

Toyota Statement on Hogan Lawsuit Verdict

July 16, 2019

In response to several erroneous news reports regarding the *Hogan v. Toyota* case, Toyota is providing the following update:

On July 15, 2019 a jury in California Superior Court, in a case brought by two California dealerships owned by Roger Hogan, found Toyota not liable for plaintiffs' allegations of fraud by concealment, including those involving Prius inverter safety issues alleged by the plaintiffs. The jury did find Toyota liable for the claims of breach of the implied covenant of good faith and fair dealing, awarding approximately \$15.8 million in total damages, but awarding no punitive damages. The jury further determined that both dealerships "engaged in misconduct directly relating to its claim against Toyota for breach of the implied covenant of good faith and fair dealing" and discounted \$2.3 million from their judgment as a result.

In response, Toyota issued the following statement:

"To be clear, this lawsuit originated from a business dispute Roger Hogan had with Toyota over management and succession issues involving his dealership, not the effectiveness of the Prius inverter recalls.

"Despite claims by plaintiffs' counsel and subsequent misleading and erroneous reporting starting with the Los Angeles Times, neither the verdict form nor the jury's decision in the Hogan matter indicated that the finding on breach of good faith and fair dealing was in any way related to vehicle safety issues.

"Similarly, the jury made no determination and was never asked to make a determination on the effectiveness of past Toyota recalls, including previous Prius inverter recalls.

"While we respect the jury's decision, we remain confident the evidence and testimony clearly demonstrated that Toyota abided by its contractual obligations to the Roger Hogan dealerships and has been transparent with its dealers, regulators and customers regarding the vehicle issues raised at trial. We will consider our options moving forward."