STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In Re: LEONARD SPENCER) CIVIL DIVISION
) Docket No. 471-8-18 Wncv

ASSURANCE OF DISCONTINUANCE

The State of Vermont, by and through Vermont Attorney General Thomas J. Donovan, Jr., and Leonard Spencer ("Respondent"), hereby enter into this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. § 2459.

Regulatory Framework

1. Lead-based paint in housing, the focus of the Vermont lead law, is a leading cause of childhood lead poisoning, which can result in adverse health effects, including decreases in IQ.
2. All paint in pre-1978 housing is presumed to be lead-based unless a certified inspector has determined that it is not lead-based. 18 V.S.A. § 1759(a).
3. All paint in rental target housing is "presumed to be lead-based unless a lead inspector or lead risk assessor has determined that it is not lead-based." 18 V.S.A. § 1760(a).
4. The lead law requires that essential maintenance practices ("EMPs") specified in 18 V.S.A. § 1759 be performed at all pre-1978 rental housing.
5. EMPs include, but are not limited to, installing window well inserts, visually inspecting properties at least annually for deteriorated paint, restoring surfaces to be free of deteriorated paint within 30 days after such paint has been visually identified

Office of the ATTORNEY GENERAL
109 State Street
Montpelier, VT 05609

or reported to the owner, and posting lead-based paint hazard information in a prominent place. 18 V.S.A. § 1759(a) (2), (4) and (7).

6. The EMP requirements also mandate that an owner of rental target housing file affidavits or compliance statements attesting to EMP performance with the Vermont Department of Health and with the owner's insurance carrier. 18 V.S.A. § 1759(b).
7. A violation of the lead law requirements may result in a maximum civil penalty of $10,000.00. 18 V.S.A. § 130(b)(6). Each day that a violation continues is a separate violation. 18 V.S.A. § 130(b)(6).
8. The Vermont Consumer Protection Act, 9 V.S.A Chapter 63, prohibits unfair and deceptive acts and practices, which includes the offering for rent, or the renting of, target housing that is noncompliant with the lead law.
9. Violations of the Consumer Protection Act are subject to a civil penalty of up to $10,000.00 per violation. 9 V.S.A. § 2458(b)(1). Each day that a violation continues is a separate violation.

Respondent's Rental Housing and Lead Compliance Practices

10. Respondent is the owner of a rental property at 1391 VT Route 215 in Cabot, VT (2 units).
11. The property was constructed prior to 1978, and therefore, is pre-1978 "rental target housing" within the meaning of the Vermont lead law, 18 V.S.A. § 1751(23), and is subject to the requirements of 18 V.S.A. Chapter 38.
12. Respondent has in the past and continues presently to rent and offer for rent units in the property.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

13. On May 10, 2018, Respondent filed with the Vermont Department of Health an "EMP Rental Property Compliance Statement" for 1391 VT Route 215.

14. The EMP Statement represented that Respondent performed EMPs at 1391 VT Route 215 on May 7, 2017.

15. The EMP Statement specifically certifies that Respondent:

    a. visually inspected exterior surfaces and outbuildings; and

    b. found no deteriorated exterior paint exceeding 1 square foot.

16. The EMP Statement was signed by Leonard Spencer and certified that "all information provided on this form is true and accurate" and acknowledged that "providing false, incomplete or inaccurate information on this form is unlawful and is punishable by civil and criminal penalties pursuant to Vermont law."

17. On June 6, 2018, Vermont Department of Health staff inspected the exterior of 1391 VT Route 215 and documented (via photographs) deteriorated paint exceeding more than 1 square foot on the property's exterior surface.

18. Respondent admits the truth of the facts described in ¶¶ 10-17.

The State's Allegations

19. The Vermont Attorney General's Office alleges the following violations of the Consumer Protection Act and Lead Law:

    a. Submitting an EMP compliance statement and inaccurately representing that the property was in compliance with the lead law.

20. The State of Vermont alleges that the above behavior constitutes unfair and deceptive acts and practices under 9 V.S.A. § 2453.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

Assurances and Relief

In lieu of instituting an action or proceeding against Respondent, the Attorney General and Respondent are willing to accept this AOD pursuant to 9 V.S.A. § 2459. Accordingly, the parties agree as follows:

21. Respondent shall fully and timely comply with the requirements of the Vermont lead law, 18 V.S.A., Chapter 38, as long as they maintain any ownership or property management interest in the property and in any other pre-1978 rental housing in which they currently have, or later acquire, an ownership or property management interest.

22. By October 1, 2018, all exterior EMP work of the property shall be completed in a lead-safe manner in accordance with 18 V.S.A. § 1760. If Respondent requires additional time to complete the work, Respondent will contact the Department of Health to request an extension of time agreement before the expiration of the above deadlines and provide a detailed justification for any extension.

23. Within one week of completion of the EMP work at the property described in the paragraph above, Respondent will file with the Vermont Department of Health, Respondent's insurance carrier and with the Office of the Attorney General, an updated and completed EMP compliance statement for the property, and will give a copy of the compliance statement to an adult in each rented unit of the property. The copy for the Office of the Attorney General shall be sent to: Justin Kolber, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

24. In the event Respondent wishes to rent a unit which becomes vacant in any of Respondent's pre-1978 rental housing before such housing is made EMP compliant, Respondent shall provide advance written notice of the intent to rent to the Office of the Attorney General at the address listed above. Respondent's advance written notice shall also: (1) verify that the interior of the specific unit to be rented is EMP compliant; (2) provide an update as to any remaining EMP work to be performed at the property, including the date by which the entire property will be EMP compliant. Otherwise, Respondent shall not rent, or offer for rent, any unit which becomes vacant in any of property owned or managed by Respondent that is not EMP compliant until such time as the EMP work is complete and the EMP compliance statement is distributed as described above.

25. Due to demonstrated financial hardship, Respondent shall expend at least $2,500 on lead hazard reduction improvements at the Property.

Other Terms

26. This AOD is binding on Respondent, however, sale of any pre-1978 rental property may not occur unless Respondent has complied with all obligations under this AOD, or this AOD is amended in writing to transfer to the buyer or other transferee all remaining obligations.

27. Transfer of ownership of any of Respondent's pre-1978 rental property shall be consistent with Vermont law, including the provisions of 18 V.S.A. § 1767 specifically relating to the transfer of ownership of pre-1978 rental housing.

28. This AOD shall not affect marketability of title.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

29. Nothing in this AOD in any way affects Respondent's other obligations under state, local, or federal law.

30. In addition to any other penalties or relief which might be appropriate under Vermont law, any future failure by Respondent to comply with the terms of this AOD shall be subject to a liquidated civil penalty paid to the State of Vermont in the amount of at least $5,000 and not more than $10,000.

SIGNATURES APPEAR ON NEXT PAGE

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

DATED at Montpelier, Vermont this 7th day of ~~July~~ August, 2018.

STATE OF VERMONT

THOMAS J. DONOVAN, JR.
ATTORNEY GENERAL

By: _____
Justin E. Kolber
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
(802) 828-5620
justin.kolber@vermont.gov

DATED at Cabot, VT this 9th day of ~~July~~ Aug., 2018.

LEONARD SPENCER

By: _____
Leonard Spencer

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

STATE OF VERMONT

SUPERIOR COURT
Washington Unit

CIVIL DIVISION
Docket No. 443-7-14 Wncv

State of Vermont vs. Living Essentials, LLC et al

ENTRY REGARDING MOTION

Count 1, Consumer Protection (443-7-14 Wncv)
Count 2, Consumer Protection (443-7-14 Wncv)

Title:	Motion (State) to Establish Procedure to Comply (Motion 151)
Filer:	State of Vermont
Attorney:	Edwin L. Hobson
Filed Date:	July 16, 2019

No response filed

The motion is GRANTED IN PART.

As of August 1, 2019, all documents sealed on a temporary basis, beginning with documents subject to all motions beginning with Motion #80 (order dated September 5, 2018), will be unsealed except as stated below.

If a request to have anything remain under seal is filed by August 1, 2019, the court will consider such request and the item will remain under seal temporarily until a ruling is made.

Any request to have an item remain under seal must identify:

1. The date the item was filed, and the date of the order granting the sealing
2. The specific pages or documents sought to remain under seal. It is not enough to designate entire filings or identify them generally by subject matter (e.g., "proprietary third-party documents from Comcast filed in connection with the motion for partial summary judgment" is not sufficient. Exhibit numbers and page numbers are required.)
3. Specific reasons that satisfy legal requirements for sealing as set forth in the Entry Order of June 10, 2019 on Motion #142.

Failure to comply with these requirements could result in the unsealing of documents.

Electronically signed on July 18, 2019 at 03:01 PM pursuant to V.R.E.F. 7(d).

Mary Miles Teachout

Mary Miles Teachout
Superior Court Judge

Notifications:
Edwin L. Hobson (ERN 1603), Attorney for Plaintiff State of Vermont
Ian P. Carleton (ERN 1844), Attorney for Defendant Living Essentials, LLC
Ian P. Carleton (ERN 1844), Attorney for Defendant Innovation Ventures, LLC
Kevin A. Lumpkin (ERN 6480), Attorney for party 2 Co-counsel
Kevin A. Lumpkin (ERN 6480), Attorney for party 3 Co-counsel
Alexandrea L Nelson (ERN 9940), Attorney for party 2 Co-counsel
Alexandrea L Nelson (ERN 9940), Attorney for party 3 Co-counsel
David R. Groff (ERN 1427), Attorney for party 1 Co-counsel

STATE OF VERMONT

SUPERIOR COURT
WASHINGTON UNIT
14 Wncv

CIVIL DIVISION
Docket No. 443-7-

STATE OF VERMONT,
Plaintiff,

v.

LIVING ESSENTIALS, LLC and
INNOVATION VENTURES, LLC,
Defendants.

