discourage the Plaintiff and Class Members from seeking replacement or repair of the Transmission during the applicable warranty periods. The Defendant, Ford, intended to induce the Plaintiff and Class Members into purchasing and/or leasing the Affected Class Vehicles and to discourage them from seeking replacement or repair of the Transmission Defect in order to decrease costs and increase profits.
97. The Defendant, Ford, acted with malice, oppression, and fraud.
98. The Plaintiff and Class Members reasonably relied upon the Defendant's, Ford's, knowing concealment and omissions. As a direct and proximate result of the Defendant's, Ford's, omissions and active concealment of material facts concerning the Transmission.
99. As a result of the Transmission Defect and associated safety risk, the Plaintiff and Class Members suffered actual damages in an amount to be determined at trial.

**vii. Tolling of the *Limitation Act*, S.B.C. 2012, c. 13 ("*Limitation Act*")**

100. The Plaintiff and Class Members had no way of knowing about the Transmission Defect in the Affected Class Vehicles. The Defendant, Ford, concealed its knowledge of the Transmission Defect while continuing to market, sell and/or lease, the Affected Class

Vehicles equipped with the defective Transmission.

101. Within the *Limitation Act*, and to equivalent legislative provisions in the rest of Canada as described in **Schedule “B”**, the Plaintiff and Class Members could not have discovered through the exercise of reasonable diligence that the Defendant, Ford, was concealing the conduct complained of herein and misrepresenting the true qualities of the Affected Class Vehicles, in particular the Transmission.
102. The Plaintiff and Class Members did not know facts that would have caused a reasonable person to suspect or appreciate that there was a defect in the Transmission equipped in the Affected Class Vehicles.
103. For these reasons, the *Limitation Act*, and to equivalent legislative provisions in the rest of Canada, as described in **Schedule “B”**, has been tolled by operation of the discovery rule with respect to the claims in this proposed class proceeding.
104. Further, due to Defendant’s, Ford’s, knowledge and active concealment of the Transmission Defect throughout the time period relevant to this proposed class proceeding, the *Limitation Act*, and to equivalent legislative provisions in the rest of Canada as described in **Schedule “B”** has been tolled.
105. Instead of publicly disclosing the Transmission Defect in the Affected Class Vehicles, the Defendant, Ford, kept the Plaintiff and Class Members in the dark as to the Transmission Defect and the serious safety hazard it presented.
106. The Defendant, Ford, was under a continuous duty to disclose to the Plaintiff and Class Members the existence of the Transmission Defect in the Affected Class Vehicles.
107. The Defendant, Ford, knowingly, affirmatively and actively concealed or recklessly disregarded the true nature, high quality, character and safety of the Affected Class Vehicles, in particular the Transmission.
108. As such, the Defendant, Ford, is estopped from relying on the *Limitation Act*, and equivalent legislative provisions in the rest of Canada as described in **Schedule “B”**, in defense of this proposed class proceeding.

Plaintiff's(s') address for service:

Dusevic & Garcha  
Barristers & Solicitors  
#210 - 4603 Kingsway  
Burnaby, BC V5H 4M4  
Canada

Fax number address for service (if any):

(604) 436-3302

E-mail address for service (if any):

[ksgarcha@dusevicgarchalaw.ca](mailto:ksgarcha@dusevicgarchalaw.ca)

Place of trial:

Vancouver, BC, Canada

The address of the registry is:

800 Smithe Street  
Vancouver, BC V6Z 2E1  
Canada

Dated: June 13, 2025

A handwritten signature in black ink, appearing to read 'K. Garcha', written over a horizontal line.

Signature of K.S. Garcha  
lawyer for plaintiff(s)

## Schedule "A"

### Consumer Protection Legislation Across Canada

Province or Territory	Legislation
Alberta	<p><i>Consumer Protection Act</i>, RSA 2000, c. C-26.3</p> <p>"Goods"- Section 1(1)(e)(i);  "Consumers"- Section 1(1)(b)(i);  "Consumer Transaction" - Section 1(1)(c)(i);  "Supplier" - Section 1(1)(i),(ii) and/or (iii);  "Unfair Practices" - Sections 5 and 6;  Statutory Remedies - Sections 13(1), (2) and 142.1; and  Waiver of Notice - Section 7.1(1)</p>
Saskatchewan	<p><i>The Consumer Protection and Business Practices Act</i>, SS 2014, c. C-30.2</p> <p>"Goods" - Section 2(e);  "Consumer" - Section 2(b);  "Supplier" - Section 2(i);  "Unfair Practices" - Sections 6 and 7; and  Statutory Remedies - Section 93</p>
Manitoba	<p><i>Consumer Protection Act</i>, CCSM c. C200</p> <p>"Goods" - Section 1;  "Consumer" - Section 1;  "Consumer Transaction" - Section 1;  "Supplier" - Section 1;  "Unfair Business Practices" - Sections 2(1) and (3); and  Statutory Remedies - 23(2)(a) and (b)</p>
Ontario	<p><i>Consumer Protection Act</i>, 2002, SO 2002, c. 30, Sch. A</p> <p>"Goods" - Section 1;  "Consumer" - Section 1;  "Supplier" - Section 1;  "Unfair Practices"- Sections 14(1) and (2);  Statutory Remedies - Sections 18(1) and (2); and  Waiver of Notice - Sections 18(3) and (15)</p>

