

November 7, 2023

Ford/Lincoln Protect Headquarters  
P.O. Box 6045  
Dearborn, MI 48121

Re: **Notice of Breach of Contract – Ford Motor Service Company**  
Warranty Start date 12/22/2017 VIN [REDACTED] Ref [REDACTED]

Dear Sir or Madam:

On August 16, 2023, I took my 2018 Ford Mustang GT350 to [REDACTED] Ford (dealership) located at [REDACTED], for diagnosis after experiencing issues described as loss of power in 5 gear. This is the second time that the vehicle has exhibited this issue, the first time being in the fall of 2022. On the first occurrence, the dealership followed the TSB 19-2135 (transmission tone ring) which seemed to fix the issue. Since the August 2023 issue was similar, it was anticipated that the remedy would be as previously described; however, [REDACTED] reported that the transmission needed to be disassembled to determine the cause of the problem. After assessment, the dealership contacted The Ford Motor Service Company (FMSC), also known as Ford/Lincoln Protect (ESP), and recommended that the transmission be replaced as opposed to repaired as the expected cost of repair would exceed the replacement cost.

The contract servicer (FMSC) worked with the dealership to gather information regarding the repair. The dealership provided all the requested information to the FMSC. The FMSC sent an inspector from a third party, Centro, to assess the car. The dealership sent pictures of the transmission and pictures of the clutch, clutch assembly, pressure plate, etc. Centro inspected the car on October 10, 2023, took pictures, and forwarded their information to the FMSC and did not provide the dealership or myself a copy.

On October 10, 2023, the FMSC denied the claim per the following from their written claim disposition: “Anthony [REDACTED] Ford Technician], Ford and Lincoln Protect cannot participate in this repair, as the damage was caused by off-road racing use. This is not covered under the contract. Thank you.” This information was provided after the Centro inspector visited the dealership. This is the only written documentation provided regarding the reason behind the initial repair denial.

After receipt of the denial, which I emphatically dispute, I called the FMSC on October 11, 2023 and spoke with Austin (Lead Inspector) who also identified himself as a representative of the FMSC and Ford. Austin was presented with my concerns regarding the “off-road racing” claim and was asked what evidence was used to determine that the vehicle was being used in an unapproved manner. Austin cited that Centro took pictures of the car and noted several “racing” parts. The “racing” parts referenced include a rollbar, worn tires (per the inspector’s interpretation), track stickers, and numbers on the car, leading the inspector to infer that the car had been “raced.” The presence of such items does not prove how a vehicle has been used any more so than the presence of off-road tires proves rock climbing or hiking stickers proves that someone is an avid hiker...it’s a baseless argument. The fact that the car has been to a track has never been denied nor hidden. When the car has been used at a track, it has been exclusively at High Performance Driver Education (HPDE) events, of which evidence is available. Ford openly promotes the Mustang GT350 as a track-capable car, one of the car’s significant selling points.

The presence of “racing” items is faulty reasoning to prove a breach of the terms of the warranty. I told the lead inspector that the car has never been raced nor driven in a competitive environment, and has never participated in a speed contest nor time trial. I am aware that the use of the vehicle in such manner

could negatively impact the vehicle warranty. As mentioned previously, I have taken the car to the track and used the car in High Performance Driver Education (HPDE) events, which is not racing. HPDE events do not allow racing, and any sort of conduct that mirrors racing behavior is generally prohibited, and will result in being banned from driving the car.

After discussing HPDE with the lead inspector, he stated that he is well aware of what the HPDE events are and that he has personally participated in those events. He further acknowledged that some manufacturers allow certain cars to be operated at a track, and that participating in HPDE track days does not void the original warranty. The lead inspector said that if you are not in a racing league or racing series, then racing is not necessarily the reason for the denial. He then changed his stance and stated that taking a vehicle to a track is neglect and abuse per the contract and falls under the negligence clause and not racing clause. The lead inspector says "As soon as the vehicle is off the public road and is used on a closed circuit of any kind for any purpose, it is instant neglect and or abuse." The lead inspector said that article 7d addresses this position:

Article 7d: Repairs caused by: (1) improper or unauthorized service procedures, collisions or other physical damage to the Vehicle; (2) damage caused by a foreign object; (3) unreasonable use (including driving over curbs, overloading, or using the Vehicle as a stationary power source); (4) continued use with an obvious failure; (5) damage from fire or explosions, road hazards, other casualty losses; or **(6) losses due to negligence, including racing (emphasis added)**

Austin was asked how taking a vehicle to a track or "off the public road" is neglecting the vehicle if the vehicle is being used within the manufacturer's recommendations. The lead inspector replied: "It's not on a public road. As soon as it is off the public road, we do not know exactly how the vehicle is used but it does not have to follow the rules and the laws of the road, and there is no speed limit, there is harder braking, there are higher g's, everything is going to be used more because it can be used freely and that's neglect and abuse per the contract, whether the vehicle is capable of it or not." Per Austin, once the car is off a public road, warranty is voided and the powertrain is no longer covered. This is certainly not stated in the contract and goes well beyond reasonable interpretation of the negligence clause. The binding contract that the FMSC and I agreed to was not modified for that assertion/interpretation. If this is the position of the FMSC department, this should be stated explicitly in the contract.

