

Dec. 26, 2012

## **Toyota Agrees to Fund a Settlement of Unintended Acceleration Cases Worth Up to \$1.4 Billion**

*Attorney representing Toyota owners calls settlement “extraordinarily hard-fought, exceptionally far-reaching”*

December 26, 2012 – LOS ANGELES – The attorneys representing Toyota (NYSE:TM) owners who claim that their vehicles are prone to sudden, unexplained acceleration today announced that Toyota has agreed to a settlement valued between \$1.2 and \$1.4 billion, which includes direct payments to consumers as well as the installation of a brake-override system in an estimated 3.25 million vehicles.

The case was filed in 2010 after drivers across the country began reporting that Toyota vehicles suddenly and unintentionally accelerated. Toyota has long maintained that the vehicles were free from electronic flaws causing the acceleration.

Neither the National Highway Traffic Safety Administration (NHTSA), nor the National Aeronautics and Space Administration (NASA) was able to find any defects in Toyota’s source code that could cause these events.

After a flurry of lawsuits were filed against Toyota, Judge James Selna consolidated the cases in U.S. District Court in California and appointed attorney Steve Berman, managing partner of Hagens Berman Sobol Shapiro as co-lead counsel on May 14, 2010, placing Berman in charge of directing the class litigation and leading settlement discussions with the Japanese auto manufacturer.

“After two years of intense work, including deposing hundreds of engineers, pouring over thousands of documents and examining millions of lines of software code, we are pleased that Toyota has agreed to a settlement that was both extraordinarily hard-fought and is exceptionally far-reaching,” said Berman.

Under the terms of the proposed settlement, Toyota will install a brake-override system in vehicles subject to floor mat entrapment recalls. Brake-override systems cut power to the throttle under certain circumstances when the car receives simultaneous signals to accelerate and to stop.

In addition, the settlement establishes a fund of \$250 million to be paid to former Toyota owners who sold their cars during the period from Sept. 1, 2009, through Dec. 31, 2010, to compensate those owners for an alleged reduced value as a result of publicity concerning unintended acceleration.

A separate fund of \$250 million will be established to compensate current owners whose vehicles are not eligible for a brake-override system. The amount consumers receive depends on the model and year of their Toyota, and the state in which the car was purchased.

The settlement also provides that all 16 million current owners will be eligible for a customer care plan that will warranty certain parts that plaintiffs allege are tied to unintended acceleration for between three and 10 years.

The agreement also provides \$30 million in education grants to independent academic institutions to further the study of auto safety and to enhance driver education. “We hope that this research can aid in finding out the causes of unintended acceleration, and the solutions to fixing those issues,” said Berman.

The total value of the settlement is estimated to be between \$1.2 and \$1.4 billion. This estimate amounts to the largest settlement of this type in US history in terms of dollars paid out and number of vehicles involved.

Judge Selna is expected to review the proposed settlement on Dec. 28, 2012, and if he agrees with its fairness, will grant preliminary approval.

Current and former Toyota owners will receive information about the settlement and instructions on filing a claim in the coming months.

“From the very start, this was a challenging case,” Berman added. “We brought in automotive experts, physicists and some of the world’s leading theoreticians in electrical engineering to help us understand what happened to drivers experiencing sudden acceleration. We are extraordinarily proud of how we were able to represent the interests of Toyota owners, and believe this settlement is both comprehensive in its scope and fair in compensation.”

Limited details of the settlement are available at [www.hbsslaw.com/toyota](http://www.hbsslaw.com/toyota), [www.ToyotaELsettlement.com](http://www.ToyotaELsettlement.com) or by calling 1-877 283-0507. More information will be available once the court gives preliminary approval to the settlement.

#### **BROADCAST MEDIA:**

Broadcast quality video featuring Steve Berman commenting on the settlement is available at [ftp.clatterdin.com](http://ftp.clatterdin.com). The username to access the clips is “HBSS” and the password is “generic.”

#### **About Hagens Berman**

Seattle-based Hagens represents whistleblowers, investors and consumers in complex and class-action litigation. The firm has offices in 10 U.S. cities including New York, Boston, Chicago, Phoenix, Los Angeles, San Francisco and Washington, D.C. More about the law firm and its successes can be found at [www.hbsslaw.com](http://www.hbsslaw.com). Visit the firm's class-action law blog at [www.classactionlawtoday.com](http://www.classactionlawtoday.com).

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