

In re:
FORD MOTOR COMPANY
1 American Rd.
Dearborn, MI 48126

* IN THE
* CONSUMER PROTECTION
* DIVISION
* OFFICE OF THE
* ATTORNEY GENERAL

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ASSURANCE OF DISCONTINUANCE

This Assurance of Discontinuance (“Assurance”) is entered into by the Consumer Protection Division of the Office of the Attorney General of Maryland (“the Attorney General”) and Ford Motor Company (“Ford”), in conjunction with a settlement with the other members of the Multistate Working Group. In consideration of their mutual agreements to the terms of this Assurance, and such other consideration as described herein, the sufficiency of which is hereby acknowledged, the Attorney General and Ford hereby agree as follows.

PROCEDURE

1.

This Assurance is a settlement of a disputed matter and an agreement between Ford and the Attorney General acting pursuant to the Maryland Consumer Protection Act, Md. Code Ann., Com. Law §§ 13-101 through 13-501 (the “Consumer Protection Act”).

2.

Ford and Ford’s attorney agree and understand that following the execution of this Assurance, the Attorney General may communicate directly with Ford for the purpose of enforcing the terms of this agreement, resolving future complaints, and conducting undercover investigations of Ford to the extent permitted by law.

3.

Ford understands that, in addition to any other sanctions which may be imposed under this Assurance, the Attorney General reserves all statutory and legal remedies for violation of the terms of this Assurance pursuant to Com. Law §§ 13-402(c)(1) and 13-410(b).

ENFORCEMENT NOTICE

4.

Prior to the Attorney General instituting a court proceeding based solely on an alleged violation of this Assurance, the parties agree that the Attorney General will provide Ford with written notice if the Attorney General believes that Ford is in violation of any of its obligations under this Assurance, including a specific description of the conduct that appears to violate the Assurance and the provisions of the Assurance that the conduct appears to violate, and provide Ford thirty (30) business days after the date of receipt of the notice prior to commencing any further proceeding; provided, however, that the Attorney General may take any action where the Attorney General concludes that because of the specific practice, a threat to the health or safety of the public requires immediate action.

5.

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

- A. Ford is in compliance with the obligations of this Assurance cited by the Attorney General as being violated;
- B. the alleged violation has been addressed, including by remedial actions having been taken to remedy any conduct inconsistent with this Assurance; or,
- C. Ford has begun to take action to address the alleged violation, is pursuing such

action with due diligence, and has provided a reasonable timetable for addressing the alleged violation.

6.

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

NO ADMISSION OF LIABILITY

7.

The parties have entered into this Assurance without trial of any issue of fact or law. Ford specifically denies it has violated any federal or state laws. Nothing contained herein may be taken as or construed to be an admission or concession of any violation of law or regulation, or of any other matter of fact or law, or of any liability or wrongdoing, nor shall it constitute any evidence or finding supporting any of the allegations of fact or law alleged by the Attorney General, or any violation of state or federal law, rule or regulation or any liability or wrongdoing whatsoever. This Assurance is not intended to constitute evidence or precedent of any kind except in any action or proceeding by one of the parties to enforce, rescind or otherwise implement or affirm any or all terms of this Assurance. The parties expressly acknowledge and agree that nothing shall prevent the Attorney General's enforcement rights associated with this Assurance.

DEFINITIONS

8.

The following terms used herein shall have the following meanings (in alphabetical order):

- A. "**Covered Conduct**" shall mean Ford's advertising claims of: (1) fuel economy relating to C-MAX vehicles from Model Years ("MY") 2013 – 2014; and (2) maximum payload capacity of MY 2011– 2015 Ford vehicles.
- B. "**Ford**" shall mean Ford Motor Company and its Subsidiaries, successors and assigns.

- C. **“Fuel Economy”** shall mean the EPA-estimated fuel economy rating used or calculated by Ford in compliance with the regulations, rules and laws proscribed by United States Environmental Protection Agency.
- D. **“Multistate Executive Committee”** or **“MSEC”** shall mean the Attorneys General of, Arizona, Illinois, Maryland, Oregon, Texas and Vermont.
- E. **“Multistate Working Group”** or **“MSWG”** shall mean the Attorneys General of Alabama, Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Florida, Illinois, Indiana, Iowa, Georgia, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wisconsin.
- F. **“Payload Capacity”** shall mean the combined maximum weight of cargo and passengers that the vehicle is designed to carry.
- G. **“Subsidiaries”** shall mean any corporation, association, joint venture, partnership, limited liability company or other business entity of which at least a majority of the Voting Stock is, at the point in time when the violation of this Assurance is alleged to have taken place, owned directly or indirectly by Ford Motor Company. Voting Stock means the capital stock or equivalent interests, if the entity does not have capital stock, having the right to vote for the election of directors or equivalent persons, if such entity does not have directors, of any corporation, association, joint venture, partnership, limited liability company or other business entity.

COMPLIANCE PROVISIONS

9.

Ford agrees to the following:

- A. Ford shall not make false or misleading advertising claims concerning the estimated Fuel Economy of a new motor vehicle in violation of the Consumer Protection Act.

