

1 ROB BONTA  
Attorney General of California  
2 NICKLAS A. AKERS  
Senior Assistant Attorney General  
3 JUDITH FIORENTINI  
JON WORM  
4 Supervising Deputy Attorneys General  
LAUREL M. CARNES (SBN 285690)  
5 Deputy Attorney General  
600 West Broadway, Suite 1800  
6 San Diego, CA 92101  
P.O. Box 85266  
7 San Diego, CA 92186-5266  
Telephone: (619) 738-9062  
8 Fax: (619) 645-2271  
E-mail: Laurel.Carnes@doj.ca.gov  
9 *Attorneys for Plaintiff, the People of the State of  
California*

**NO FEE PURSUANT TO GOV.  
CODE SECTION 6103**

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 FOR THE COUNTY OF SAN DIEGO

12  
13  
14  
15 **THE PEOPLE OF THE STATE OF  
CALIFORNIA,**

Plaintiff,

v.

16  
17  
18 **FORD MOTOR COMPANY,**

Defendant.

Case No.

**STIPULATION FOR ENTRY OF FINAL  
JUDGMENT AND PERMANENT  
INJUNCTION**

19  
20  
21  
22 Plaintiff, the People of the State of California (“Plaintiff” or the “People”), acting by and  
23 through Rob Bonta, Attorney General of the State of California, and Defendant Ford Motor  
24 Company (“Ford” or “Defendant”) hereby stipulate as follows:

25 1. The Final Judgment (“Judgment”), a true and correct copy of which is attached to  
26 this Stipulation for Entry of Final Judgment (“Stipulation”) as Exhibit 1, may be entered in this  
27 matter.  
28

1           2.       Concurrently with the filing of this Stipulation, Plaintiff has filed its Complaint in  
2 this matter pursuant to California Business and Professions Code sections 17200 et seq. and  
3 17500 et seq., alleging that Ford committed violations of such code sections.

4           3.       This Court has jurisdiction over the subject matter of this lawsuit and over all  
5 parties to this action, and venue is proper in this Court.

6           4.       Ford, at all relevant times, transacted business in the County of San Diego and  
7 elsewhere in the State of California.

8           5.       The terms of this Stipulation and Judgment shall be governed by the laws of the  
9 State of California.

10          6.       Ford, Inc. is a Delaware corporation whose principal place of business is  
11 Dearborn, Michigan. Ford maintains a corporate location in Palo Alto, California.

12          7.       This Stipulation and Judgment is a settlement of a disputed matter and an  
13 agreement between Ford and the People acting pursuant to California Business and Professions  
14 Code sections 17200 et seq. and 17500 et seq.

15          8.       Ford and Ford's attorney agree and understand that following the execution of this  
16 Stipulation, the California Attorney General may communicate directly with Ford for the purpose  
17 of enforcing the terms of this Stipulation and Judgment, resolving future complaints, and  
18 conducting undercover investigations of Ford to the extent permitted by law.

19          9.       Ford waives any further notice of submission to and filing with the court of the  
20 Stipulation and Judgment.

21          10.       Ford understands that, in addition to any other sanctions which may be imposed  
22 under this Stipulation and Judgment, the Attorney General reserves all statutory and legal  
23 remedies for violation of the terms of the Stipulation and Judgment.

24          11.       The parties have entered into this Stipulation and Judgment without trial of any  
25 issue of fact or law. Ford specifically denies it has violated any federal or state laws. Nothing  
26 contained herein may be taken as or construed to be an admission or concession of any violation  
27 of law or regulation, or of any other matter of fact or law, or of any liability or wrongdoing, nor  
28 shall it constitute any evidence or finding supporting any of the allegations of fact or law alleged

1 by the California Attorney General, or any violation of state or federal law, rule or regulation or  
2 any liability or wrongdoing whatsoever. This Stipulation and Judgment is not intended to  
3 constitute evidence or precedent of any kind except in any action or proceeding by one of the  
4 parties to enforce, rescind or otherwise implement or affirm any or all terms of this Stipulation  
5 and Judgment. The parties expressly acknowledge and agree that nothing shall prevent the  
6 California Attorneys General's enforcement rights associated with this Stipulation and Judgment.

7 12. The parties acknowledge that no other promises, representations or agreements of  
8 any nature have been made or entered into by the parties. The parties further acknowledge that  
9 this Stipulation and Judgment constitutes a single and entire agreement that is not severable or  
10 divisible, except that if any provision herein is found to be legally insufficient or unenforceable,  
11 the remaining provisions shall continue in full force and effect.

12 13. Each party has cooperated in (and in any construction to be made of this  
13 Stipulation and Judgment shall be deemed to have cooperated in) the drafting and the preparation  
14 of this Stipulation and Judgment. Any rule of construction to the effect that any ambiguities are to  
15 be resolved against the drafting party shall not be employed in any interpretation of this  
16 Stipulation and Judgment.