SETTLEMENT AGREEMENT AND STIPULATION TO DISMISS

As evidenced by their signatures below, the State of Vermont (the "State"), through its Attorney General, and Living Essentials, LLC ("LE") and Innovation Ventures, LLC ("IV") (LE and IV are collectively referred to as "Defendants" and the State and Defendants are collectively referred to as the "Parties") hereby enter into this Settlement Agreement and Stipulation ("Stipulation") in order to fully resolve this action:

WHEREAS, the State filed a consumer protection complaint in this matter on July 17, 2014 alleging that Defendants committed violations of 9 V.S.A. §2453(b);

WHEREAS, the parties have been engaged in litigation in this action since that time;

WHEREAS, the parties now wish to resolve this action, and therefore, in lieu of further litigation, and for the consideration set forth below, the State and Defendants agree as follows:

1. Within ten (10) business days after the Court's execution and entry of this Stipulation, Defendants shall pay to the State, in care of the Vermont Attorney General's Office, the sum of $308,000 which reflects the State's costs and expenses incurred in litigating this matter (the "Settlement Payment").

2. Effective upon the filing of this Stipulation and Defendants' payment to the State of the Settlement Payment, the Parties release and discharge the other or anyone acting on their behalf or under their control, including but not limited to their directors, officers, officials, shareholders, employees, attorneys, agents, successors or assigns, from any and all lawsuits, causes of action, claims asserted, or claims that could have been asserted from the beginning of time until the present.

3. The Parties have consented to entry of this Stipulation for settlement only and nothing in this Stipulation shall be construed as an admission by Defendants of any liability, wrongdoing, misconduct, or legal or factual issue.

4. Nothing in this Stipulation constitutes an approval by the Attorney General of the actions taken by Defendants, as alleged in the Complaint.

5. This Stipulation may be executed in counterparts, and a facsimile or .pdf signature shall be deemed to be, and shall have the same force and effect, as an original signature.

6. This matter shall be dismissed with prejudice. Each party shall bear its own attorneys' fees, and except for the Settlement Payment set forth above, each party shall bear its own costs.

IT IS SO ORDERED.

Dated this 18th day of July 2019.

Mary Miles Teachout

Hon. Mary Miles Teachout
Washington County Superior Court Judge

STIPULATION OF SETTLEMENT

The undersigned parties hereby stipulate and agree to the foregoing.

Dated: July 15, 2019

STATE OF VERMONT
THOMAS J. DONOVAN, JR.,
ATTORNEY GENERAL STATE OF VERMONT

By: _____
Edwin L. Hobson
Assistant Attorney General

Dated: July ____, 2019

Living Essentials, LLC and Innovation Ventures, LLC

By: _____
Matt Dolmage, COO and CFO
Authorized Agent

APPROVED AS TO FORM:

STATE OF VERMONT
THOMAS J. DONOVAN, JR.,
ATTORNEY GENERAL

By: _____
Edwin L. Hobson
Assistant Attorney General
Vermont Attorney General's Office
109 State Street
Montpelier, VT 05609
(802) 828- 3171

For Living Essentials, LLC and Innovation Ventures, LLC

Ian P. Carleton, Esq.
Kevin A. Lumpkin, Esq.
SHEEHEY FURLONG & BEHM P.C.
30 Main Street
P.O. Box 66
Burlington, VT 05402-0066
Telephone: (802) 864-9891

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In Re: MARK NEEDLEMAN 2019 JAN 31 P 2:50 CIVIL DIVISION
Docket No. 42-1-19 Wncv

ASSURANCE OF DISCONTINUANCE

The State of Vermont, by and through Vermont Attorney General Thomas J. Donovan, Jr., and Mark Needleman ("Respondent"), hereby enter into this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. § 2459.

Regulatory Framework

1. Lead-based paint in housing, the focus of the Vermont lead law, is a leading cause of childhood lead poisoning, which can result in adverse health effects, including decreases in IQ.
2. All paint in pre-1978 housing is presumed to be lead-based unless a certified inspector has determined that it is not lead-based. 18 V.S.A. § 1759(a).
3. All paint in rental target housing is "presumed to be lead-based unless a lead inspector or lead risk assessor has determined that it is not lead-based." 18 V.S.A. § 1760(a).
4. The lead law requires that essential maintenance practices ("EMPs") specified in 18 V.S.A. § 1759 be performed at all pre-1978 rental housing.
5. EMPs include, but are not limited to, installing window well inserts, visually inspecting properties at least annually for deteriorated paint, restoring surfaces to be free of deteriorated paint within 30 days after such paint has been visually identified

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

or reported to the owner, and posting lead-based paint hazard information in a prominent place. 18 V.S.A. § 1759(a) (2), (4) and (7).

6. The EMP requirements also mandate that an owner of rental target housing file affidavits or compliance statements attesting to EMP performance with the Vermont Department of Health and with the owner's insurance carrier. 18 V.S.A. § 1759(b).
7. A violation of the lead law requirements may result in a maximum civil penalty of $10,000.00. 18 V.S.A. § 130(b)(6). Each day that a violation continues is a separate violation. 18 V.S.A. § 130(b)(6).
8. The Vermont Consumer Protection Act, 9 V.S.A Chapter 63, prohibits unfair and deceptive acts and practices, which includes the offering for rent, or the renting of, target housing that is noncompliant with the lead law.
9. Violations of the Consumer Protection Act are subject to a civil penalty of up to $10,000.00 per violation. 9 V.S.A. § 2458(b)(1). Each day that a violation continues is a separate violation.

Respondent's Rental Housing and Lead Compliance Practices

10. Respondent is the owner of a rental property at 211 North Main Street in St. Albans (4 units).
11. The property was constructed prior to 1978, and therefore, is pre-1978 "rental target housing" within the meaning of the Vermont lead law, 18 V.S.A. § 1751(23), and is subject to the requirements of 18 V.S.A. Chapter 38.
12. Respondent has in the past and continues presently to rent and offer for rent units in the property.

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

13. On June 15, 2018, Respondent filed with the Vermont Department of Health an "EMP Rental Property Compliance Statement" for 211 North Main Street.

14. The EMP Statement represented that Respondent performed EMPs at 211 North Main Street on June 13, 2018.

15. The EMP Statement specifically certifies that Respondent:

    a. visually inspected interior surfaces and found no deteriorated interior paint exceeding 1 square foot; and

    b. that no window well inserts were needed because the windows were vinyl or aluminum.

16. The EMP Statement was signed by Mark Needleman and certified that "all information provided on this form is true and accurate" and acknowledged that "providing false, incomplete or inaccurate information on this form is unlawful and is punishable by civil and criminal penalties pursuant to Vermont law."

17. On September 7, 2018, Vermont Department of Health staff inspected the interior of 211 North Main Street and documented (via photographs) deteriorated paint exceeding more than 1 square foot on the property's interior surfaces. The Department also observed wood-frame windows that lacked inserts and that had deteriorated paint as well as paint chips in the window wells.

18. Respondent admits the truth of the facts described in ¶¶ 10-17.

The State's Allegations

19. The Vermont Attorney General's Office alleges the following violations of the Consumer Protection Act and Lead Law:

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

a. Submitting an EMP compliance statement and inaccurately representing that the property was in compliance with the lead law.

20. The State of Vermont alleges that the above behavior constitutes unfair and deceptive acts and practices under 9 V.S.A. § 2453.

Assurances and Relief

In lieu of instituting an action or proceeding against Respondent, the Attorney General and Respondent are willing to accept this AOD pursuant to 9 V.S.A. § 2459. Accordingly, the parties agree as follows:

21. Respondent shall fully and timely comply with the requirements of the Vermont lead law, 18 V.S.A., Chapter 38, as long as they maintain any ownership or property management interest in the property and in any other pre-1978 rental housing in which they currently have, or later acquire, an ownership or property management interest.

22. By March 1, 2019, all interior EMP work of the property shall be completed in a lead-safe manner in accordance with 18 V.S.A. § 1760. If Respondent requires additional time to complete the work, Respondent will contact the Department of Health to request an extension of time agreement before the expiration of the above deadlines and provide a detailed justification for any extension.

23. Within one week of completion of the EMP work at the property described in the paragraph above, Respondent will file with the Vermont Department of Health, Respondent's insurance carrier and with the Office of the Attorney General, an updated and completed EMP compliance statement for the property, and will give a copy of the compliance statement to an adult in each rented unit of the property. The

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

copy for the Office of the Attorney General shall be sent to: Justin Kolber, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

24. In the event Respondent wishes to rent a unit which becomes vacant in any of Respondent's pre-1978 rental housing before such housing is made EMP compliant, Respondent shall provide advance written notice of the intent to rent to the Office of the Attorney General at the address listed above. Respondent's advance written notice shall also: (1) verify that the interior of the specific unit to be rented is EMP compliant; (2) provide an update as to any remaining EMP work to be performed at the property, including the date by which the entire property will be EMP compliant. Otherwise, Respondent shall not rent, or offer for rent, any unit which becomes vacant in any of property owned or managed by Respondent that is not EMP compliant until such time as the EMP work is complete and the EMP compliance statement is distributed as described above.

25. Respondent shall pay $5,000 in civil penalties and costs for the filing of a false EMP compliance statement, payable as follows:

    a. Respondent shall pay one thousand five hundred dollars ($1,500), by a single check payable to the "State of Vermont" and sent to: *Justin E. Kolber, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.*

    b. Respondent shall expend at least three thousand five hundred dollars ($3,500), including the actual cost of materials and the actual cost of labor, on lead hazard reduction improvements at any or all of Respondent's properties).

