

EXHIBIT 3

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re: NAVISTAR DIESEL ENGINE)	Case No. 11 C 2496
PRODUCTS LIABILITY)	MDL NO. 2223
LITIGATION)	

This Document Relates to: All Cases

**DECLARATION OF HON. RICHARD NEVILLE
IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF
CLASS ACTION SETTLEMENT**

I, Richard Neville, declare as follows:

1. My name is Richard Neville. I am over 21 years of age, of sound mind, capable of executing this Declaration, and have personal knowledge of the facts stated herein, and they are all true and correct.

2. I am mediator in the office of JAMS in Chicago Illinois. Prior to joining JAMS, from 1986-1999, I served as a judge in the Criminal and Commercial Litigation Division of Cook County, Illinois. From 1972-1986, I had my own law practice, Walsh & Neville, where I handled numerous criminal and civil litigation matters. In addition to my litigation and judicial experience, I studied economic concepts integral to legal disputes at the University of Kansas' Law and Organizational Economics Institute. From 1999-2000, I also served as a professor at the University of Chicago Law School where I taught Alternative Dispute Resolution.

3. Since joining JAMS in 1999, I have mediated numerous settlements, including matters involving aviation, business/commercial issues, construction, employment, insurance,

intellectual property, professional liability, real estate, products liability, personal injury, and environmental issues. I have also mediated numerous class action matters ranging from consumer issues to environmental superfund, advertising and promotional issues.

4. In April 2012, the parties jointly approached me and requested that I serve as a mediator in this matter. After accepting the assignment, prior to convening the first mediation session on May 8 and 9, 2012, I requested that both parties submit mediation briefs so that I could familiarize myself with the various claims and defenses. Not only did the parties submit detailed mediation briefs, but they arrived at the first mediation session with well-developed positions as they had already engaged in preliminary settlement discussions in Houston, Chicago, and Washington D.C., on February 9, February 28, and April 9, 2012, respectively.

5. The first session that I mediated on May 8–9, 2012 was adversarial, with both parties exchanging detailed information and making multiple presentations over the course of several joint sessions that emphasized their different views about the merits of plaintiffs' case and whether and under what circumstances putative class members could demonstrate entitlement to monetary relief in a lawsuit based on the performance of their vehicle engines. Following joint sessions, both parties made various presentations to me in which they further explained their respective positions on both legal and evidentiary issues.

6. Those sessions demonstrated that both sides had potentially persuasive legal and factual cases to make to the court and to a jury about the legal entitlement of putative class members for monetary damages stemming from their purchase of vehicles equipped with 6.0L engines. Plaintiffs presented evidence that the engines at issue experienced an unusually high incidence of malfunctions due to known pre-production design defects in certain components, and that Ford was unable over many years effectively to repair those malfunctions under

warranty due to those inherent design defects. Ford presented evidence that it provided effective repairs under warranty when those malfunctions occurred and, as a result of intensive engineering efforts, eventually corrected all manufacturing and design defects associated with the initial production of the engines. Ford also presented evidence that many 6.0L engine malfunctions occurred due to deficient owner maintenance, abnormal usage, and unauthorized modifications of the engines.

7. Counsel debated whether putative class members would be entitled under law to receive various categories of monetary damages under the facts presented by the disputed evidentiary record. As a former trial court judge, it was evident to me that both sides had potentially winning cases that competent counsel could have presented to a jury, should the litigation survive defendant's pending pretrial motions and should plaintiffs obtain class litigation status over defendant's objections. In my view, either side could ultimately have won at the trial court level. That said, it was apparent to me that the losing party (whether plaintiffs or defendant) would have a potentially successful argument to make in any post-trial appeal.

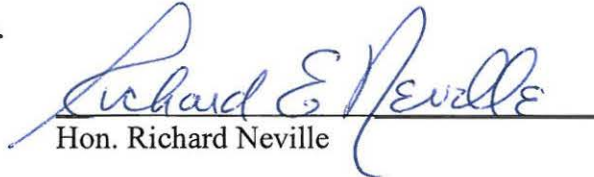
8. At the end of the second day, the parties managed to achieve a settlement in principle, which resolved *only* the terms of the Class recovery and the service awards for Class Representatives. Issues of attorneys' fees and expenses were completely deferred to a separate and subsequent mediation.

9. On June 19, 2012, the parties reconvened with me in Chicago to mediate the issue of attorneys' fees and expenses. At this mediation, Plaintiffs provided Ford's counsel with detailed information, including the (1) names of all billing attorneys and staff, hours billed, hourly rates, and total fees for each billing individual, and (2) an expense summary detailing each law firm's shared and held expenses. The June 19 mediation proved to be contentious,

hard-fought, and ultimately unsuccessful. Following this mediation, with my oversight and strong recommendation, the parties continued to negotiate. Still unable to resolve their differences, I recommended that the parties attend a second formal mediation session, which I convened on July 23 in Chicago. Like this first mediation session, this one also was unsuccessful. Nonetheless, the parties and I pressed on, and after multiple follow-up discussions with my oversight, the parties finally reached an agreement on what Ford should pay in attorneys' fees and expenses. With this agreement in place, on August 24, 2012, the parties entered into an all-encompassing settlement in principle concerning the substantive settlement terms, as well as attorneys' fees and expenses. On November 1, 2012, the parties executed the final Settlement Agreement.

I declare under penalty of perjury, under the laws of the United States, that the foregoing is true and correct.

DATED: May 7th, 2013 Chicago, Illinois.


Hon. Richard Neville