Of additional concern is that Austin altered the reason for denial during our conversation. Austin said that the original disposition was not accurate, and, that after looking at the case, he was going to deny for an additional reason – a worn out clutch. Per Austin, the worn out clutch caused the transmission to fail. The clutch is an item that is not covered under warranty. Austin was asked why the clutch was in question if the original repair order did not ask the FMSC to replace nor service the clutch. Austin was also asked if Centro reviewed the clutch during the on-site assessment. The lead inspector acknowledged that Centro did not review the clutch. The lead inspector acknowledged that the FMSC was in possession of photos of the clutch and reviewed the photos prior to issuing their original disposition. They made no mention of the clutch being an issue in the original disposition. It was only when pressed about the validity of the original disposition that the clutch became an issue. The lead inspector changed the disposition to the following: "Anthony, we have spoken with Mike. We are going to reclarify [sic] this disposition for accuracy. Ford and Lincoln Protect is unable to participate in this claim as the vehicle has been verified, by the stickers and markings on the vehicle and from the customer telling us on two recorded calls, that the vehicles was used in a closed circuit usage at a high performance driving school. This closed course usage is considered both abuse and neglect per the contract that the customer signed, please see section 7d which refers to negligence and racing use. The claim is also being denied for a second reason, the causal part being not covered. The clutch is the root causal part, it is very worn, almost to the rivets, glazed, and very worn in several locations. This worn clutch can attribute incorrect gear changes which can and will

cause internal transmission damage and also suggests incorrect clutch operation which would also fall under neglect/abuse. One our agents will also be reaching out by call tomorrow to follow up on the disposition. Thank you.”

█████ Ford has provided, in writing, verification that there is not an issue with the clutch and has not recommended clutch replacement. The clutch was never part of the original claim paperwork submitted to the FMSC. █████ was asked to prepare an estimate to fix the vehicle and the estimate does not list a clutch nor any clutch components. The lead inspector acknowledged that he is not a master technician and is aware that the dealership is acknowledging the clutch is fine; however, he insists that the service technician and service advisor are wrong and the clutch and the clutch operator are the reason the transmission failure. FMSC is saying that the clutch is a causal part of the transmission issue, yet they never physically inspected the clutch and only have pictures as justification. Additionally, they are going against Ford technicians who are trained in automotive repairs to say that is the casual point of failure even through the transmission has never been opened for inspection. This is unacceptable behavior by Ford and the FMSC. These behaviors are extremely time consuming, harmful, frustrating, and nefarious. To remind Ford Motor Company and the Ford Motor Service Company that article 2A of the warranty contract says the following:

2A. ENTIRE AGREEMENT: This Agreement, which includes the Application, is the complete and exclusive statement of the agreement and understanding between You and Us regarding the extended service contract and related benefits for Your vehicle.

Article 2A does not give the parties the authority to change the terms of the agreement, invent new definitions, nor modify the contract in any way. This type of behavior is arbitrary and capricious and specifically against the spirit of the agreement. The lead inspector is confident that everyone in the department will see it the same way he would and refused to allow me to speak directly with his superior, William █████. The lead inspector says “We are Ford backed....[that] they are not a warranty, a warranty is provided at no cost to you and you do not pay a deductible on a warranty claim. We are an, a mechanical repair insurance also known as a service contract and extended service contract. Many on the finance side and in sales incorrectly label us as an extended warranty, it’s easy to understand but we are extended service contract.” The service contract specifically states on the very first page the VIN number, the signature date, and the warranty start date. To insinuate that I do not have a “warranty” is very misleading and manipulative. Multiple websites and publications that offer Ford Protect ESP plans refer to and sell them as an extended warranty. The lead inspector also admits that the sales staff refer to it as an extended warranty. When I purchased the extend warranty, it was purchased under the understanding that it would provide factory coverage as the original warranty. Ford advertises the ESP product as a smart way to invest in one’s vehicle, to save the buyer from costly repairs, and have no gap in coverage. The ESP also advertises additional coverage beyond the factory limited warranty. If the Ford ESP/FMSC does not want to cover any track day usage, such as HPDE, they should have stated that explicitly in the contract.