17 14. This Stipulation may be executed at different times and locations in counterparts,  
18 each of which shall be deemed an original, but all of which together constitute one and the same  
19 instrument. A facsimile or .pdf signature shall be deemed to be, and shall have the same force  
20 and effect as, an original signature

21 15. The parties understand and agree that this Stipulation and Judgment shall not be  
22 construed as an approval or sanction by the California Attorney General of Ford's business  
23 practices, nor shall Ford represent that this Stipulation and Judgment constitutes an approval or  
24 sanction of its business practices. The parties further understand and agree that any failure by the  
25 California Attorney General to take any action in response to any information submitted pursuant  
26 to this Stipulation and Judgment shall not be construed as an approval, waiver, or sanction of any  
27 representations, acts, or practices indicated by such information, nor shall it preclude action  
28

1 thereon at a later date, except as provided by the Release set forth in paragraphs 14-15 of the  
2 Judgment.

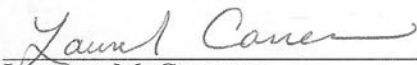
3 16. The Judgment may be entered by any judge of the San Diego Superior Court.  
4 Plaintiff may submit the Judgment to any judge of the Superior Court for approval and signature,  
5 based on the stipulation, during the Court's ex parte calendar or on any other ex parte basis,  
6 without notice to or appearance by Defendants; and Defendants hereby waive its notice and right  
7 to appear.

8 17. Each of the persons who signs his/her name below affirms that he/she has the  
9 authority to execute this Stipulation on behalf of the Party whose name appears next to her/his  
10 signature and that this Stipulation and Judgment is a binding obligation enforceable against said  
11 Party under California law.

12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: May 23, 2022

Respectfully Submitted,  
ROB BONTA  
Attorney General of California  
NICKLAS A. AKERS  
Senior Assistant Attorney General  
JUDITH FIORENTINI  
JON WORM  
Supervising Deputy Attorneys General

  
LAUREL M. CARNES  
Deputy Attorney General  
*Attorneys for Plaintiff*

*(Additional signatures on next page)*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**FOR DEFENDANT:**

Dated: May 19, 2022



By: \_\_\_\_\_  
Morgan Petrelli, Esq. (Bar No. 331206)  
SNELL & WILMER, L.L.P.  
600 Anton Blvd, Suite 1400  
Costa Mesa, California 92626-7689  
Telephone: 714.427.7000  
Facsimile: 714.427.7799  
Email: [mpetrelli@swlaw.com](mailto:mpetrelli@swlaw.com)

*Counsel for Defendant*

# **EXHIBIT 1**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN DIEGO

**THE PEOPLE OF THE STATE OF CALIFORNIA,**  
  
Plaintiff,  
  
v.  
  
**FORD MOTOR COMPANY,**  
  
Defendant.

Case No.  
**FINAL JUDGMENT AND PERMANENT INJUNCTION**

Plaintiff, the People of the State of California (“Plaintiff” or the “People”) has filed a Complaint for a permanent injunction and other relief in this matter, alleging that Defendant Ford Motor Company (“Ford” or “Defendant”) violated California Business and Professions Code sections 17200 et seq. and 17500 et seq. Plaintiff, by its counsel, and Ford, by its counsel, have agreed to the entry of this Final Judgment (“Judgment”) by the Court without trial or adjudication of any issue of fact or law, and without finding or admission of wrongdoing or liability of any kind.

This Judgment may be signed by any judge of the San Diego Superior Court.

1 The Court having considered the pleadings and the Stipulation for Entry of Final  
2 Judgment (“Stipulation”) executed by the Plaintiff and Defendant filed herewith, and good cause  
3 appearing,

4 IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

5 **I. PARTIES AND JURISDICTION**

6 1. Plaintiff is the People of the State of California.

7 2. Defendant Ford Motor Company is a Delaware corporation with its principal place  
8 of business at Dearborn, Michigan. Ford maintains a corporate location in Palo Alto, California.

9 3. At all relevant times, Ford transacted business in the County of San Diego and  
10 elsewhere in the State of California.

11 4. This Court has jurisdiction over the subject matter of this lawsuit and over all  
12 parties to this action, and venue is proper in this Court.

13 5. This Judgment is entered into pursuant to and subject to California Business and  
14 Professions Code sections 17200 et seq. and 17500 et seq.

15 **II. DEFINITIONS**

16 6. The following terms used herein shall have the following meanings (in  
17 alphabetical order):

18 A. “Covered Conduct” shall mean Ford's advertising claims of: (1) fuel economy  
19 relating to C-MAX vehicles from Model Years (“MY”) 2013 - 2014; and (2) maximum payload  
20 capacity of MY 2011- 2015 Ford vehicles.