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

Other Terms

26. This AOD is binding on Respondent, however, sale of any pre-1978 rental property may not occur unless Respondent has complied with all obligations under this AOD, or this AOD is amended in writing to transfer to the buyer or other transferee all remaining obligations.
27. Transfer of ownership of any of Respondent's pre-1978 rental property shall be consistent with Vermont law, including the provisions of 18 V.S.A. § 1767 specifically relating to the transfer of ownership of pre-1978 rental housing.
28. This AOD shall not affect marketability of title.
29. Nothing in this AOD in any way affects Respondent's other obligations under state, local, or federal law.
30. In addition to any other penalties or relief which might be appropriate under Vermont law, any future failure by Respondent to comply with the terms of this AOD shall be subject to a liquidated civil penalty paid to the State of Vermont in the amount of at least $5,000 and not more than $10,000.

SIGNATURES APPEAR ON NEXT PAGE

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

DATED at Montpelier, Vermont this 31st day of January, 2019.

STATE OF VERMONT

THOMAS J. DONOVAN, JR.
ATTORNEY GENERAL

By: _____

Justin E. Kolber
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
(802) 828-5620
justin.kolber@vermont.gov

DATED at _____, Vermont this _____ day of January, 2019.

MARK NEEDLEMAN

By: _____

Mark Needleman

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

DATED at St Albans, Vermont this 25th day of January, 2019.

MARK NEEDLEMAN

By: _____
Mark Needleman

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In Re: MATTHEW GADBOIS) CIVIL DIVISION
) Docket No. 220-4-18 Wncv.

ASSURANCE OF DISCONTINUANCE

The State of Vermont, by and through Vermont Attorney General Thomas J. Donovan, Jr., and Matthew Gadbois ("Respondent"), hereby enter into this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. § 2459.

Regulatory Framework

1. Lead-based paint in housing, the focus of the Vermont lead law, is a leading cause of childhood lead poisoning, which can result in adverse health effects, including decreases in IQ.
2. All paint in pre-1978 housing is presumed to be lead-based unless a certified inspector has determined that it is not lead-based. 18 V.S.A. § 1759(a).
3. All paint in rental target housing is "presumed to be lead-based unless a lead inspector or lead risk assessor has determined that it is not lead-based." 18 V.S.A. § 1760(a).
4. The lead law requires that essential maintenance practices ("EMPs") specified in 18 V.S.A. § 1759 be performed at all pre-1978 rental housing.
5. EMPs include, but are not limited to, installing window well inserts, visually inspecting properties at least annually for deteriorated paint, restoring surfaces to be free of deteriorated paint within 30 days after such paint has been visually identified

Office of the ATTORNEY GENERAL
109 State Street
Montpelier, VT 05609

or reported to the owner, and posting lead-based paint hazard information in a prominent place. 18 V.S.A. § 1759(a) (2), (4) and (7).

6. The EMP requirements also mandate that an owner of rental target housing file affidavits or compliance statements attesting to EMP performance with the Vermont Department of Health and with the owner's insurance carrier. 18 V.S.A. § 1759(b).
7. A violation of the lead law requirements may result in a maximum civil penalty of $10,000.00. 18 V.S.A. § 130(b)(6). Each day that a violation continues is a separate violation. 18 V.S.A. § 130(b)(6).
8. The Vermont Consumer Protection Act, 9 V.S.A Chapter 63, prohibits unfair and deceptive acts and practices, which includes the offering for rent, or the renting of, target housing that is noncompliant with the lead law.
9. Violations of the Consumer Protection Act are subject to a civil penalty of up to $10,000.00 per violation. 9 V.S.A. § 2458(b)(1). Each day that a violation continues is a separate violation.

Respondent's Rental Housing and Lead Compliance Practices

10. Respondent is the owner of at least three rental properties: (1) 302 Water Street, Northfield (1 units); (2) 310 Water Street, Northfield (2 units); and (3) 1291 Route 12 S, Northfield (4 units) ("the Properties").
11. The Properties were constructed prior to 1978, and therefore, are pre-1978 "rental target housing" within the meaning of the Vermont lead law, 18 V.S.A. § 1751(23), and are subject to the requirements of 18 V.S.A. Chapter 38.
12. Respondent has in the past and continues presently to rent and offer for rent units in the Properties.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

13. On February 7, 2018, Respondent filed with the Vermont Department of Health an "EMP Rental Property Compliance Statement" for all three Properties.

14. The EMP Statements represented that Respondent performed EMPs on December 12, 2017.

15. The EMP Statements specifically certified that Respondent:

    a. Stabilized deteriorated paint on the exterior surfaces of the Properties.

16. The EMP Statements were signed by Matthew Gadbois and certified that "all information provided on this form is true and accurate" and acknowledged that "providing false, incomplete or inaccurate information on this form is unlawful and is punishable by civil and criminal penalties pursuant to Vermont law."

17. On February 14, 2018, Vermont Department of Health staff inspected the exterior of the Properties (via photographs) deteriorated paint exceeding more than 1 square foot on the Properties' exterior surfaces.

18. Respondent admits the facts described in ¶¶ 10-17.

The State's Allegations

19. The Vermont Attorney General's Office alleges the following violations of the Consumer Protection Act and Lead Law:

    a. Submitting a false EMP compliance statement and inaccurately representing that the Properties were in compliance with the lead law.

20. The State of Vermont alleges that the above behavior constitutes unfair and deceptive acts and practices under 9 V.S.A. § 2453.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

Assurances and Relief

In lieu of instituting an action or proceeding against Respondent, the Attorney General and Respondent are willing to accept this AOD pursuant to 9 V.S.A. § 2459. Accordingly, the parties agree as follows:

21. Respondent shall fully and timely comply with the requirements of the Vermont lead law, 18 V.S.A., Chapter 38, as long as they maintain any ownership or property management interest in the property and in any other pre-1978 rental housing in which they currently have, or later acquire, an ownership or property management interest.

22. By May 31, 2018, all exterior EMP work of the Properties shall be completed in a lead-safe manner in accordance with 18 V.S.A. § 1760. Until the exterior work is complete, Respondent shall restrict access to exterior surfaces and components of the Properties with lead hazards and areas directly below the deteriorated surfaces, pursuant to 18 V.S.A. § 1759(a)(3). If Respondent requires additional time to complete the work, Respondent will contact the Department of Health to request an extension of time agreement before the expiration of the above deadlines and provide a detailed justification for any extension. Any extension will be granted only for the exterior of the Properties; all interior work must be completed by March 31, 2018.

23. Within one week of completion of the EMP work at the Properties described in the paragraph above, Respondent will file with the Vermont Department of Health, Respondent's insurance carrier and with the Office of the Attorney General, an updated and completed EMP compliance statement for the Properties, and will give a copy of the compliance statement to an adult in each rented unit of the Properties.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

The copy for the Office of the Attorney General shall be sent to: Justin Kolber, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

24. In the event Respondent wishes to rent a unit which becomes vacant in any of Respondent's pre-1978 rental housing before such housing is made EMP compliant, Respondent shall provide advance written notice of the intent to rent to the Office of the Attorney General at the address listed above. Respondent's advance written notice shall also: (1) verify that the interior of the specific unit to be rented is EMP compliant; or (2) provide an update as to any remaining EMP work to be performed at the property, including the date by which the entire property will be EMP compliant. Otherwise, Respondent shall not rent, or offer for rent, any unit which becomes vacant in any of property owned or managed by Respondent that is not EMP compliant until such time as the EMP work is complete and the EMP compliance statement is distributed as described above.

25. Respondent shall pay the sum of $5,000 in civil penalties and costs, reduced as follows: (1) based on a demonstrated inability to pay, $500 paid to the "State of Vermont" and sent to the following address: Justin E. Kolber, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609; and (2) $1,000 to be expended on lead hazard reduction improvements at any of the Properties.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

Other Terms

26. This AOD is binding on Respondent, however, sale of any pre-1978 rental property may not occur unless Respondent has complied with all obligations under this AOD,

or this AOD is amended in writing to transfer to the buyer or other transferee all remaining obligations.

27. Transfer of ownership of any of Respondent's pre-1978 rental property shall be consistent with Vermont law, including the provisions of 18 V.S.A. § 1767 specifically relating to the transfer of ownership of pre-1978 rental housing.
28. This AOD shall not affect marketability of title.
29. Nothing in this AOD in any way affects Respondent's other obligations under state, local, or federal law.
30. In addition to any other penalties or relief which might be appropriate under Vermont law, any future failure by Respondent to comply with the terms of this AOD shall be subject to a liquidated civil penalty paid to the State of Vermont in the amount of at least $5,000 and not more than $10,000.

SIGNATURES APPEAR ON NEXT PAGE

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

DATED at Montpelier, Vermont this 12th day of April, 2018.

STATE OF VERMONT

THOMAS J. DONOVAN, JR.
ATTORNEY GENERAL

By: _____

Justin E. Kolber
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
(802) 828-5620
justin.kolber@vermont.gov

DATED at April, _____ this 9th day of April, 2018.

MATTHEW GADBOIS

By: _____

Matthew Gadbois

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

IN RE: ADVANCED AESTHETICS, LLC d/b/a MD COSMETICS MEDICAL SPA, and ERIN JEWELL	)))	CIVIL DIVISION Docket No._____

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General Thomas J. Donovan Jr. ("the Attorney General"), Advanced Aesthetics, LLC d/b/a MD Cosmetics Medical Spa and Erin Jewell, ("Respondents") hereby agree to this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. § 2459.

REGULATORY FRAMEWORK

1. The Vermont Consumer Protection Act prohibits "unfair or deceptive acts or practices in commerce." 9 V.S.A. § 2453(a).

2. The Vermont Consumer Protection Act authorizes the Attorney General to take actions to restrain unfair and deceptive acts in commerce. 9 V.S.A. §§ 2453.

3. Violations of the Vermont Consumer Protection Act are subject to a civil penalty of up to $10,000.00 per violation. 9 V.S.A. § 2458(b)(1).

RESPONDENTS

4. Respondent Advanced Aesthetics, LLC d/b/a MD Cosmetics Medical Spa ("MD Cosmetics") is a limited liability company incorporated under the laws of Vermont, with a Business ID of 0298807.

