

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

If You Have Ever Owned Or Leased A BMW

**X5 (2019-2022), X5M (2020-2022), X6 (2020-2022),
X6M (2020-2022), or X7 (2019-2022)**

You May Be Entitled To Benefits Under This Proposed Class Action Settlement.

Please Read This Notice Carefully, As It Affects Your Legal Rights.

The U.S. District Court for the Central District of California, authorized this notice.

This is not a solicitation from a lawyer.

*Para obtener este aviso al grupo afectado en español, visite el sitio web del acuerdo en
www.warninglightspillsettlement.com*

- ❖ There is a proposed settlement in a class action lawsuit against BMW of North America, LLC (“BMW NA”). This lawsuit alleges that the front cupholders in BMW X5 (2019-2022) (G05), BMW X5M (2020-2022) (F95), BMW X6 (2020-2022) (G06), BMW X6M (2020-2022) (F96), or BMW X7 (2019-2022) (G07) vehicles (together “**Class Vehicles**”) are permeable to spilled liquids. Thus, Plaintiff claims that if liquid spills from cups in or around the Class Vehicles’ cupholders, it may seep through the cupholders onto components below, which in turn may result in illumination of the Supplemental Restraint System (“SRS”) warning light.
- ❖ The proposed settlement resolves claims by current and former owners and lessees of Class Vehicles against BMW NA, the distributor of these vehicles, and BMW NA’s parent, subsidiaries, affiliates, and related entities, for Out-of-Pocket Costs incurred or that may be incurred in the future due to “**Eligible Repairs**” (i.e. a repair performed by a BMW Center in the United States on a Class Vehicle during the “**Extended Warranty Period**” (defined below) to address or remedy a customer complaint of an SRS warning light illumination and/or damage to other components below the cupholder caused by liquid that spilled or that otherwise seeped through the cupholder(s) on the front center console of a Class Vehicle).
- ❖ You are covered by the settlement if you own or lease a Class Vehicle, or previously owned or leased a Class Vehicle. The proposed settlement provides for, among other things, a warranty extension (as detailed herein) and reimbursement of certain “**Out-Of-Pocket Costs**” (as defined herein).
- ❖ BMW NA’s records show you own or lease, or have previously owned or leased, a Class Vehicle. As a result, you have legal rights and options under the proposed settlement, and there are deadlines for exercising those rights and options, as set forth in this notice. *Please review this notice carefully and check the settlement website for important deadlines.*

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
PARTICIPATE IN THE SETTLEMENT	If you agree with the proposed settlement, you need not do anything to remain in the class. To receive certain benefits, however, you must file a claim, with the required proof, as detailed herein.
EXCLUDE YOURSELF	You will not be entitled to participate in the settlement and will not receive certain settlement benefits.
OBJECT / COMMENT	Write to the Claims Administrator and explain why you do, or do not, like the settlement. You must remain in the class to comment in support of, or in opposition to, the settlement. If the Court approves the settlement and overrules your objection, you will be bound by the settlement’s terms. You may also, but are not required to, attend the Final Approval Hearing to object to or comment on the settlement.

1. WHAT IS THIS LAWSUIT ABOUT?

Plaintiff Brightk Consulting, Inc. (acting by and through its principal, Lin Fang) filed this lawsuit on December 16, 2021 in the United States District Court for the Central District of California. The name of the lawsuit is *Brightk Consulting, Inc. v. BMW of North America, LLC*, Case No. 21-CV-02063-CJC-JDE (the “Action”). The lawsuit alleges that Class Vehicles are defective because liquid that may be spilled in the cupholder(s) on the front center console of a Class Vehicle may seep through or around the cupholder onto components below, which in turn may cause an illumination of the SRS warning light on the dashboard. The lawsuit does not seek money for any personal injury claims. Instead, Plaintiff claims it lost money when it paid out-of-pocket to repair an SRS warning light illumination when liquid that spilled into the cupholder seeped through the cupholder onto components below.