21 B. “Ford” shall mean Ford Motor Company and its Subsidiaries, successors and  
22 assigns.

23 C. “Fuel Economy” shall mean the EPA-estimated fuel economy rating used or  
24 calculated by Ford in compliance with the regulations, rules and laws proscribed by United  
25 States Environmental Protection Agency.

26 D. “Multistate Executive Committee” or “MSEC” shall mean the Attorneys General  
27 of, Arizona, Illinois, Maryland, Oregon, Texas and Vermont.

28



1 E. "Multistate Working Group" or "MSWG" shall mean the Attorneys General of  
2 Alabama, Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Florida,  
3 Illinois, Indiana, Iowa, Georgia, Kansas, Kentucky, Louisiana, Maine, Maryland,  
4 Massachusetts, Minnesota, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York,  
5 North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island,  
6 Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wisconsin.

7 F. "Payload Capacity" shall mean the combined maximum weight of cargo and  
8 passengers that the vehicle is designed to carry.

9 G. "Subsidiaries" shall mean any corporation, association, joint venture,  
10 partnership, limited liability company or other business entity of which at least a majority of the  
11 Voting Stock is, at the point in time when the violation of this Judgment is alleged to have taken  
12 place, owned directly or indirectly by Ford Motor Company. Voting Stock means the capital  
13 stock or equivalent interests, if the entity does not have capital stock, having the right to vote  
14 for the election of directors or equivalent persons, if such entity does not have directors, of any  
15 corporation, association, joint venture, partnership, limited liability company or other business  
16 entity.

### 17 **III. COMPLIANCE PROVISIONS**

18 7. In accordance with sections 17203 and 17535 of the California Business and  
19 Professions Code:

20 A. Ford shall not make false or misleading advertising claims concerning the  
21 estimated Fuel Economy of a new motor vehicle in violation of California Business and  
22 Professions Code sections 17200 et seq. and 17500 et seq.

23 B. Ford shall not make false or misleading advertising claims concerning the  
24 Payload Capacity of a new motor vehicle in violation of California Business and Professions  
25 Code sections 17200 et seq. and 17500 et seq.

### 26 **IV. ENFORCEMENT NOTICE**

27 8. Prior to the California Attorney General instituting a court proceeding based solely  
28 on an alleged violation of this Judgment, the parties agree that the California Attorney General

1 will provide Ford with written notice if the Attorney General believes that Ford is in violation of  
2 any of its obligations under this Judgment, including a specific description of the conduct that  
3 appears to violate the Judgment and the provisions of the Judgment that the conduct appears to  
4 violate, and provide Ford thirty (30) business days after the date of receipt of the notice prior to  
5 commencing any further proceeding; provided, however, that the Attorney General may take any  
6 action where the Attorney General concludes that because of the specific practice, a threat to the  
7 health or safety of the public requires immediate action. Nothing in this section shall be  
8 interpreted to limit California's investigative subpoena authority, to the extent such authority  
9 exists under applicable law, and Ford reserves all of its rights in responding to an investigative  
10 subpoena issued pursuant to such authority.

11 9. Within thirty (30) business days of receipt of the Notice, Ford shall have the  
12 opportunity to demonstrate that:

13 A. Ford is in compliance with the obligations of this Judgment cited by the  
14 California Attorney General as being violated;

15 B. the alleged violation has been addressed, including by remedial actions having  
16 been taken to remedy any conduct inconsistent with this Judgment; or,

17 C. Ford has begun to take action to address the alleged violation, is pursuing such  
18 action with due diligence, and has provided a reasonable timetable for addressing the alleged  
19 violation.

20 10. Nothing shall prevent the California Attorney General from agreeing to provide  
21 Ford with additional time beyond the thirty (30) business days to respond to the Notice.

22 11. Nothing in this Judgment shall be interpreted to require the California Attorney  
23 General to provide notice to Ford prior to taking any action against Ford for violations of  
24 California law that is not an enforcement of this Judgment.

## 25 **V. PAYMENT**

26 12. Ford shall pay the MSWG Attorneys General at total of Nineteen Million Dollars  
27 (\$19,000,000), plus costs of Two Hundred Thousand Dollars (\$200,000), to be divided and paid  
28 by Ford directly to each Attorney General of the MSWG in an amount to be designated in writing

1 by and in the sole discretion of the MSEC. Payment shall be made by Ford within thirty (30)  
2 calendar days of receiving written payment processing instructions from the MSEC. Said  
3 payment shall be used by the Attorneys General for any lawful purpose including consumer  
4 protection enforcement or consumer education, or for other uses permitted by state law, at the  
5 sole discretion of each Attorney General. Unless otherwise required by law, in no event shall any  
6 portion of this payment be characterized as a fine, civil penalty or forfeiture by Ford to any  
7 participating Attorney General's Office.