5. MD Cosmetics provided medical cosmetics services, to include laser hair removal, medical cosmetics, microdermabrasion, pigmentation correctors, spider vein removal, electrolysis and skin rejuvenation treatments.

6. Respondent Erin Jewell ("Jewell") is the registered owner and manager of MD Cosmetics.

BACKGROUND

7. Respondent MD Cosmetics accepted pre-payment from consumers for services from MD Cosmetics.

8. Respondent MD Cosmetics sold gift certificates to consumers for use on future purchase of products and services from MD Cosmetics.

9. Respondent Jewell owned and managed MD Cosmetics at all times relevant to this Assurance.

10. Respondents closed MD Cosmetics abruptly on approximately September 15th, 2017. Respondents did not provide notice to the public.

11. Following Respondents' closure of their business Because of MD Cosmetics abrupt closure, consumers who were owed pre-purchased services or who held gift certificates with outstanding balances were no longer able to receive the benefit of those purchases.

12. The Attorney General's investigation revealed that approximately 231 consumers were owed a total outstanding balance of $118,145.25 in services from Respondents following the closure of the business.

13. Respondent MD Cosmetics could not provide refunds to consumers who had paid in advance for services not rendered or who had outstanding gift certificate balances

14. By selling gift certificates and pre-sold services to Vermont consumers and later being unable to either provide goods and services consistent with those purchases or pay appropriate refunds, Respondents do not contest the Attorney General's assessment that unfair and deceptive acts and practices occurred in violation of 9 V.S.A. § 2453.

INJUNCTIVE RELIEF

15. Respondents shall comply with all provisions of Vermont law, including the Vermont Consumer Protection Act, 9 V.S.A. chapter 63.

16. Respondent Jewell shall not own, operate, or manage a cosmetic medical spa for the period of five (5) years beginning with the date of the execution of this Agreement.

RESTITUTION AND PENALTIES

17. Respondents shall pay full restitution to consumers who were owed outstanding pre-purchased services or gift certificate value that remained unfulfilled at the time of the closure of MD Cosmetics. The total amount of such restitution is $118,145.25.

18. Respondents shall pay $58,000 in civil penalties to the State of Vermont for its violations of the Vermont Consumer Protection Act. Respondents shall make payment to the "State of Vermont" and send payment to: James Layman, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

19. Upon submission and review of tax returns for the years 2014-2016, credit reports from three credit reporting agencies, banking statements for the past year, and a current sworn statement of assets and liabilities, it has been determined by the Office of the Attorney General that Respondents lack the ability to make the payments required as set forth in paragraphs 17-18, above. Based on Respondents' demonstrated inability to pay, Respondents' obligation to pay restitution and penalties will be suspended, subject to the conditions set forth below.

20. No later than November 1 of each calendar year beginning in 2018 and ending in 2022, Respondent Jewell shall submit to the Vermont Attorney General's Office accurate copies of her income tax returns for each of the calendar years 2017 through 2021, respectively, along with sworn and accurate statements of her then-current assets and liabilities.

21. In the event an income tax return or statement of assets and liabilities required by

paragraph 20, above, shows that Respondent Jewell has pre-tax income exceeding Sixty-Five Thousand Dollars ($65,000), and/or net assets exceeding Ninety Thousand Dollars ($90,000), Respondent Jewell shall, no later than December 1 of that year, pay to the State of Vermont, in care of the Attorney General's Office, an amount equal to Twenty Percent (20%) of any pre-tax income exceeding Sixty-Five Thousand Dollars ($65,000), plus an amount equal to Twenty Percent (20%) of any net assets exceeding Ninety Thousand Dollars ($90,000), provided that once she has paid a total of $176,145.25 pursuant to this paragraph, she shall have no further liability or obligation to report to the Attorney General's Office.

22. Any payments required subject to paragraph 21, above, shall be made payable to the State of Vermont and mailed to James Layman, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609. The Attorney General's Office will distribute such funds by first seeking to satisfy the restitution obligation, and then, if restitution payments have been completed or are not otherwise possible, applying the funds towards the penalty obligation.

23. Following submission of her 2021 tax return and statement of assets and liabilities, if it is determined that Respondent Jewell does not have pre-tax income exceeding Sixty-Five Thousand Dollars ($65,000) and/or net assets exceeding Ninety Thousand Dollars ($90,000), then she shall have no further liability or obligation to report to the Attorney General's Office.

OTHER TERMS

24. The Attorney General hereby releases and discharges any and all claims arising under the Consumer Protection Act, 9 V.S.A. chapter 63, that it may have against Respondents for the conduct described in the Background section prior to the date of this AOD.

25. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction

over this AOD and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with, or to punish violations of, this AOD.

26. Respondents shall be subject to a tax off-set through the Vermont Department of Taxes if any amounts ordered are unpaid as per 32 V.S.A. § 5933.

27. Respondents shall, upon request by the Attorney General, provide all documentation and information necessary for the Attorney General to confirm compliance with, and assist in implementation of, this AOD.

STIPULATED PENALTIES

28. If the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondents to be in violation of this AOD, then the parties agree that penalties to be assessed by the Court for each act in violation of this AOD shall be $10,000.

29. If Respondents are found to have submitted tax returns and/or statements of assets and liabilities with material omissions or falsehoods, the full amount of the payment obligations set forth in paragraphs 17 and 18 will come due immediately.

SIGNATURE

30. In lieu of instituting an action or proceeding against Advanced Aesthetics, LLC d/b/a MD Cosmetics Medical Spa and Erin Jewell, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondents voluntarily agree with and submit to the terms of this Assurance of Discontinuance.

DATED at December, this 14 day of _____, 2017

By: _____
Erin Jewell

DATED at Windsor, this 4 day of Dec, 2017.

By: _____
Erin Jewell, as Authorized Agent of Advanced Aesthetics, LLC d/b/a MD Cosmetics Medical Spa

ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this 22 day of January, 2018.

STATE OF VERMONT

THOMAS J. DONOVAN JR.
ATTORNEY GENERAL

By: _____

James Layman
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
James.Layman@vermont.gov
802-828-231

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

THE STATE OF ALABAMA, *et al.*,	)	
Plaintiffs,	)	
v.	)	Civil Action No. 1:18-cv-00009 (TFH)
PHH MORTGAGE CORPORATION,	)	
Defendant.	)	

CONSENT JUDGMENT

WHEREAS, Plaintiffs, the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming, the Commonwealths of Kentucky, Massachusetts, Pennsylvania and Virginia, and the District of Columbia (collectively, the "Attorneys General" or "Plaintiffs") filed their Complaint [ECF No. 1] on January 3, 2018, alleging that PHH Mortgage Corporation ("PHH," "Defendant" or "Servicer") either itself or through its affiliates or subsidiaries violated, among other laws, the Unfair and Deceptive Acts and Practices laws of the Plaintiffs' States and the Consumer Financial Protection Act of 2010;

WHEREAS, the Parties have agreed to resolve their claims without the need for litigation;

WHEREAS, the Attorneys General and Defendant enter into this Consent Judgment with the understanding that the State Mortgage Regulators have contemporaneously entered into a Settlement Agreement and Consent Order with PHH (the "State Mortgage Regulators' Consent Order") in coordination with this Consent Judgment in order to resolve findings identified in the course of the Multi-State Examination of Defendant PHH.

WHEREAS, Defendant, by its attorneys, have consented to entry of this Consent Judgment without trial or adjudication of any issue of fact or law and to waive any appeal if the Consent Judgment is entered as submitted by the parties;

WHEREAS, Defendant, by entering into this Consent Judgment, does not admit any allegations of wrongdoing or violations of applicable laws, regulations, or rules governing the conduct and operation of its servicing business, other than those facts of the Complaint deemed necessary to the jurisdiction of this Court;

WHEREAS, the intention of the Attorneys General in effecting this settlement is to remediate harms allegedly resulting from the alleged unlawful conduct of the Defendant, either itself or through its affiliates or subsidiaries;

AND WHEREAS, Defendant has agreed to waive service of the Complaint and Summons and hereby acknowledge the same;

NOW THEREFORE, without trial or adjudication of issues of fact or law, without this Consent Judgment constituting evidence against Defendant except as otherwise noted, and upon consent of Defendant, the Court finds that there is good and sufficient cause to enter this Consent Judgment, and that it is therefore ORDERED, ADJUDGED, AND DECREED:

I. JURISDICTION

1. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1367 and 12 U.S.C. §§ 5552 and 5565, and over Defendant. The Complaint states a claim upon which relief may be granted against Defendant. Venue is appropriate in this District pursuant to 28 U.S.C. § 1391(b)(2) and 12 U.S.C. § 5564(f).

II. SERVICING STANDARDS

2. Defendant shall comply with the Servicing Standards, attached hereto as Exhibit A, in accordance with their terms.

3. Defendant shall implement the Servicing Standards no later than January 1, 2018 or as otherwise stated in Exhibit A, or the date on which this Consent Judgment has been entered by the Court, whichever is later ("Implementation Date").

III. FINANCIAL TERMS

4. *Settlement Amount.* Defendant shall pay forty-five million, two hundred and seventy-nine thousand, seven hundred and twenty-five dollars ($45,279,725), which shall be known as the "Settlement Amount," and which shall be distributed in the manner and for the purposes specified in this Consent Judgment and in Exhibit B.

5. The Settlement Amount is comprised of: (a) Payments to Foreclosed and Referred Borrowers; (b) Attorneys' Fees and Costs payable to the Investigating Attorneys General; and (c) Administrative Penalty payable to the State Mortgage Regulators further defined in Paragraph 8.