Province or Territory	Legislation
New Brunswick	<p><i>Consumer Product Warranty and Liability Act</i>, SNB 1978, c. C-18.1</p> <p>“Consumer Product” - Section 1(1);  “Buyer” - Section 1(1);  “Contract for the sale or supply of a consumer product” - Section 1(1); and  “Seller” - Section 1(1);</p> <p><i>Consumer Protection Act</i>, SNB 2024, c1</p> <p>“Consumer” – Section 1;  “Consumer Agreement” – Section 1;  “Consumer Transaction” – Section 1; and  “Unfair Practices” – Part 2, Section 10</p>
Québec	<p><i>Consumer Protection Act</i>, CQLR c. P-40.1</p> <p>“Goods” - Article 1(d);  “Consumer” - Article 1(e);  “Manufacturer” - Article 1(g); and  “Merchant” - Article 1</p>

**Schedule “B”**

**Limitation Act Legislation Across Canada**

<b>Province or Territory</b>	<b>Legislation</b>
Alberta	<i>Limitations Act</i> , RSA 2000, c. L-12
Saskatchewan	<i>The Limitations Act</i> , SS 2004, c. L-16.1
Manitoba	<i>The Limitation of Actions Act</i> , CCSM c. L150
Ontario	<i>Limitations Act</i> , 2002, SO 2002, c. 24, Sch. B
Newfoundland and Labrador	<i>Limitations Act</i> , SNL 1995, c. L-16.1
Nova Scotia	<i>Limitation of Actions Act</i> , SNS 2014, c. 35
New Brunswick	<i>Limitation of Actions Act</i> , SNB 2009, c. L-8.5
Prince Edward Island	<i>Statute of Limitations</i> , RSPEI 1988, c. S-7
Yukon	<i>Limitation of Actions Act</i> , RSY 2002, c. 139
Northwest Territories	<i>Limitation of Actions Act</i> , RSNWT 1988, c. L-8
Nunavut	<i>Limitation of Actions Act</i> , RSNWT (Nu) 1988, c. L-8
Québec	<i>Civil Code of Québec</i> , CQLR, c. C-1991, art. 2908

**ENDORSEMENT ON ORIGINATING PLEADING OR PETITION FOR SERVICE OUTSIDE BRITISH COLUMBIA**

There is a real and substantial connection between British Columbia and the facts alleged in this proceeding. The Plaintiff and the Class Members plead and rely upon the *Court Jurisdiction and Proceedings Transfer Act* R.S.B.C. 2003 c.28 (the "*CJPTA*") in respect of these Defendants. Without limiting the foregoing, a real and substantial connection between British Columbia and the facts alleged in this proceeding exists pursuant to sections 10(e)(i), (iii)(a) & (b), (f), (g), (h) and (I) of the *CJPTA* because this proceeding:

- (e)(i) concerns contractual obligations to a substantial extent, were to be performed in British Columbia:
- (e) (iii)(a) & (b) the contract is for the purchase of property, services or both, for use other than in the course of the purchaser's trade or profession, and resulted from a solicitation of business in British Columbia by or on behalf of the seller;
- (f) concerns restitutionary obligations that, to a substantial extent, arose in British Columbia;
- (g) concerns a tort committed in British Columbia;
- (h) concerns a business carried on in British Columbia;
- (i) is a claim for an injunction ordering a party to do or refrain from doing anything in British Columbia.



## Appendix

*[The following information is provided for data collection purposes only and is of no legal effect.]*

### **Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:**

The within proposed auto defect liability multi-jurisdictional class proceeding involves certain Ford vehicles, engineered, designed, manufactured, assembled, tested, marketed, distributed, supplied, leased and/or sold by the Defendants, Ford Motor Company and Ford Motor Company of Canada, in Canada, including the Province of British Columbia, equipped with either the 10R60 or 10R80 transmissions (collectively, the “**Transmission**”) that contain one or more design and/or manufacturing defects. In particular, the defects in the Transmissions are caused by: (1) axial movement of the triple-clutch assembly within the cylinder sleeve; (2) internal oil cross-leakages, sticking of the valves, and solenoid failures in the valve body; (3) issues with the adaptive transmission shift learning strategy employed by the transmission control module; and/or (4) miscalibration of the solenoid identification strategy (the “**Transmission Defect**”). The Transmission Defect results in harsh or delayed engagement and/or harsh or delayed shifting of the Transmission gears which causes the Affected Class Vehicles to shudder, jerk, lunge, clunk and hesitate between gears, which severely affect the driver’s ability to control the speed, acceleration and deceleration of the vehicle, and all of which poses a real, substantial and imminent risk of harm, injury and/or death to vehicle occupants.

### **Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:**

A personal injury arising out of:

- ☐ motor vehicle accident
- ☐ medical malpractice
- ☐ another cause

A dispute concerning:

- ☐ contaminated sites
- ☐ construction defects
- ☐ real property (real estate)
- ☐ personal property
- ☐ the provision of goods or services or other general commercial matters
- ☐ investment losses
- ☐ the lending of money
- ☐ an employment relationship
- ☐ a will or other issues concerning the probate of an estate
- ☒ a matter not listed here

### **Part 3: THIS CLAIM INVOLVES:**

- ☒ a class action
- ☐ maritime law

- ☐ aboriginal law
- ☐ constitutional law
- ☐ conflict of laws
- ☐ none of the above
- ☐ do not know

**Part 4:**

1. *Class Proceedings Act*, R.S.B.C. 1996, c. 50
2. *Court Jurisdiction and Proceedings Transfer Act*, R.S.B.C. 2003 c. 28
3. *Business Practices and Consumer Protection Act*, S.B.C. 2004; *Consumer Protection Act*, RSA 2000, c. C-26.3; *The Consumer Protection and Business Practices Act*, SS, 2014, c C-30.2; *The Business Practices Act*, CCSM c B120; *Consumer Protection Act*, 2002, SO 2002, c 30, Sch A; *Consumer Product Warranty and Liability Act*, and SNB 1978, c C-18.1; *Consumer Protection Act*, CQLR c. P-40.1
4. *Sale of Goods Act*, R.S.B.C 1996, c. 410; *Sale of Goods Act*, RSA 2000, c. S-2; *Sale of Goods Act*, RSS 1978, c. S-1; *The Sale of Goods Act*, CCSM 2000, c. S10; *Sale of Goods Act*, RSO 1990, c. S.1; *Sale of Goods Act*, RSNL 1990, c. S-6 ; *Sale of Goods Act*, RSNS 1989, c. 408; *Sale of Goods Act*, RSNB 2016, c. 110; *Sale of Goods Act*, RSPEI 1988, c. S-1; *Sale of Goods Act*, RSY 2002, c. 198; *Sale of Goods Act*, RSNWT 1988, c. S-2; and *Sale of Goods Act*, RSNWT (Nu) 1988, c. S-2; and *Consumer Protection Act*, CQLR c. P-40.1
5. *Motor Vehicle Safety Act* , R.S.C. 1993, c.16
6. *Motor Vehicle Safety Regulations*, C.R.C., c. 1038
7. Federal Motor Vehicle Safety Standard, *United States Code of Federal Regulations*, Title 49, Part 571
8. *Court Order Interest Act*, R.S.B.C., c. 79
9. *Competition Act*, R.S.C 1985, c. C-34
10. *Limitation Act*, S.B.C. 2012, c.13; *Limitations Act*, RSA 2000, c. L-12; *The Limitations Act*, SS 2004, c. L-16.1; *The Limitations Act*, SS 2004, c. L-16.1; *The Limitation of Actions Act*, CCSM c. L150; *Limitations Act*, 2002, SO 2002, c. 24, Sch. B; *Limitations Act*, SNL 1995, c. L-16.1; *Limitation of Actions Act*, SNS 2014, c. 35; *Limitation of Actions Act*, SNB 2009, c. L-8.5; *Statute of Limitations*, RSPEI 1988, c. S-7; *Limitation of Actions Act*, RSY 2002, c. 139; *Limitation of Actions Act*, RSNWT 1988, c. L-8; *Limitation of Actions Act*, RSNWT (Nu) 1988, c. L-8; and *Civil Code of Quebec*, CQLR, c. C-1991, art. 2908