Plaintiff asserts claims for violations of California consumer protection laws (Cal. Civ. Code section 1750 *et seq.*; Cal. Bus. & Prof. Code sections 17200 *et seq.* and 17500 *et seq.*), for fraud and deceit, for breach of express and implied warranty (Song-Beverly Consumer Warranty Act and California Commercial Code), for strict liability, and for negligence. You can read the First Amended Class Action Complaint for Damages by visiting the settlement website, www.warninglightspillsettlement.com

BMW NA denies that it violated any law, denies liability, denies that it engaged in any wrongdoing with respect to the manufacture, distribution, or sale of the Class Vehicles, and denies the Class Vehicles are defective or any claimed out-of-pocket or other costs claimed to be incurred by owners or lessees of Class Vehicles is caused by a defect in the Class Vehicles or the Class Vehicles’ cupholders. The Parties agreed to resolve the case before these liability issues were decided by the Court.

2. WHY DID I GET THIS NOTICE?

Records show you may be a member of the class because you presently own or lease, or previously owned or leased, a Class Vehicle. This notice is designed to inform members of the class of the pendency of this litigation and of the proposed settlement, and to describe your rights and options if you are a member of the class.

3. WHO IS A CLASS MEMBER?

The United States District Court for the Central District of California has conditionally certified a “**Settlement Class**” that includes all current and former owners and lessees of a Class Vehicle purchased in the United States, including the District of Columbia and Puerto Rico.

Excluded from the Settlement Class are:

- (1) BMW NA, its related entities, parent companies, subsidiaries and affiliates, and their respective officers, directors, and employees;
- (2) BMW Group dealers or independent repair shops;
- (3) Insurers of the Class Vehicles;
- (4) All persons and/or entities claiming to be subrogated to the rights of Class Members;
- (5) Issuers or providers of extended vehicle warranties or issuers or providers of extended service contracts;
- (6) Individuals and/or entities who validly and timely opt-out of the settlement;

- (7) Consumers or businesses that have purchased Class Vehicles previously deemed a total loss (i.e. salvage title; subject to verification through Carfax or other means) or that were purchased with a branded title or where the vehicle was sold “as is” and the purchase price for such vehicle therefore reflects such condition;
- (8) Current and former owners of a Class Vehicle that previously have released their claims against BMW NA with respect to the issues raised in the Action;
- (9) United States residents that have purchased Class Vehicles in the United States but have since transported the vehicle outside the United States for permanent use abroad;
- (10) Individuals or entities that have purchased and/or leased Class Vehicles as “fleet” vehicles (i.e. rentals or company vehicles);
- (11) The Judge(s) to whom the Action is or will be assigned and any members of the Judge(s)’ family or Judge(s)’ chambers (law clerks, secretaries, deputy clerk, etc.); and
- (12) Class counsel or employees of Class Counsel

4. DO I HAVE A LAWYER REPRESENTING ME?

To represent the Settlement Class, the Court has appointed The Margarian Law Firm (www.margarianlaw.com) to act as Class Counsel. You will not be charged for contacting this law firm.

The Margarian Law Firm
462 W Colorado Street
Glendale, CA 91204
(818) 553-1000
info@margarianlaw.com

5. WHAT BENEFITS DOES THE SETTLEMENT PROVIDE?

Refer to the complete Settlement Agreement and Release for a full description of all settlement terms and conditions. You can review the Settlement and Release in its entirety at the settlement website (www.warninglightpillsettlement.com). The following is a summary of the benefits set forth in the settlement.

- (a) **Reimbursement of Out-of-Pocket Costs Incurred Prior to Mailing Date of Class Notice (Claims Submission):** BMW will reimburse you for valid and eligible “**Out-of-Pocket Costs**” incurred prior to the date of this Class Notice (subject to providing the Required Proof, as explained below).
 - An “**Out-Of-Pocket Cost**” is money you paid for an **Eligible Repair** prior to the mailing date for this Class Notice, and that was not otherwise paid for or covered by BMW NA under warranty or goodwill, covered by insurance, or under a third-party reimbursement program or service contract.
 - An “**Eligible Repair**” is a repair performed by a BMW Center in the United States on a Class Vehicle during the **Extended Warranty Period** to address or remedy a customer complaint of an SRS warning light illumination that the BMW Center determines or determined was caused by liquid that spilled or that otherwise seeped through the cupholder(s) on the front center console of a Class Vehicle. An SRS warning light illumination that a BMW Center determines is illuminated for reasons other than liquid seeping through the cupholder is **not an Eligible Repair** covered by this settlement and will be subject to normal warranty coverage terms and conditions, if any.

- The “**Extended Warranty Period**” means the period of 7 years/75,000 miles (whichever occurs first), from the date your Class Vehicle was first placed in service, during which an **Eligible Repair** may be performed.