6. *Payments to Foreclosed and Referred Borrowers.* In accordance with written instructions from the Executive Committee, established in Paragraph 12, and for the purposes set forth in the State Mortgage Regulators' Consent Order and Exhibit B of this Consent Judgment, Defendant shall transfer to the Settlement Administrator appointed under Exhibit B thirty-one

million, four hundred and fifty-six thousand, two hundred and ten dollars ($31,456,210) (the "Borrower Payment Amount") to enable the Settlement Administrator to provide cash payments to (a) borrowers whose loans were serviced by PHH at the time the foreclosure was completed and whose homes were sold or taken in foreclosure between and including January 1, 2009, and December 31, 2012, or (b) all other borrowers whose loans were serviced by PHH and referred to foreclosure during that same time period and not accounted for in (a) above; who submit claims allegedly arising from the Covered Conduct (as that term is defined in Exhibit C hereto); and who otherwise meet criteria set forth by the Executive Committee; and to pay the reasonable costs and expenses of the Settlement Administrator, including taxes and fees for tax counsel, if any. Defendant shall also pay or cause to be paid any additional amounts necessary to pay claims, if any, of borrowers whose data is provided to the Settlement Administrator by Defendant after Defendant warrants that the data is complete and accurate pursuant to Paragraph 3 of Exhibit B. The Borrower Payment Amount and any other funds provided to the Settlement Administrator for these purposes shall be administered in accordance with the terms set forth in Exhibit B. Defendant shall pay the Borrower Payment Amount by electronic funds transfer, pursuant to written instructions to be provided by the Executive Committee into an account established in accordance with this Paragraph 6, within seven (7) days of receiving notice that the account has been established or within seven (7) days of the Date of Entry of this Consent Judgment, whichever is later. After Defendant has made the required payments, Defendant shall no longer have any property right, title, interest or other legal claim in any funds. The account established by this Paragraph 6 is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation Section 1.468B-1 of the U.S. Internal Revenue Code of 1986, as amended.

7. *Attorneys' Fees and Costs.* Defendant shall pay to the Investigating Attorneys General a total of five million dollars ($5,000,000), to be used for attorney's fees, investigative costs and fees, future expenditures relating to the investigation and prosecution of cases involving fraud, unfair and deceptive acts and practices, and other illegal conduct related to financial services or state consumer protection laws to the extent practicable or as otherwise agreed to by law. The $5,000,000 shall be distributed in accordance with Exhibit D, and such payments shall be made to the State Attorneys General of Arizona, California, Colorado, Connecticut, Florida, Illinois, Iowa, Nevada, North Carolina, Ohio, Texas, and Washington. Payment shall be made within ten (10) calendar days of Defendant's receipt of written payment processing instructions from each Investigating Attorney General.

8. *Administrative Penalty.* As required by the State Mortgage Regulators' Consent Order, Defendant shall pay eight million, eight hundred and twenty-three thousand, five hundred and fifteen dollars ($8,823,515) as an administrative penalty. Payment shall be made in accordance with the terms of the State Mortgage Regulators' Consent Order.

IV. SERVICING STANDARDS COMPLIANCE TESTING AND REPORTING

9. *Internal and/or External Compliance Testing.* Servicer shall conduct transactional testing and compliance/controls testing, either internally and/or by retaining the services of a third-party firm, to assess Servicer's compliance with the Servicing Standards attached as Exhibit A to this Consent Judgment. The testing shall be conducted in the ordinary course of Servicer's business consistent with industry standards and Servicer's internal testing schedule, which shall be based on an assessment of high risk areas and emerging trends.

10. *PHH Internal Audit.* PHH shall ensure that the Internal Audit Department of its parent company conducts audits of Servicer's servicing functions, including Servicer's

compliance with the Servicing Standards. Servicer shall include the Servicing Standards in its annual risk assessment, which forms the basis for its annual audit plan, and shall conduct audits in accordance with its annual risk assessment and annual audit plan.

11. *Corrective Action Activity*. In the event any deficiencies are identified through testing or audits, Servicer shall perform a root cause analysis and determine whether corrective action activity, including a plan for remediation of any consumer harm, is necessary.

12. *Executive Committee*. An executive committee comprised of representatives of the government signatories to this Consent Judgment and the State Mortgage Regulators' Consent Order ("Executive Committee") shall serve as the point of contact between Servicer and the government signatories and shall receive reports and communications from Servicer.

13. *Reports*. Servicer shall submit to the State Attorneys General of Executive Committee on a quarterly basis (1) any PHH Internal Audit reports conducted on Servicer's compliance with the Servicing Standards during the preceding quarter; (2) any internal or external transactional testing results and compliance/controls testing results conducted; and (3) any root-cause analysis or plan for corrective action activity developed or performed by Servicer during the preceding quarter (collectively, "Reports"). Servicer shall submit Reports on the 20th day of the month following the end of each quarter, beginning on the 20th day of the month following the end of the first full quarter of 2018.

14. *Confidentiality*. Servicer does not waive any privileges it may otherwise assert by submitting Reports pursuant to this section. Specifically, Servicer shall designate as "CONFIDENTIAL" that portion of any report, supervisory and any supporting information, document, or portion of a document or other tangible thing provided by Servicer to the State Attorneys General of Executive Committee, any member thereof, or to any government signatory

that Servicer believes contains a trade secret or confidential research, development, or commercial information subject to protection under applicable state or federal laws (collectively, "Confidential Information"). The following provisions shall apply to the treatment of Confidential Information:

a. Except as provided by these provisions, all Confidential Information shall be identified as such in a document executed by a representative of Servicer prior to or simultaneous with furnishing of a Report and shall cite the basis for the privilege asserted as to each identified portion.

b. The Executive Committee, any member of the Executive Committee, and any government signatory receiving Reports agree to protect Confidential Information to the extent permitted by law, except as needed to support a public enforcement action.

c. A government signatory who is not a member of the Executive Committee may request and obtain Reports provided that it (i) agrees to adhere to the provisions herein; and (ii) participates in a meet and confer with the Executive Committee to discuss its request.

d. To the extent that the Executive Committee, any Member of the Executive Committee, or any government signatory receives a subpoena or court order or other request for production of Confidential Information, the government signatory shall, unless prohibited under applicable law, notify Servicer of such request and if the government signatory or participating state is required to disclose Confidential Information pursuant to state or federal law, advise Servicer of the disclosure as soon as is practicable to enable Servicer to seek a protective order or stay of production of documents.

e. The confidentiality provisions of Paragraph 14 are binding on the Parties only to the extent that it does not violate any court order, constitutional provision, or statute prohibiting such confidentiality.

15. *Auditing Period.* The auditing and reporting period shall be for three years, commencing on January 1, 2018.

V. ENFORCEMENT

16. Prior to initiating an action to enforce this Consent Judgment, a government signatory shall: (1) provide written notice to the Executive Committee and Servicer of the basis for the potential action and a description of its allegations; (2) allow Servicer 15 days to respond to such notice in writing; and (3) participate in a meet and confer with Servicer if so requested during the 15-day period.

17. This Consent Judgment shall in no way preclude the State Attorneys General from immediately bringing an action without notice against Servicer if necessary to prevent immediate and irreparable harm and protect the health, safety, and welfare of the public.

18. This Court retains jurisdiction to enforce the terms of this Consent Judgment. The Parties may jointly seek to modify the terms of this Consent Judgment, subject to the approval of this Court. This Consent Judgment may be modified only by order of this Court.

19. This Consent Judgment shall in no way preclude the State Mortgage Regulators from exercising their examination or investigative authority authorized under the laws of the participating states. Further, nothing in this Consent Judgment shall impede a state regulator's authority to seek the suspension or revocation of a license to protect the general public of that state, or the process or venue used to that end.

VI. RELEASE

20. The Attorneys General and Defendant have agreed, in consideration for the terms provided herein, for the release of certain claims and remedies, as provided in the State Release, attached hereto as Exhibit C. The Attorneys General and Defendant have also agreed that certain claims and remedies are not released, as provided in Part III of Exhibit C. The releases contained in Exhibit C shall become effective upon payment of the Settlement Amount by Defendant.

VII. OTHER TERMS

21. Any Attorney General may withdraw from the Consent Judgment and declare it null and void with respect to that party if PHH fails to make any payment required under this Consent Judgment and such non-payment is not cured within thirty days of written notice by the withdrawing Attorney General.

22. The Effective Date of this Consent Judgment shall be the date on which the Consent Judgment has been entered by the Court and has become final and non-appealable. An order entering the Consent Judgment shall be deemed final and non-appealable for this purpose if there is no party with a right to appeal the order on the day it is entered.

23. The Servicing Standards attached as Exhibit A shall remain in full force and effect for three years from the Implementation Date, at which time the Defendant's obligations to comply with the Servicing Standards shall expire.

24. This Consent Judgment (including the Servicing Standards attached as Exhibit A) is binding on the signatory Attorneys General and PHH Mortgage Corporation. This Consent Judgment (including the Servicing Standards attached as Exhibit A) does not bind any successors or assigns, future purchasers of all or substantially all of the assets of PHH Corporation or PHH

Mortgage Corporation or successors-in-interest of PHH Corporation or PHH Mortgage Corporation. Notwithstanding the foregoing, (i) in the event of the consummation of the potential transaction that was publicly announced on February 27, 2018, whereby Ocwen Financial Corporation has agreed to acquire PHH Corporation, all loans serviced by PHH on the date such transaction is consummated shall remain subject to the terms of this Consent Judgment, including the Servicing Standards and the period of time set forth in Paragraph 23 of the Consent Judgment, regardless of the form of the transaction or the name of the surviving entity, unless and until such time as they are paid off or transferred to an unaffiliated third party; and (ii) in the event of the sale of Servicer's servicing or sub-servicing platform, Servicer will work with the government signatories to ensure an orderly transition of serviced loans to any new servicer or sub-servicer of such loans.

25. Nothing in this Consent Judgment shall relieve Defendant of its obligation to comply with applicable state and federal law.

