

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

**If You Have Ever Owned Or Leased A  
2009 – 2012 Model Year BMW Z4 Vehicle  
Equipped with 296 Style Wheels (see picture below)**

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

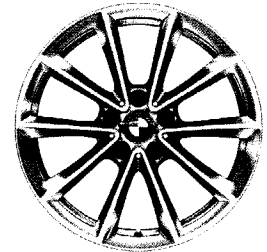
**Please Read This Notice Carefully, As It Affects Your Legal Rights.**

*The United States District Court for the Northern District of California authorized this notice.*

***This is not a solicitation from a lawyer.***

Under the terms of a proposed class action settlement, you may be entitled to receive benefits, as set forth in this notice, if:

- (1) you currently own or lease, or previously owned or leased, a 2009 through 2012 model year BMW Z4 vehicle equipped with 296-Style Wheels (see picture); and
- (2) Repaired or paid to replace the 296-Style Wheel due to a crack, and/or the tire on the wheel due to a total loss of air pressure as a result of a crack; and
- (3) the crack requiring wheel replacement occurred during the vehicle's 4 year / 50,000 mile (whichever occurs first) new vehicle limited warranty period.



296-Style Wheel

Your Legal Rights and Options in This Settlement	
<b>Participate in the Settlement</b>	If you agree with the proposed settlement, you need not do anything to remain in the class. You are, however, required to submit a timely Claim for reimbursement as set forth herein to be eligible for reimbursement.
<b>Exclude Yourself</b>	You will not be entitled to participate in the settlement if you choose this option.
<b>Object</b>	Write to the Court about 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.
<b>Attend the Hearing</b>	Ask to speak to the Court about the fairness of the settlement.

1. **The Litigation:** Plaintiff Barry Jekowsky filed this lawsuit in May 2013. The litigation is captioned *Jekowsky v. BMW of North America, LLC*, and is pending in the United States District Court for the Northern District of California (Case No. 3:13-cv-02158-VC). The operative complaint alleges that 296-Style Wheels on BMW Z4 vehicles are defective because they may sustain cracks during normal driving conditions, upon contact with certain road conditions, or due to road debris. The lawsuit asserts claims against the authorized United States distributor of BMW vehicles, BMW of North America, LLC (“BMW NA”), for (1) violation of Magnusson-Moss Warranty Act, (2) violation of the California Business & Professions Code section 17200 (“UCL”), (3) violation of the California Civil Code section 1750 *et seq.* (“CLRA”), and (4) violation of express and implied warranties under the Song-Beverly Consumer Warranty Act.

2. **BMW’s Position:** BMW NA has expressly denied and continues to deny all charges of wrongdoing or liability against it arising out of the allegations and claims asserted in the lawsuit, including that the vehicles or their wheels are defective. BMW NA has vigorously resisted the lawsuit’s allegations and claims and has asserted and continues to assert defenses to those claims.

3. **Notice:** 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.

4. **Settlement Class:** The District Court has conditionally certified a class that includes all residents of the United States (including Puerto Rico) who currently own or lease, or who previously owned or leased, a “Class Vehicle.” A Class Vehicle is any 2009 through 2012 model year BMW Z4 vehicle that was sold or leased in the United States or Puerto Rico to residents of the United States and Puerto Rico that was equipped with BMW Style 296 Wheels (“Class Wheels”) either as original equipment, or that a Class Member equipped with Class Wheels post-purchase.

“Class Wheels” **do not include** “Customized Class Wheels,” which are Class Wheels that have been altered, modified, or otherwise substantially changed from their original condition and/or color (1) by the Class Vehicle owner and/or lessee, (2) at the request of a Class Vehicle owner and/or lessee, (3) by a BMW Center (dealership), or (4) any third party after the Class Wheel left BMW NA’s possession, custody and control. Customized Class Wheels include, by way of example and not limitation, Class Wheels that are chromed and/or painted.