To get reimbursed for an Out-Of-Pocket Cost, you must submit online or transmit via U.S. mail a Claim Form and **Required Proof** (as described below) by the claims deadline. *Please check the settlement website frequently for any updates to the this claim deadline.* Under the Settlement Agreement, the deadline to submit a claim for an Out-Of-Pocket Cost is one hundred twenty (120) days after the mailing date of this Class Notice or up until the Court issues its order on final approval of the settlement, whichever is earlier. **Currently, the deadline to submit a claim is August 1, 2023.**

The **Required Proof** for a valid claim for **Out-of-Pocket Costs** is:

- (1) a legible repair order from a BMW Center that identifies a Class Vehicle and VIN; and
- (2) proof of payment, in the form of a canceled check, credit-card receipt, credit-card statement, or receipt demonstrating that you paid for the amount(s) sought for reimbursement (a repair order that itself denotes a payment by check or credit card that is issued from a BMW Center is sufficient proof of payment); and
- (3) the mileage of your vehicle at the time of **Eligible Repair**; and
- (4) the date of the **Eligible Repair**, and
- (5) a description of the **Eligible Repair** performed with indications as to the parts and labor for the repair.

- (b) **Warranty Coverage for Eligible Repairs After this Class Notice:** If your Class Vehicle requires an **Eligible Repair** after the mailing date of this Class Notice, you must take it to a BMW Center during the **Extended Warranty Period**. No reimbursement is available for **Out-of-Pocket Costs** you incur for **Eligible Repairs** after the mailing date of this Class Notice. If the dealer determines the SRS illumination is an **Eligible Repair**, the concern will be addressed free of charge under warranty.

This warranty coverage for Eligible Repairs will be honored prior to the Court’s approval of this settlement. If your Class Vehicles receives an Eligible Repair under warranty after this Class Notice but before Final Approval of the settlement, you will be bound by the Release in this settlement even if you “opt out” of the settlement.

6. WHO PAYS CLASS COUNSEL’S FEES AND EXPENSES?

To date, Class Counsel has not been paid for time spent prosecuting the case and has not been reimbursed for any out-of-pocket costs. If the Court approves the proposed settlement, Class Counsel will apply to the Court for an award of attorneys’ fees and reimbursement for costs not to exceed \$375,000. Class Counsel also will apply to the Court for a service award of \$3,000 for the Settlement Class Representative (BrightK Consulting, Inc.) for its initiative and effort in pursuing this litigation for the benefit of the class. Any award of attorneys’ fees and expenses and any service award will be paid by BMW NA separately and will not reduce the benefits available to you under the settlement. You are not personally liable for these attorneys’ fees and costs or the service award.

7. WHAT HAPPENS IF THE COURT APPROVES THE SETTLEMENT?

If you fall within the class definition and elect to remain in the class, and the settlement is approved, the Court will enter a judgment dismissing the lawsuit with prejudice, and releasing any and all claims that you may have against BMW NA and its direct and indirect parents, subsidiaries, affiliates, successors in interest, officers, directors, agents, authorized BMW dealers, attorneys, and all other persons or entities acting on their behalf; suppliers, licensors, licensees, distributors, assemblers, partners, component part designers, manufacturers, holding companies, joint ventures, and any individuals or entities involved in the chain of design, development, testing, manufacture, sale, assembly, distribution, marketing, advertising, financing, warranting, repair, and maintenance of the Settlement Class Vehicles and their component parts (together “Released Parties”) from any and all claims or causes of Action, including unknown claims, under the laws of any jurisdiction, including federal law, state law, and common law, whether at law or equity that relate to or arise out of complaints or concerns that led to or may lead to an Eligible Repair, excluding claims for property damage or personal injury (“Released Claims”).