26. The sum and substance of the parties' agreement and of this Consent Judgment are reflected herein and in the Exhibits attached hereto. In the event of a conflict between the terms of the Exhibits and Paragraphs 1-26 of this summary document, the terms of the Exhibits shall govern.

SO ORDERED this 10th day of May, 2018

UNITED STATES DISTRICT JUDGE

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In Re: RAYMOND OTIS	)	CIVIL DIVISION
	)	Docket No. 312-5-18 Wncv.

ASSURANCE OF DISCONTINUANCE

The State of Vermont, by and through Vermont Attorney General Thomas J. Donovan, Jr., and Raymond Otis ("Respondent"), hereby enter into this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. § 2459.

Regulatory Framework

1. Lead-based paint in housing, the focus of the Vermont lead law, is a leading cause of childhood lead poisoning, which can result in adverse health effects, including decreases in IQ.
2. All paint in pre-1978 housing is presumed to be lead-based unless a certified inspector has determined that it is not lead-based. 18 V.S.A. § 1759(a).
3. All paint in rental target housing is "presumed to be lead-based unless a lead inspector or lead risk assessor has determined that it is not lead-based." 18 V.S.A. § 1760(a).
4. The lead law requires that essential maintenance practices ("EMPs") specified in 18 V.S.A. § 1759 be performed at all pre-1978 rental housing.
5. EMPs include, but are not limited to, installing window well inserts, visually inspecting properties at least annually for deteriorated paint, restoring surfaces to be free of deteriorated paint within 30 days after such paint has been visually identified

Office of the ATTORNEY GENERAL
109 State Street
Montpelier, VT 05609

or reported to the owner, and posting lead-based paint hazard information in a prominent place. 18 V.S.A. § 1759(a) (2), (4) and (7).

6. The EMP requirements also mandate that an owner of rental target housing file affidavits or compliance statements attesting to EMP performance with the Vermont Department of Health and with the owner's insurance carrier. 18 V.S.A. § 1759(b).
7. An "owner" is defined to include any person who is the property manager, unless the property management contract explicitly states that the property manager is not responsible for compliance with section 1759. 18 V.S.A. § 1751(b)(22)(C).
8. A violation of the lead law requirements may result in a maximum civil penalty of $10,000.00. 18 V.S.A. § 130(b)(6). Each day that a violation continues is a separate violation. 18 V.S.A. § 130(b)(6).
9. The Vermont Consumer Protection Act, 9 V.S.A Chapter 63, prohibits unfair and deceptive acts and practices, which includes the offering for rent, or the renting of, target housing that is noncompliant with the lead law.
10. Violations of the Consumer Protection Act are subject to a civil penalty of up to $10,000.00 per violation. 9 V.S.A. § 2458(b)(1). Each day that a violation continues is a separate violation.

Respondent's Lead Compliance Practices

11. Respondent is the owner of a rental property management company, Ray's Property Management, LLC.
12. On January 30, 2018, Respondent filed with the Vermont Department of Health an "EMP Rental Property Compliance Statement" for a rental property at 396 N. Main Street, Barre, VT (2 rental units). The rental property was constructed prior to 1978,

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

and therefore, is pre-1978 "rental target housing" within the meaning of the Vermont lead law, 18 V.S.A. § 1751(23), and is subject to the requirements of 18 V.S.A. Chapter 38.

13. The EMP Statement represented that Respondent performed EMPs at 396 N. Main Street on January 26, 2018.

14. The EMP Statement specifically certified that Respondent:

    a. visually inspected exterior surfaces and outbuildings; and

    b. did not identify deteriorated exterior paint exceeding one square foot.

15. The EMP Statement was signed by Raymond Otis and certified that "all information provided on this form is true and accurate" and acknowledged that "providing false, incomplete or inaccurate information on this form is unlawful and is punishable by civil and criminal penalties pursuant to Vermont law."

16. On February 14, 2018, Vermont Department of Health staff inspected the exterior of 396 N. Main Street and documented (via photographs) deteriorated paint exceeding more than 1 square foot on the property's exterior surface.

17. Respondent admits the truth of the facts described in ¶¶ 11-16.

The State's Allegations

18. The Vermont Attorney General's Office alleges the following violations of the Consumer Protection Act and Lead Law:

    a. Submitting an EMP compliance statement and inaccurately representing that the property was in compliance with the lead law.

19. The State of Vermont alleges that the above behavior constitutes unfair and deceptive acts and practices under 9 V.S.A. § 2453.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

Assurances and Relief

In lieu of instituting an action or proceeding against Respondent, the Attorney General and Respondent are willing to accept this AOD pursuant to 9 V.S.A. § 2459. Accordingly, the parties agree as follows:

20. Respondent shall fully and timely comply with the requirements of the Vermont lead law, 18 V.S.A., Chapter 38, as long as they maintain any ownership or property management interest in the property and in any other pre-1978 rental housing in which they currently have, or later acquire, an ownership or property management interest.
21. Respondent shall perform EMPs and file accurate EMP statements in accordance with the Vermont lead law for all rental properties managed by Respondent.
22. Respondent shall pay $500 in civil penalties and costs for the filing of a false EMP statement.
23. Nothing in this AOD in any way affects Respondent's other obligations under state, local, or federal law.
24. In addition to any other penalties or relief which might be appropriate under Vermont law, any future failure by Respondent to comply with the terms of this AOD shall be subject to a liquidated civil penalty paid to the State of Vermont in the amount of at least $5,000 and not more than $10,000.

SIGNATURES APPEAR ON NEXT PAGE

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

DATED at Montpelier, Vermont this 14th day of May, 2018.

STATE OF VERMONT

THOMAS J. DONOVAN, JR.
ATTORNEY GENERAL

By: _____

Justin E. Kolber
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
(802) 828-5620
justin.kolber@vermont.gov

DATED at Williamstown VT this 22 day of May, 2018.

RAYMOND OTIS

By: _____

Raymond Otis

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2018 MAY 22 P 12:51

In Re: ROBERT REMY-POWERS) CIVIL DIVISION
) Docket No. 204-5-18 Wncv

ASSURANCE OF DISCONTINUANCE

The State of Vermont, by and through Vermont Attorney General Thomas J. Donovan, Jr., and Robert Remy-Powers ("Respondent"), hereby enter into this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. § 2459.

Regulatory Framework

1. Lead-based paint in housing, the focus of the Vermont lead law, is a leading cause of childhood lead poisoning, which can result in adverse health effects, including decreases in IQ.
2. All paint in pre-1978 housing is presumed to be lead-based unless a certified inspector has determined that it is not lead-based. 18 V.S.A. § 1759(a).
3. All paint in rental target housing is "presumed to be lead-based unless a lead inspector or lead risk assessor has determined that it is not lead-based." 18 V.S.A. § 1760(a).
4. The lead law requires that essential maintenance practices ("EMPs") specified in 18 V.S.A. § 1759 be performed at all pre-1978 rental housing.
5. EMPs include, but are not limited to, installing window well inserts, visually inspecting properties at least annually for deteriorated paint, restoring surfaces to be free of deteriorated paint within 30 days after such paint has been visually identified

Office of the ATTORNEY GENERAL
109 State Street
Montpelier, VT 05609

or reported to the owner, and posting lead-based paint hazard information in a prominent place. 18 V.S.A. § 1759(a) (2), (4) and (7).

6. The EMP requirements also mandate that an owner of rental target housing file affidavits or compliance statements attesting to EMP performance with the Vermont Department of Health and with the owner's insurance carrier. 18 V.S.A. § 1759(b).
7. A violation of the lead law requirements may result in a maximum civil penalty of $10,000.00. 18 V.S.A. § 130(b)(6). Each day that a violation continues is a separate violation. 18 V.S.A. § 130(b)(6).
8. The Vermont Consumer Protection Act, 9 V.S.A Chapter 63, prohibits unfair and deceptive acts and practices, which includes the offering for rent, or the renting of, target housing that is noncompliant with the lead law.
9. Violations of the Consumer Protection Act are subject to a civil penalty of up to $10,000.00 per violation. 9 V.S.A. § 2458(b)(1). Each day that a violation continues is a separate violation.

Respondent's Rental Housing and Lead Compliance Practices

10. Respondent is the owner of at least five rental properties: (1) 11 Pleasant Street; (2) 78 Spruce Street; (3) 33 Oak Street; (4) 1328 Bonnyvale Road; and (5) 144 Maple Street, all located in Brattleboro, VT ("the Properties").
11. The Properties were constructed prior to 1978, and therefore, are pre-1978 "rental target housing" within the meaning of the Vermont lead law, 18 V.S.A. § 1751(23), and are subject to the requirements of 18 V.S.A. Chapter 38.
12. Respondent has in the past and continues presently to rent and offer for rent units in the Properties.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

13. On December 6, 2017, Respondent filed with the Vermont Department of Health an "EMP Rental Property Compliance Statement" for 11 Pleasant Street.

14. The EMP Statement represented that Respondent performed EMPs at 11 Pleasant Street on September 13, 2017.

15. The EMP Statement specifically certified that Respondent:

    a. visually inspected exterior surfaces and outbuildings;

    b. stabilized exterior paint; and

    c. did not identify deteriorated paint exceeding 1 square foot on exterior surfaces of the buildings, or repaired such deteriorated paint within 30 days.

16. The EMP Statement was signed by Robert Remy-Powers and certified that "all information provided on this form is true and accurate" and acknowledged that "providing false, incomplete or inaccurate information on this form is unlawful and is punishable by civil and criminal penalties pursuant to Vermont law."

17. On October 19, 2017, Vermont Department of Health staff inspected the exterior of 11 Pleasant Street and documented (via photographs) deteriorated paint exceeding more than 1 square foot on the property's exterior surfaces.