The Settlement Class excludes:

- (1) BMW NA, its related entities, parent companies, subsidiaries and affiliates, and their respective officers, directors, and employees;
- (2) Insurers of the Class Vehicles, Class Wheels, or tires installed on the Class Vehicle;
- (3) All persons and/or entities claiming to be subrogated to the rights of Class Members;
- (4) Issuers or providers of extended vehicle warranties, issuers or providers of tire/wheel warranties, or issuers or providers of extended service contracts;

- (5) Individuals and/or entities who validly and timely opt-out of the Settlement;
- (6) Consumers or businesses that have purchased Class Vehicles previously deemed a total loss (i.e. salvage) (subject to verification through Carfax or other means);
- (7) Current and former owners of a Class Vehicle who previously have released their claims against BMW NA with respect to the issues raised in this litigation (this exclusion does not limit a class member's ability to file a claim for any otherwise eligible Out-Of-Pocket Cost the Class Member incurred to replace a cracked Class Wheel sustained after he or she signed the release);
- (8) United States and Puerto Rico residents who have purchased Class Vehicles in the United States but have since transported the vehicle outside the United States for permanent use abroad;
- (9) Rentals or company owned vehicles;
- (10) Any current or former owner or lessee of a Class Vehicle that has received or obtained a goodwill or warranty replacement of a cracked Class Wheel (unless the consumer had to pay or share in some portion of the cost of a goodwill replacement);
- (11) Any judge to whom this matter is assigned, and his or her immediate family (spouse, domestic partner, or children);
- (12) Individuals who purchased four replacement Class Wheels (two front, two rear) at the same time to change from a different style Z4 wheel to a Class Wheel (this exclusion does not limit a Class Member's ability to make a claim under the terms and conditions of the Settlement for an eligible Out-Of-Pocket Cost the Class Member subsequently incurs to replace any of the four replacement Class Wheels that sustain a crack); and
- (13) Class Vehicles that were involved in accidents that resulted in damage and subsequent need to replace a Class Wheel.

To represent the above class for purposes of the settlement, the Court has appointed the named Plaintiff, Barry Jekowsky, to serve as the class representative, and has appointed the law firms of Kemnitzer, Barron & Krieg, LLP ([www.kbklegal.com](http://www.kbklegal.com)) and Chavez & Gertler LLP ([www.chavezgertler.com](http://www.chavezgertler.com)) to act as Class Counsel.

5. **Settlement Benefits.** The following description of the settlement benefits and the defined terms used herein are qualified in their entirety by reference to the Class Action Settlement Agreement and Release, a copy of which is on file with the Court and available at [www.Z4296WheelSettlement.com](http://www.Z4296WheelSettlement.com). Kindly refer to the complete Class Action Settlement Agreement and Release for a full description of all settlement terms and conditions. The following definitions apply to the summary below:

- **Warranty Period.** "Warranty Period" means the 4 year/50,000 mile (whichever occurs first) standard warranty period for BMW vehicles.
- **Effective Date.** The "Effective Date" is the date on which the District Court's approval of the settlement becomes final. Updates on the Effective Date and other deadlines under the settlement will be posted on [www.Z4296WheelSettlement.com](http://www.Z4296WheelSettlement.com).
- **Required Documentation.** Required documentation for reimbursement means (1) a fully completed Claim Form signed under penalty of perjury, (2) a repair order/invoice for the replacement of a Class Wheel and/or tire on a Class Wheel that evidences a cracked Class Wheel from a Class Vehicle during the Warranty Period, and (3) acceptable proof of a Out-Of-Pocket Cost actually paid by a Class Member for the replacement of a Class Wheel and/or tire during the warranty period such as receipts, cancelled checks, credit card statements, costs verifiable, etc.