8. WHAT ARE MY OPTIONS NOW THAT I’VE RECEIVED THIS NOTICE?

If you are a member of the class, you have the following options:

- (a) **PARTICIPATE IN THE SETTLEMENT:** If you agree with the proposed settlement, you need not do anything to remain in the class. If you have **Out-of-Pocket Costs** that are eligible for reimbursement, you are required to submit a **timely** claim for reimbursement along with **Required Proof** or comply with other deadlines as set forth herein and in the Settlement Agreement and Release. For information on the status of settlement approval and other settlement related information, please visit the settlement website at www.warninglightsettlement.com.
- (b) **REQUEST TO BE EXCLUDED:** If you do not want to stay in the class, then you must send a written notice of your request to exclude yourself from the class, **postmarked no later than May 18, 2023** to the Claims Administrator at the following address:

Brightk Consulting, Inc. v. BMW of North America, LLC
c/o Kroll Settlement Administration LLC
PO Box 225391
New York, NY 10150-5391

Your request must be signed by you, include your full name and current address, identify your vehicle’s model, model year, and vehicle identification number (VIN), and specifically state that you request to be excluded from the Settlement Class in *Brightk Consulting, Inc. v. BMW of North America, LLC*.

If you validly and timely request exclusion from the Settlement Class, (1) you will be excluded from the class; (2) you will not be entitled to the settlement benefits; (3) you will not be bound by the terms of the Settlement Agreement, the judgment dismissing the Action, or the release of claims provided by the Settlement Agreement; and (4) you will not be entitled to object to the proposed settlement or be heard at the fairness hearing described below.

If you do not exclude yourself, you will be bound by any judgment entered in the case, whether favorable or unfavorable, and will be bound by the release in the Settlement Agreement.

Please note, however, that if you obtain an Eligible Repair after this Class Notice but before the Settlement Agreement receives final approval from the Court, you are precluded from opting out of the settlement even if an otherwise valid and timely opt-out notice is sent to the Claims Administrator.

- (c) **OBJECT TO THE SETTLEMENT:** If you are a Settlement Class Member and you do not request to be excluded, you may object to the terms of the settlement, Class Counsel's request for attorneys' fees and costs, or the incentive award requested for the Settlement Class Representative. You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court does not approve the settlement, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object. You may, *but need not*, enter an appearance through counsel of your choice, but you will be responsible for paying your own attorney.

If you object to the settlement, your objection must be mailed (**post-marked**) **on or before May 18, 2023**.

The objection must be mailed to the claims Administrator at this address:

Brightk Consulting, Inc. v. BMW of North America, LLC
c/o Kroll Settlement Administration LLC
PO Box 225391
New York, NY 10150-5391

The written objection must include (i) a reference to *Brightk Consulting, Inc. v. BMW of North America, LLC*, Case No. No. 21-CV-02063-CJC-JDE; (ii) your full name, current address, and current telephone number; (iii) the year, model, and vehicle identification number (VIN) of the Class Vehicle that you own or lease or previously owned or leased; (iv) a statement of the position(s) the you wish to assert, including the factual and legal grounds for the position; (v) a statement as to whether you intend to appear to be heard at the Final Approval Hearing, (vi) any other documents that you wish to submit in support of his/her position, and (vii) your signature or if you are represented by counsel, your counsel's signature. You may but are not required to personally appear at the final approval hearing for your objection to be considered by the Court.

Please note that by objecting, you will remain a member of the class and will have released your claims as set forth herein.

9. WHEN IS THE FINAL APPROVAL HEARING?

On **August 7, 2023**, at the United States District Court for the Central District of California, the Honorable Cormac J. Carney, U.S. District Court Judge, will hold a fairness hearing for the purpose of deciding (a) whether the settlement should be approved as fair, reasonable, and adequate for the class; (b) whether a judgment granting approval of the settlement and dismissing the lawsuit with prejudice should be entered; and (c) whether Class Counsel's application for attorneys' fees and expenses and incentive award for the Settlement Class Representative should be granted. The hearing may be postponed, adjourned, or rescheduled by the Court without further notice to the class. You do not need to attend this hearing to remain a member of the class or participate in the settlement.

10. WHERE CAN I REVIEW SETTLEMENT DOCUMENTS AND OTHER INFORMATION ON THE SETTLEMENT?

This notice summarizes the proposed settlement. For full details of the matters discussed in this notice, you may wish to review the Settlement Agreement and Release dated September 29, 2022, a copy of the operative complaint, and other settlement related documents, on file with the Court, and also available at the dedicated website of www.warninglightspillsettlement.com, or by contacting class counsel, Hovanes Margarian (hovanes@margarianlaw.com; 818.553.1000), the Margarian Law Firm, 462 W Colorado St, Glendale, CA 91204.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS NOTICE, THE SETTLEMENT OR THE CLAIM PROCESS.

BY ORDER OF THE COURT

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