18. Further, on October 2, 2017 the Vermont Department of Health sent a "Notice of Non-Compliance" indicating that Respondent had not filed an "EMP Rental Property Compliance Statement" for three properties: (1) 33 Oak Street; (2) 1328 Bonnyvale Road; and (3) 144 Maple Street. The Department allowed for 30 days for Respondent to file the necessary statements.

19. Respondent did not file the EMP compliance statements within 30 days, and has still not filed EMP statements for those three properties as of March 1, 2018.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

20. Respondent admits the facts described in ¶¶ 10-19.

The State's Allegations

21. The Vermont Attorney General's Office alleges the following violations of the Consumer Protection Act and Lead Law:

    a. Submitting a false EMP compliance statement and inaccurately representing that the Properties were in compliance with the lead law; and

    b. Failing to file EMP compliance statements for rental properties.

22. The State of Vermont alleges that the above behavior constitutes unfair and deceptive acts and practices under 9 V.S.A. § 2453.

Assurances and Relief

In lieu of instituting an action or proceeding against Respondent, the Attorney General and Respondent are willing to accept this AOD pursuant to 9 V.S.A. § 2459. Accordingly, the parties agree as follows:

23. Respondent shall fully and timely comply with the requirements of the Vermont lead law, 18 V.S.A., Chapter 38, as long as they maintain any ownership or property management interest in the property and in any other pre-1978 rental housing in which they currently have, or later acquire, an ownership or property management interest. RR-1

24. By ~~May 31~~ June 30, 2018, all exterior EMP work of the Properties shall be completed in a lead-safe manner in accordance with 18 V.S.A. § 1760. Until the exterior work is complete, Respondent shall restrict access to exterior surfaces and components of the Properties with lead hazards and areas directly below the deteriorated surfaces, pursuant to 18 V.S.A. § 1759(a)(3). If Respondent requires additional time to

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

complete the work, Respondent will contact the Department of Health to request an extension of time agreement before the expiration of the above deadlines and provide a detailed justification for any extension. Any extension will be granted only for the exterior of the Properties; all interior work must be completed by March 31, 2018.

25. Within one week of completion of the EMP work at the Properties described in the paragraph above, Respondent will file with the Vermont Department of Health, Respondent's insurance carrier and with the Office of the Attorney General, an updated and completed EMP compliance statement for the Properties, and will give a copy of the compliance statement to an adult in each rented unit of the Properties. The copy for the Office of the Attorney General shall be sent to: Justin Kolber, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

26. In the event Respondent wishes to rent a unit which becomes vacant in any of Respondent's pre-1978 rental housing before such housing is made EMP compliant, Respondent shall provide advance written notice of the intent to rent to the Office of the Attorney General at the address listed above. Respondent's advance written notice shall also: (1) verify that the interior of the specific unit to be rented is EMP compliant; or (2) provide an update as to any remaining EMP work to be performed at the property, including the date by which the entire property will be EMP compliant. Otherwise, Respondent shall not rent, or offer for rent, any unit which becomes vacant in any of property owned or managed by Respondent that is not EMP compliant until such time as the EMP work is complete and the EMP compliance statement is distributed as described above.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

27. Respondent shall pay the sum of $5,000 in civil penalties and costs, reduced as follows: (1) based on a demonstrated inability to pay, $500 paid to the "State of Vermont" and sent to the following address: Justin E. Kolber, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609; and (2) $1,000 to be expended on lead hazard reduction improvements at any of the Properties.

Other Terms

28. This AOD is binding on Respondent, however, sale of any pre-1978 rental property may not occur unless Respondent has complied with all obligations under this AOD, or this AOD is amended in writing to transfer to the buyer or other transferee all remaining obligations.
29. Transfer of ownership of any of Respondent's pre-1978 rental property shall be consistent with Vermont law, including the provisions of 18 V.S.A. § 1767 specifically relating to the transfer of ownership of pre-1978 rental housing.
30. This AOD shall not affect marketability of title.
31. Nothing in this AOD in any way affects Respondent's other obligations under state, local, or federal law.
32. In addition to any other penalties or relief which might be appropriate under Vermont law, any future failure by Respondent to comply with the terms of this AOD shall be subject to a liquidated civil penalty paid to the State of Vermont in the amount of at least $5,000 and not more than $10,000.

SIGNATURES APPEAR ON NEXT PAGE

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

DATED at Montpelier, Vermont this 30th day of April, 2018.

STATE OF VERMONT

THOMAS J. DONOVAN, JR.
ATTORNEY GENERAL

By: _____
Justin E. Kolber
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
(802) 828-5620
justin.kolber@vermont.gov

DATED at Brattleboro, Vermont this 8th day of ~~April~~, 2018.

ROBERT REMY-POWERS

By: _____
Robert Remy-Powers

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

IN RE: SHRINEDOM 2017	)	CIVIL DIVISION
	)	Docket No. _____
	)	

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General Thomas J. Donovan, Jr. ("the Attorney General") and Mount Sinai Shriners No 3, Kingdom Cares, Inc., Adam Johnson, Marcus Clay and Crossova Concepts (collectively "Respondents") hereby agree to this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. § 2459.

REGULATORY FRAMEWORK

1. Vermont's Consumer Protection Act prohibits "[u]nfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce." 9 V.S.A. § 2453.

PARTIES

2. Respondent Mount Sinai Shriners No 3 ("Mount Sinai Shriners") is a 501(c)(3) organization operating under the laws of Vermont, with its principal place of business located at 2 Academy Street, Barre in Vermont. Mount Sinai Shriners No 3 is the Montpelier, Vermont chapter of the International Shriners. Mount Sinai Shriners No 3 is part of an international fraternal organization related to Freemasonry.

3. Kingdom Cares, Inc. ("Kingdom Cares") is a Nonprofit organization operating under the laws of Vermont, with its principal place of business located at 81 Creek Road, Irasburg in Vermont. Kingdom Cares was created by Adam Johnson ("Johnson"), a resident of Irasburg, Vermont and a member of Mount Sinai Shriners, in order to hold the Shrinedom 2017 rock festival.

4. Crossova Concepts Management ("Crossova") is a sole proprietorship operating under the laws of Vermont, with its principal place of business located at 699 Campbell Road, Irasburg, Vermont. Crossova is owned and controlled by Marcus Clay, a resident of Irasburg, Vermont and a former member of Mount Sinai Shriners. Crossova produces music events.

5. Respondents are registered with the Vermont Secretary of State to conduct business in Vermont.

BACKGROUND

6. Shrinedom 2017 was a rock festival planned to take place on Saturday, September 16, 2017, in Irasburg, Vermont. Seven bands were contracted to play, including national acts Vince Neil, Slaughter, Warrant, Lita Ford and Firehouse, and local bands Raized on Radio and MindTrap.

7. On or about November 1, 2016, Mount Sinai Shriners contracted with Adam Johnson who created a non-profit organization called Kingdom Cares, Inc. for the purpose of organizing Shrinedom 2017. Johnson was allowed to advertise that the proceeds from Shrinedom 2017 would go to the Shriners, but the name Shrinedom 2017 was not one that was created by or belonged to Mt. Sinai Shriners. Johnson then contracted with Marcus Clay and his company, Crossova Concepts, to hire the bands and the production company for the concert.

8. The proceeds from the event were to benefit Mount Sinai Shriners. The event was organized by a non-profit corporation called Kingdom Cares, set up for this purpose by Adam Johnson.

9. Johnson had never organized a festival and was inexperienced in organizing fundraisers generally.

10. Clay had also never organized a festival of this scope. However, he had experience dealing with bands and production companies.

11. Despite the fact that neither Johnson nor Clay had a track record of producing festivals like the proposed Shrinedom 2017, Mount Sinai Shriners provided Johnson with $40,000 so that Johnson could make deposits with the bands and begin organizing the event. It was understood at the time that any further funds would be raised through ticket sales.

12. Kingdom Cares was entirely run and controlled by Johnson. Its Board did not hold any meetings. Johnson controlled all of the funds of Kingdom Cares. He did not keep thorough, accurate records, and he occasionally took money from the Kingdom Cares funds, which he usually repaid.

13. Over the course of its life, Kingdom Cares claims that it raised approximately $50,000 – up to $40,000 from ticket sales and the remainder from vendors and donations. Kingdom Cares also collected $95,000.00 from the Shriners. Kingdom Cares alleges that it accumulated expenditures of $267,193.84.

14. After review of available records, approximately 1% ($2,800.00) of the Kingdom Cares funds could not be accounted for and may have been spent on meals or other incidentals.

15. Crossova was responsible for securing the talent and hiring the production company for the event. Though Crossova sold a small number of tickets for cash or "comped" others, the majority of money collected came through ticket sellers that transferred funds directly to Kingdom Cares.

16. Tickets to the concert cost between $45 and $125. Due to the size of the festival and the number of bands performing, and all other debts incurred, in order for the concert to be a financial success it would have had to sell between approximately 4,000 and 6,000 tickets.

17. The evidence provided by Respondents is inconclusive as to the exact number of tickets sold or the amount raised. Respondent Johnson has provided bank statements showing that as of September 5, 2017, the promoters had sold 500 tickets and raised approximately $24,650.00. Respondent Clay disputes this amount and alleges that approximately 1000 tickets were likely sold, the additional sales being in cash.

18. On or about August 10, 2017, based upon representations that most of the ticket sales would materialize later, including at the gate on the day of the event, Johnson requested, and Mount Sinai Shriners provided, an additional $55,000.00.

19. By late August 2017, not enough tickets had been sold to financially support the event. A more experienced event organizer would have recognized this and canceled or postponed the event.

20. Jeff Bland represented Blando Productions, and has experience promoting concerts. He had provided advice and guidance in producing Shrinedom 2017. In late August 2017, Mr. Bland provided his opinion that, based on the number of tickets sold to date, not enough money had been raised to financially support the festival. He suggested that the festival be delayed.

21. Respondents did not postpone the event. The Shriners allege that they were never informed of the conversation with Mr. Bland.