- B. Ford shall not make false or misleading advertising claims concerning the Payload Capacity of a new motor vehicle in violation of the Consumer Protection Act.

PAYMENT TO THE ATTORNEY GENERAL

10.

Ford shall pay the MSWG Attorneys General at total of Nineteen Million Dollars (\$19,000,000), plus costs of Two Hundred Thousand Dollars (\$200,000), to be divided and paid by Ford directly to each Attorney General of the MSWG in an amount to be designated in writing by and in the sole discretion of the MSEC. Payment shall be made by Ford within thirty (30) calendar days of receiving written payment processing instructions from the MSEC. Said payment shall be used by the Attorneys General for any lawful purpose including consumer protection enforcement or consumer education, or for other uses permitted by state law, at the sole discretion of each Attorney General. Unless otherwise required by law, in no event shall any portion of this payment be characterized as a fine, civil penalty or forfeiture by Ford to any participating Attorney General's Office.

11.

Pursuant to the amount designated by the MSEC, Ford shall pay the Attorney General Nine Hundred and Eighty-Nine Thousand, Four Hundred and Nine Dollars and Fourteen Cents (\$989,409.14). The payment received by the Attorney General pursuant to this paragraph shall be used, at the sole discretion of the Attorney General, for consumer protection purposes, including consumer protection enforcement or consumer education, monitoring and potential enforcement of this Assurance, or may be used for any other public purpose permitted by state law.

RELEASE

12.

By execution of this Assurance, and following a full and complete payment to the Attorney General of the amount required under paragraph 11, the Attorney General

terminates its investigation of the Covered Conduct and releases and discharges, to the fullest extent permitted by law, Ford from any and all civil causes of action, claims, damages, costs, attorney's fees, or penalties the Attorney General has asserted or could have asserted under the Consumer Protection Act, as of the Effective Date, against Ford by reason of the Covered Conduct (collectively, the "Released Claims").

13.

Notwithstanding this Assurance, the following do not comprise Released Claims:

- A. Private rights of action, including any claims consumers have or may have on an individual or class basis under state consumer protection laws against any person or entity, including Ford;
- B. Claims of environmental or tax liability;
- C. Criminal liability;
- D. Claims for property damage;
- E. Claims alleging violations of state or federal securities laws;
- F. Claims alleging violations of state or federal antitrust laws;
- G. Any claims against Ford by any other agency or subdivision of the State of Maryland; and
- H. Any obligations created under this Settlement.

NOTICES

14.

Any notices required to be sent to the Attorney General or to Ford by this Assurance shall be sent by certified mail and electronic mail to the following addresses:

For Ford Motor Company: notice@ford.com Ford Motor Company One American Road Dearborn, MI 48216	For Consumer Protection Division: Office of the Maryland Attorney General Elizabeth Stern Assistant Attorney General estern@oag.state.md.us
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	and Chief, Consumer Protection Division 200 St. Paul Place 16 th Floor Baltimore, MD 21202 consumer@oag.state.md.us
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MISCELLANEOUS

15.

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

16.

If subsequent to the Effective Date of this Assurance, the federal government or Maryland enacts or promulgates any law or regulation with respect to matters governed by this Assurance that creates a conflict with any provision of the Assurance, Ford shall notify the Attorney General of the alleged conflict, stating with specificity the provision of this Assurance it believes conflicts with the newly enacted law or regulation. The Attorney General shall respond to Ford's notification of the alleged conflict within thirty (30) days. In the interim, Ford shall continue to comply with the terms of this Assurance to the extent possible. Factors to be considered in determining whether a conflict exists is whether conduct prohibited by this Assurance is required by such federal or state law or regulation, or conduct required by this Assurance is prohibited by such federal or state law or regulation.

17.

Nothing in this Assurance shall be construed as relieving Ford of its obligations to comply with all state, local, and federal laws, regulations or rules, or as granting permission to engage

in any acts or practices prohibited by such law, regulation or rule.

18.

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

19.

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

20.

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

21.

This Assurance may be executed at different times and locations in counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

22.

The parties understand and agree that this Assurance shall not be construed as an approval or sanction by the Attorney General of Ford's business practices, nor shall Ford represent that this Assurance constitutes an approval or sanction of its business practices. The Parties further understand and agree that any failure by the Attorney General to take any action in response to

any information submitted pursuant to this Assurance shall not be construed as an approval, waiver, or sanction of any representations, acts, or practices indicated by such information, nor shall it preclude action thereon at a later date, except as provided by the Release set forth in paragraphs 12–13 of this Assurance.

23.

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

24.

Nothing in this Assurance shall be construed to create, waive, limit or expand any private right of action.

AGREED AS TO FORM AND SUBSTANCE:

Consumer Protection Division
Office of the Attorney General of Maryland

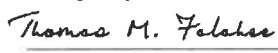
Ford Motor Company

By:

By:




William D. Gruhn
Chief

DocuSigned by:


F669CA954FA8487
Thomas Falahee
Assistant General Counsel
May 18, 2022

Date



Elizabeth Stern
Assistant Attorney General

5/23/2022
Date