<b>Summary of Benefits If Settlement Is Approved</b>	
<b>Reimbursement for Out of Pocket Costs Incurred To Replace Class Wheels Before Settlement Effective Date</b>	<p>BMW NA will reimburse you for Out-Of-Pocket Costs you incurred prior to the Effective Date to replace a cracked Class Wheel or a cracked Class Wheel and tire on a cracked Class Wheel if you submit a Claim Form with Required Documentation as set forth herein. The reimbursement amount will be the <i>lesser</i> of (1) the actual Out-Of-Pocket Costs you paid to replace a cracked Class Wheel or cracked Class Wheel and tire on a cracked Class Wheel, or the (2) "Maximum Reimbursement Amount," which is defined as follows:</p> <ul style="list-style-type: none"> <li>(1) \$650 maximum reimbursement, including parts and labor, for the replacement of each cracked Class Wheel only; OR</li> <li>(2) \$800.00 total maximum reimbursement, including parts and labor, for the replacement of both a Class Wheel and a tire on a cracked Class Wheel, with the maximum reimbursement for the cracked Class Wheel being the lesser of the actual Out-Of-Pocket Cost for the Class Wheel or \$650.00, and the maximum reimbursement for the tire on the cracked Class Wheel being the lesser of the actual Out-Of-Pocket Cost for the replacement of the tire or \$150.00. Tire reimbursement is not available for any tire on a cracked Class Wheel that was replaced due to normal wear and tear or due to damage unrelated to the cracked Class Wheel.</li> </ul> <p>Reimbursement is available under this provision if (a) the crack occurred during the Warranty Period under ordinary driving conditions and not as a result of Impact Damage; and (b) you timely submit a completed Claim with all Required Documentation by the Applicable Claims Deadline September 8, 2015.</p>

<p><b>Replacement of Class Wheels After Settlement Receives Final Approval</b></p>	<p>BMW NA will replace, free of charge, any Class Wheel (excluding Customized Class Wheels) that sustains a crack during the Warranty Period if:</p> <p>(1) there is no evidence of abuse, misuse, accident or Impact Damage;</p> <p>(2) the vehicle with the cracked Class Wheel is presented to any authorized BMW center in the United States during the Warranty Period; and</p> <p>(3) the cracked Class Wheel is left at the authorized BMW center in exchange for a replacement Class Wheel.</p> <p>BMW NA also will reimburse you for Out-Of-Pocket Costs incurred to replace the tire on the cracked Class Wheel during the Warranty Period. The maximum reimbursement amount for the tire will be the lesser of the actual Out-Of-Pocket Cost for the replacement of the tire on the cracked Class Wheel or \$150.00. Tire reimbursement is not available for any tire on a cracked Class Wheel that was replaced due to normal wear and tear or due to damage unrelated to the cracked Class Wheel.</p> <p>To obtain reimbursement, you must submit a Claim and Required Documentation before September 8, 2015.</p>
<p><b>Replacement of "Repaired" Class Wheels</b></p>	<p>BMW NA does not recommend that you repair cracks in any Class Wheel.</p> <p>BMW NA will replace any Class Wheel (excluding Customized Class Wheels), which previously had cracks and that a Class Member had repaired <i>before the Effective Date</i>, with a new Class Wheel free of charge. You may exchange a repaired Class Wheel for a new one if:</p> <p>(1) the crack in the Class Wheel occurred during the Warranty Period under ordinary driving conditions and there is no evidence of abuse, misuse, accident or Impact Damage;</p> <p>(2) you have the Class Wheel repaired prior to the Effective Date; and</p> <p>(3) the repaired Class Wheel is presented to an authorized BMW center and left there in exchange for a new Class Wheel before the Applicable Claims Deadline September 8, 2015.</p> <p>Amounts you paid to repair a Class Wheel will not be reimbursed by BMW.</p>

6. **Attorneys' Fees, Expenses And Incentive Award:** To date, Class Counsel has not received any payment for their services in prosecuting the case, nor have they 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 \$635,000. Class Counsel also will apply to the Court for a service award of \$5,000 to the named Plaintiff Barry Jekowsky, for his 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 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. **Result if Court Approves 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 of North America, LLC and Bayerische Motoren Werke Aktiengesellschaft (BMW AG), and their respective subsidiaries and related entities, and every entity involved in the design, development, supply, manufacture, sale, lease or distribution of the Class Vehicles and Class Wheels, and the foregoing entities' past and present officers, directors, shareholders, predecessors in interest, successors in interest, and employees, including any claim for violations of federal, state, or other law, whether known or unknown, related to cracks in Class Wheels of any Class Vehicle. The settlement and judgment will not release any claims for personal injury, any subrogation claims, or claims related to Class Wheels damaged as the result of an accident.

8. **Your Options:** 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 the class. You are, however, required to submit a timely Claim for reimbursement as set forth herein to be eligible for reimbursement, or comply with other deadlines as set forth here and in the Class Action Settlement Agreement and Release. For information on the status of settlement approval and other settlement related information, please visit [www.Z4296WheelSettlement.com](http://www.Z4296WheelSettlement.com).