8 13. Pursuant to the amount designated by the MSEC, Ford shall pay the California  
9 Attorney General \$1,161,127.39. These funds shall be used and allocated in accordance with  
10 Section 17206 of the Business and Professions Code.

## 11 **VI. RELEASE**

12 14. By execution of this Judgment, and following a full and complete payment to the  
13 California Attorney General of the amount required under paragraph 13, Plaintiff terminates its  
14 investigation of the Covered Conduct and releases and discharges, to the fullest extent permitted  
15 by law, Ford from any and all civil causes of action, claims, damages, costs, attorney's fees, or  
16 penalties the California Attorney General has asserted or could have asserted under California  
17 Business and Professions Code sections 17200 et seq. and 17500 et seq., as of the Effective Date,  
18 against Ford by reason of the Covered Conduct (collectively, the "Released Claims").

19 15. Notwithstanding this Judgment, the following do not comprise Released Claims:

- 20 A. Private rights of action, including any claims consumers have or may have on an  
21 individual or class basis under state consumer protection laws against any person or entity,  
22 including Ford;
- 23 B. Claims of environmental or tax liability;
- 24 C. Criminal liability;
- 25 D. Claims for property damage;
- 26 E. Claims alleging violations of state or federal securities laws;
- 27 F. Claims alleging violations of state or federal antitrust laws;

1 G. Any claims against Ford by any other agency or subdivision of the State of  
2 California; and

3 H. Any obligations created under this Settlement.

4 **VII. GENERAL PROVISIONS**

5 16. All Notices under this Judgment shall be provided to the following via email and  
6 certified mail:

7  
8 **For Ford Motor Company:**

9 Ford Motor Company  
10 One American Road  
11 Dearborn, MI 48216  
12 [notice@ford.com](mailto:notice@ford.com)

13 **For the State of California:**

14 California Attorney General's Office  
15 Laurel Carnes, Deputy Attorney General  
16 600 West Broadway, Suite 1800  
17 San Diego, California 92101  
18 [laurel.carnes@doj.ca.gov](mailto:laurel.carnes@doj.ca.gov)

19 17. If subsequent to the Effective Date of this Judgment, the federal government or  
20 California enacts or promulgates any law or regulation with respect to matters governed by this  
21 Judgment that creates a conflict with any provision of the Judgment, Ford shall notify the  
22 California Attorney General of the alleged conflict, stating with specificity the provision of this  
23 Judgment it believes conflicts with the newly enacted law or regulation. The California Attorney  
24 General shall respond to Ford's notification of the alleged conflict within thirty (30) days. Upon  
25 notice to Ford, the California Attorney General may extend this deadline if necessary. In the  
26 interim, Ford shall continue to comply with the terms of this Judgment to the extent possible.  
27 Factors to be considered in determining whether a conflict exists is whether conduct prohibited by  
28 this Judgment is required by such federal or state law or regulation, or conduct required by this  
Judgment is prohibited by such federal or state law or regulation.

1           18.     Nothing in this Judgment shall be construed as relieving Ford of its obligations to  
2 comply with all state, local, and federal laws, regulations or rules, or as granting permission to  
3 engage in any acts or practices prohibited by such law, regulation or rule.

4           19.     Neither this Judgment nor anything herein shall be construed or used as a waiver,  
5 limitation or bar on any defense otherwise available to Ford, or on Ford's right to defend itself  
6 from or make arguments in any pending or future legal or administrative action, proceeding, local  
7 or federal claim or suit, including without limitation, private individual or class action claims or  
8 suits, relating to Ford's conduct prior to the execution of the Stipulation or the entering of this  
9 Judgment, or to the existence, subject matter or terms of this Judgment.

10          20.     If any provision of this Judgment is held by a court of competent jurisdiction to be  
11 invalid, void or unenforceable, the remainder of the provisions shall remain in full force and  
12 effect and shall in no way be affected, impaired, or invalidated.

13          21.     Nothing in this Judgment shall be construed to waive, limit, or expand any claims  
14 of sovereign immunity the California Attorney General may have in any action or proceeding.

15          22.     Nothing in this Judgment shall be construed to create, waive, limit or expand any  
16 private right of action.

17          23.     No court costs or disbursements shall be taxed to any party.

18          24.     The Court retains jurisdiction of this Judgment and the parties hereto for the  
19 purpose of enforcing and modifying this Judgment and for the purpose of granting such additional  
20 relief as may be necessary and appropriate.

21          25.     This Judgment may be modified by a stipulation of the Parties, once it is approved  
22 by, and becomes a judgment of the Court, or by court proceedings resulting in modifying  
23 judgment of the court.

24          26.     The Clerk is ordered to enter this Judgment forthwith.

25  
26 Dated: \_\_\_\_\_

\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT