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## Navistar Proposed \$135 Million Class Action Settlement

On May 28, 2019, Navistar International Corporation (the 'Company') and one of its principal subsidiaries, Navistar, Inc. ('NI' and, together with the Company, 'Navistar'), entered into a Stipulation and Agreement of Settlement (the 'Settlement Agreement') with certain named plaintiffs to settle the putative class action lawsuits pending in the United States that were previously consolidated in the United States District Court for the Northern District of Illinois (the 'Court') as In re Navistar MaxxForce Engines Marketing, Sales Practices and Products Liability Litigation, Case No. 1:14-cv-10318 (the 'U.S. Class Actions'). On May 28, 2019, plaintiffs submitted the Settlement Agreement to the Court for preliminary approval. The U.S. Class Actions allege that certain MaxxForce Advanced EGR engines are defective and that Navistar failed to disclose or correct the alleged defect.

Navistar is taking a \$159 million charge, including \$135 million to reflect the cost of the proposed settlement and an additional \$24 million for certain other engine lawsuits that are not included in the settlement agreement.

This preliminary step toward the settlement of these class action lawsuits supports the company's ongoing efforts to focus on Navistar's current and future market opportunities.

Over the past six months, the company has repaid over \$600 million of its outstanding debt, which included both of its convertible notes. The repayments were funded with cash on hand, another sign of the company's improved financial profile.

Pursuant to the Settlement Agreement, among other things, (1) the parties will establish a non-reversionary common fund consisting of cash (the 'Cash Fund') and rebates (the 'Rebate Fund') with a total value of \$135 million (the 'Settlement Fund'); (2) Navistar will contribute \$85 million to the Cash Fund, which will be used to pay all settlement fees and expenses, service awards, attorneys' fees and costs, and cash payments to members of the settlement class; (3) Navistar will commit to make available rebates with a face value in the aggregate of \$50 million to the Rebate Fund; and (4) the settlement class will release Navistar and its affiliates from all claims and potential claims arising from or related to the allegations in the U.S. Class Actions, except for claims for personal injury or damage to third-party property. The Settlement Agreement further provides that dollars or value remaining in either the Cash Fund or the Rebate Fund after claims are processed will be used to pay approved claims from the other fund if the other fund is oversubscribed (the 'waterfall'). Any waterfall from the Rebate Fund to the Cash Fund is capped at \$35 million.

*The Settlement Agreement is subject to approval by the Court. If the Court preliminarily approves the settlement, members of the class will be provided notice of the Settlement Agreement and an opportunity to object or opt out. Any members of the class who opt out will not receive any benefit from the Settlement Agreement or be bound by it.*

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### REPRESENTING VICTIMS WITH MAXXFORCE ENGINE PROBLEMS NATIONWIDE

For more information regarding the qualifications for this settlement, feel free to contact the Attorneys of Miller Weisbrod, LLP in Dallas, Texas. For more information, we invite you to contact our offices in Dallas at 214.987.0005 to schedule a free initial consultation with our experienced trial lawyers.