Ford markets the Mustang GT350 as track-capable and defines racing in the owner’s supplement. The base warranty says that Ford Motor Company does not recommend modifying or racing (for competition or time). The definition of racing is not defined in the contract but insinuates that it is the same as defined by Ford (i.e. for competition or time), or, at a minimum, the way a dictionary would define racing, which indicates a winner and loser and a timed raced/event – which is consistent with Ford Motor Company’s definition. The dealership was aware that the car has participated in HPDE events in the past without issue. The dealership said that as long as the vehicle is not being abused and not participating in racing, it is covered. The same is true for previous claims under the extended service plan. Several staff of Ford ESP, with whom I spoke, said that taking the car to the track is acceptable as long as the car is track capable – like a Dark Horse, GT500, and GT350. A sales person from ESP said that those vehicles are

made for the track, but if you took a Bronco to a track it may be considered abuse because it was not made for that purpose.

Ford markets the GT350 as a track use vehicle. The manual provides a recommend maintenance schedule for track use, camber settings for track use, track apps to use at the track, and even send buyers to a "Track Attack" HPDE event to demonstrate how to use the car on a closed circuit. The Track Attack encourages buyers to appreciate the vehicle's capabilities. The school even recommends installing fixed-back seats and a rollbar for safety if it is being used at the track. The amount of information printed in articles about track use, and that Ford stands behind the GT350 is substantial (examples attached). All of the advertising and promotional information released references track use. Until this denial, I was not aware that track-use language was changed in the manual for younger generations/iterations of the Ford GT350 and for the Ford GT500. The changes to the wording of the manual in younger models do not impact me, though. Ford never provided notification of any change in how my vehicle can be used. The original information from Ford expressly states the car is covered for track; additionally there an implied warranty evidenced by Ford's own marketing and promotional materials.

Since the FMSC is 100% backed by Ford, Ford and its divisions (FMSC) should handle this situation directly and honor what is promised on multiple platforms and by the service contract. There are many articles quoting Ford executives discussing how the car was built for the track and that the warranty is not void at the track. The car has had other warranty work performed without issue and regardless of HPDE track use. The Ford Motor Company, the company that engineered, marketed and sold the GT350, and the Ford Motor Service Company, a subsidiary of Ford is for all intents and purposes the same company. There is no substantive difference between the Ford Motor Company and the Ford Motor Service Company and the FMSC knew or should have known how the GT350 was engineered, marketed and sold and because using the GT350 at an HPDE is not considered abuse and/or neglect, the FMSC also should not consider HPDE use as abuse and/or neglect.

My Mustang GT350 has had all maintenance performed at the dealership to ensure the car was being cared for properly. I sent oil samples to Blackstone for analysis to assess potential motor issues that may not be seen from the surface by the Ford technicians. This was paid for by me because the GT350 is known to have catastrophic engine failures (which I have experience previously). I do not neglect my vehicles and expect the vehicles to work and perform accordingly. This car has been loved, well cared for, and has never been neglected, abused, nor misused in any way. The service records and history will show how the car was always serviced by Ford directly for every oil change and that it visited the Ford service department often.

All of the information in this letter is accurate. I have phone call transcripts to support the information presented if your recorded calls are unavailable. When the record is reviewed, you will find the same information is as stated. I am including multiple printouts from various sources supporting that the car should not be denied for negligence (closed circuit, HPDE, etc) and should not be denied due to the clutch. I am requesting that the repair be covered by Ford/FMSC. Additionally, I request that the actions of the lead inspector (Autin) and his assertions regarding the contract be investigated. If this type of behavior is common at the FMSC, Ford Motor Company should be made aware. I also require clarification regarding whether track use is permitted under the original warranty and if track use is allowed under contract. I would also like the word racing to be clearly defined by Ford and the FMSC. I also respectfully request all notes, pictures, and correspondence (both written and oral) to be provided regarding my case, to include the analysis performed by Centro. I would like Ford Motor Company and the FMSC to acknowledge, in writing, their complete position as to why the clutch is the failure point and why taking the car to a track, regardless of event type, is considered neglect. Please reference associated support from the contract to support your assertions.

Currently, Ford Motor Company and the FMSC have not provided any written documentation to support either of their claims and are in violation of the bilateral contract as they have denied a valid claim and have proffered no documentation to support their racing claim, no proof that a closed circuit is considered neglect and abuse, and no support the clutch is causal point of failure. I have requested clarification on all of these points direct with the FMSC and was told that the matter is closed, to utilize article 13 of the contract, and no further information will be provided. In the original warranty, Ford Motor Company requires that you first send a written notification of any defects or non-conformities that you have experienced with your vehicle to give Ford the opportunity to make any needed repairs before you pursue the remedies provided by your state's law. This letter is intended to notify all parties referenced within that you are in violation of the contract; however, I am giving you the opportunity to comply with the contract and cure the breach before escalating the issue.

[REDACTED]

[REDACTED]