If you wish to comment in favor of the Settlement, you may send your comment to Class Counsel: Bryan Kemnitzer, Kemnitzer Barron & Krieg, 445 Bush Street, 6th Floor, San Francisco, CA 94108, 800-273-4566, [bryan@kbbklegal.com](mailto:bryan@kbbklegal.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 **July 23, 2015** to the Claims Administrator at the following addresses:

Jekowsky v. BMW North America Settlement  
c/o Gilardi & Co., LLC  
P.O. Box 8060  
San Rafael, CA 94912

Your request must be signed by you, include your name and address, must include the model year and VIN of the Class Vehicle, and specifically state that you request to be excluded from the Class in *Jekowsky v. BMW of North America, LLC*. If you validly and timely request exclusion from the 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, the judgment dismissing the lawsuit, or the release of claims provided by the settlement; and (4) you will not be entitled to object to the proposed settlement or be heard at the fairness hearing described in Paragraph 9 below.

- (c) **Object To The Settlement:** If you are a member of the class and you do not request to be excluded, you may object to the terms of the settlement or to Class Counsel's request for attorneys' fees and costs. You may, but need not, enter an appearance through counsel of your choice, but you will be responsible for your own attorneys' fees and costs.

If you object to the settlement, you must, on or before **July 23, 2015**: (1) file with the Clerk of the Court of United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, California 94102 and (2) serve upon the Claims Administrator, *Jekowsky v. BMW North America Settlement, c/o Gilardi & Co., LLC*, P.O. Box 8060, San Rafael, CA 94901, a written objection, including (i) a reference to *Jekowsky v. BMW of North America, LLC*, Case No. 3:13-CV-02158-VCAHM (N.D. Cal.); (ii) your full name, address and 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 written statement of all grounds for the objection accompanied by any legal support for your objection; (v) copies of any papers, briefs, or other documents upon which the objection is based; (vi) a list of all persons who will be called to testify in support of the objection (if any); (vii) a statement of whether you intend to appear at the fairness hearing; and (viii) your signature or if you are represented by counsel, your counsel's signature.

To retain your right to appeal from any provision of the order approving the Settlement as fair, reasonable and adequate, the award of incentive payments, or to the award of reasonable attorneys' fees and expenses paid by BMW NA and awarded to Class Counsel, you must file an objection. If you intend to appear at the fairness hearing through counsel, the objection must also state the identity of all attorneys representing you who will appear at the fairness hearing. Class members who do not timely make their objections in this manner may be deemed to have waived all objections and may not be heard or have the right to appeal approval of the settlement, unless the objector provides good cause for non-compliance.

9. **Fairness Hearing:** On **October 29, 2015**, in Courtroom 4, San Francisco Courthouse, United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, California 94102, the Honorable Vince Chhabria, United States District 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 named Plaintiffs 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. **Examination Of Papers Filed In The Case:** This notice is a summary and does not describe all details of the settlement. For full details of the matters discussed in this notice, you may wish to review the Class Action Settlement Agreement and Release dated February 13, 2015, on file with the Court, and also available at the dedicated website of [www.Z4296WheelSettlement.com](http://www.Z4296WheelSettlement.com). A complete copy of the Class Action Settlement Agreement and Release, and all other pleadings and papers filed in the lawsuit are also available for inspection and copying during regular business hours at the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, California 94102 and at [www.Z4296WheelSettlement.com](http://www.Z4296WheelSettlement.com).

11. **Additional Information:** You can get more information by viewing the settlement website at [www.Z4296WheelSettlement.com](http://www.Z4296WheelSettlement.com), or contacting Class Counsel: Elliot Conn or Nancy Barron, Kemnitzer Barron & Krieg, 445 Bush Street, 6th Floor, San Francisco, CA 94108, 800-273-4566, [Elliot@kbllegal.com](mailto:Elliot@kbllegal.com). Please include the reference *Jekowsky v. BMW*.

**PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS ABOUT THIS NOTICE.**

BY ORDER OF THE COURT

Dated: March 20, 2015

Clerk of the Court