

NEWS RELEASE

# Luther Strange

Alabama Attorney General



FOR IMMEDIATE RELEASE

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## AG ANNOUNCES \$29 MILLION SETTLEMENT WITH TOYOTA OVER UNINTENDED ACCELERATION

(MONTGOMERY)--Attorney General Luther Strange today joined 29 other states in announcing a \$29 million settlement with Toyota Motor Corporation and its related North America entities over allegations that Toyota concealed safety issues related to unintended acceleration.

Toyota agreed to pay \$29 million to settle consumer protection claims and has agreed to provide additional restitution and incentives to vehicle owners to promote compliance with unintended acceleration safety recalls. As a result of the settlement, Alabama will receive \$641,995 for consumer purposes. Toyota will be restricted from advertising the safety of vehicles without sound engineering data to back such safety claims.

"I am pleased that this settlement will protect consumers by requiring honest and effective disclosures of safety issues," said Attorney General Strange.

In a complaint filed today along with the settlement agreement, the states alleged Toyota engaged in unfair and deceptive practices when it failed to timely disclose known safety defects with accelerator pedals. The investigating State Attorneys General determined that poor communication between Toyota's headquarters in Japan and Toyota's United States holdings were partially responsible for Toyota's failure to timely report known safety issues.

During settlement negotiations, emphasis was placed on ensuring changes in the corporate culture and corporate chain of command to enhance Toyota's responsiveness to regulatory agencies in the United States. As a result, Toyota has agreed to significantly change the safety culture within the company's United States operations. Toyota will ensure that officials and officers of its United States operations have timely access to information and the authority to fully participate in all decisions affecting the safe operation of Toyota vehicles advertised and sold in the United States.

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The requested culture and chain of command changes will also improve safety issue related to communication between Toyota's holdings in the United States and Toyota's other global holdings. The State Attorneys General believe the agreed changes in Toyota's corporate communications and safety decision-making chains of command will allow the company to move forward in a positive manner with improved responsiveness to safety concerns.

In addition, the settlement provides that Toyota is:

- Prohibited from reselling a vehicle it reacquired with alleged safety defects without informing the purchaser about the alleged defect(s) and certifying that the reacquired vehicle has been fixed,
- Prohibited from misrepresenting the purpose of an inspection or repair when directing consumers to bring their vehicles to a dealer for inspection or repair, and
- Required to exclude from the "Toyota Certified Used Vehicles" or "Lexus Certified Pre-Owned Vehicles" categories any vehicle acquired through lemon law proceedings or voluntarily repurchased by Toyota to ensure customer satisfaction.

The New Jersey Attorney General's Office led the national multi-state investigation along with the Attorneys General from Connecticut, Florida, Louisiana, Michigan, Nevada, Ohio, South Carolina and Washington. The following states and US territory participated in today's settlement: Alabama, American Samoa, Arizona, Arkansas, Colorado, Connecticut, Florida, Illinois, Iowa, Kansas, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, Washington and Wisconsin.