22. On September 16, 2017, the day of the Festival, Johnson alleges that he had raised approximately $50,000, including money from vendors and donations, but not including the $95,000.00 from the Shriners. This was not enough money to cover all expenses, including paying the various vendors and bands. The bands were informed that there were issues with generators rather than tell them that there simply wasn't enough money to pay them.

23. The local bands and the Nashville Country Band performed the festival, and the Nashville Country Band was paid. The other bands did not perform however, as they had not been fully paid.

24. The number of attendees at the festival, and therefore the number of tickets sold, is under dispute. Respondent Johnson has provided evidence that approximately 500 consumers purchased tickets. The Chief Deputy Sheriff, who was present at the event, estimates that 300-600 people were in attendance. News accounts have stated that over 1,000 people may have been present and reported up to 1,600 tickets sold.

25. The representation that large national acts would perform was material to consumers' decision to purchase tickets to the festival.

26. Most of the income from tickets was paid through Paypal. PayPal has reimbursed approximately $9,300.

27. Respondents admit the truth of all facts set forth in the Background section.

28. The Attorney General alleges that the above conduct constitutes unfair and deceptive acts and practices under 9 V.S.A. § 2453.

INJUNCTIVE RELIEF

Adam Johnson

29. Respondent Adam Johnson shall dissolve Kingdom Cares within 14 days of signing this Assurance.

30. Respondent Adam Johnson shall not direct any fundraising efforts for a period of five years. Should Respondent Adam Johnson engage in fundraising efforts after five years, he shall comply with the Consumer Protection Act and take all efforts to ensure that donations are handled appropriately, and consumers receive any consideration bargained for.

31. Upon submission and review of tax returns for the years 2015, 2016, and 2017, credit report from three credit reporting agencies, banking statements for the past year, and a current statement of assets and liabilities, it has been determined by the Office of the Attorney General that Johnson is currently unable to pay the restitution set forth in paragraphs 39-43, below. Based on Johnson's demonstrated inability to pay, Johnson is not required to reimburse the Shriners for restitution, subject to the conditions set forth below.

32. No later than November 1 of each calendar year beginning in 2019 and ending in 2021, Johnson shall submit to the Vermont Attorney General's Office accurate copies of his income tax returns for each of the calendar years 2018 through 2020, respectively, along with sworn and accurate statements of his then-current assets and liabilities.

33. In the event an income tax return or statement of assets and liabilities required by paragraph 32, above, shows that Johnson has pre-tax income exceeding Forty-Five Thousand Dollars ($45,000), and/or net assets exceeding Sixty Thousand Dollars ($60,000), Johnson shall, no later than December 1 of that year, reimburse to the Shriners his share of the restitution fund, and shall have no further liability or further obligation to report to the Attorney General's Office. Following submission of his 2020 tax return, if it is determined that Johnson does not have pre-tax income exceeding Forty-Five Thousand Dollars ($45,000), and/or net assets exceeding Sixty Thousand Dollars ($60,000), then he shall have no further liability or further obligation to reimburse the Shriners.

Marcus Clay

34. Respondent Marcus Clay shall not produce any events involving an audience of greater than 1,000 participants in Vermont for a period of five years.

35. Should Respondent Marcus Clay produce any events in Vermont, he shall comply with the Consumer Protection Act.

36. As Respondent Clay is currently undergoing bankruptcy proceedings, it has been determined by the Office of the Attorney General that Clay is currently unable to pay the restitution set forth in paragraphs 39-43, below. Based on Clay's demonstrated inability to pay, Clay is not required to reimburse the Shriners for restitution, subject to the conditions set forth below.

37. In the event that Clay prevails in any lawsuit by settlement or judgment against the Shriners relating to payment for services rendered for the production of Shrinedom 2017, the Shriners shall deduct from any payment due, after payment of attorneys' fees and costs, the amount owed by Clay to the restitution fund.

Mount Sinai Shriners

38. Respondent Mount Sinai Shriners shall implement training, policies and procedures to provide reasonable safeguards such that any future fundraising endeavors to which Respondent permits the use of the Shriners name has been sufficiently vetted and reviewed.

RESTITUTION

39. Within 30 days of signing this Assurance of Discontinuance, the Attorney General shall provide notice to consumers of this restitution program.

40. Consumers will have 90 days to respond to notice. Consumers seeking restitution will be required to provide proof of purchase or to certify under penalty of perjury that they purchased a Shrinedom 2017 ticket, the amount of money spent, and that they have not been reimbursed. Responses shall be sent to Respondent Mount Sinai Shriners.

41. Consumers may elect to make a charitable contribution to the Shriners in lieu of a refund.

42. Within 150 days of signing this Assurance of Discontinuance, Respondents will refund any consumer who has complied with the previous paragraph, up to a total of $10,000. If more than $10,000 in refunds are demanded, payments will be prorated. Within this time period, Respondent Mount Sinai Shriners shall provide proof of charitable donation to any consumer forgoing a refund as per the previous paragraph.

43. The amount owed to the restitution fund shall equally split amongst the Respondents. The total restitution fund will be initially provided by the Shriners, to be reimbursed by the other two Respondents as described in paragraphs 31-33 and 36-37.

44. Respondents will provide the Attorney General with a list of all consumers who received reimbursement and the amount received.

REPORTING

45. To determine or secure compliance with this Assurance of Discontinuance, on reasonable notice given to any Respondent, subject to any lawful privilege, Respondent shall submit written reports, under oath if requested, with respect to any matters contained in this Assurance of Discontinuance.

OTHER TERMS

46. Each Respondent agrees that this Assurance of Discontinuance shall be binding on Respondent, and their successors and assigns.

47. The Attorney General hereby releases and discharges any and all claims arising under the Consumer Protection Act, 9 V.S.A. §§ 2451-2480, that it may have against Respondents for the conduct described in the Background section between the dates of October 1, 2016 and the date of signing this Assurance.

48. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this Assurance and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this Assurance of Discontinuance.

49. Acceptance of this AOD by the Vermont Attorney General's Office shall not be deemed approval by the Attorney General of any practices or procedures of any Respondent not required by this AOD, and Respondents shall make no representation to the contrary.

SUSPENDED PENALTIES

50. This Assurance of Discontinuance is expressly premised upon the truthfulness, accuracy, and completeness of Respondents' submissions and responses to the Attorney General's inquiries.

51. If, upon motion by the Attorney General, the Court finds that any Respondent failed to disclose any material information, materially misstated any financial information, or made any other material misstatement or omission, that Respondent shall pay a penalty of $10,000.

STIPULATED PENALTIES

52. If the Superior Court of the State of Vermont, Washington Unit enters an order finding any Respondent to be in violation of this Assurance of Discontinuance, then the parties agree that penalties to be assessed by the Court for each act in violation of this Assurance of Discontinuance by that Respondent shall be $5,000.

NOTICE

53. Respondent Mount Sinai Shriners may be located at 2 Academy Street, Barre, VT 05641.

54. Respondents Adam Johnson and Kingdom Cares may be located at 81 Creek Rd, Irasburg, VT 05845.

55. Respondents Marcus Clay and Crossova Concepts Management may be located at 699 Campbell Rd, Irasburg, VT, 05845.

56. In the event that a Respondent or any of its officers or directors obtains any ownership or managerial interest in a business that engages in activities similar to those described in paragraphs 6-8, Respondent shall notify the Attorney General of the name and address of the business.

SIGNATURE

In lieu of instituting an action or proceeding against Respondent, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

By Mount Sinai Shriners:

DATED at 5:23 PM, this 18 day of June, 2018.

Potentate 2018

By Adam Johnson and Kingdom Cares:

DATED at _____, this ____ day of _____, 2018.

_____

By Marcus Clay and Crossova Concepts Management:

DATED at _____, this ____ day of _____, 2018.

_____

SIGNATURE

In lieu of instituting an action or proceeding against Respondent, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

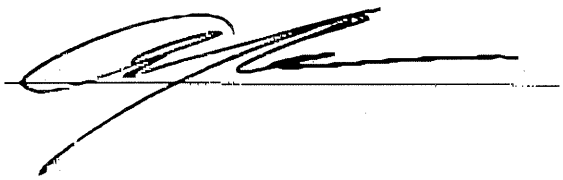
By Mount Sinai Shriners:

DATED at _____, this ____ day of _____, 2018.

_____

By Adam Johnson and Kingdom Cares:

DATED at Irasburg Vt, this 18 day of June, 2018.



By Marcus Clay and Crossova Concepts Management:

DATED at _____, this ____ day of _____, 2018.

_____

SIGNATURE

In lieu of instituting an action or proceeding against Respondent, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

By Mount Sinai Shriners:

DATED at _____, this ____ day of _____, 2018.

_____

By Adam Johnson and Kingdom Cares:

DATED at _____, this ____ day of _____, 2018.

_____

By Marcus Clay and Crossova Concepts Management:

DATED at 9:42 PM Crosby, VT., this 1 day of June, 2018.

Marcus Clay

ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this 19th day of June, 2018.

STATE OF VERMONT

THOMAS J. DONOVAN, JR.
ATTORNEY GENERAL

By: Ryan Kriger

Ryan Kriger
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
ryan.kriger@vermont.gov
802-828-3170

STATE OF VERMONT

SUPERIOR COURT
WASHINGTON UNIT

CIVIL DIVISION
Docket No.: 289-5-15

STATE OF VERMONT

Plaintiff,

v.

SOON K. KWON,

Defendant.

SOON K. KWON'S
MOTION TO DISMISS CONSUMER PROTECTION CLAIMS

NOW COMES the Plaintiff, by and through his attorneys, Ward & Babb, appearing via William B. Towle, Esq. and file this Rule 12 motion to dismiss the consumer fraud claims (Counts I, II and IV) of the complaint.

Even accepting *arguendo* all factual assertions contained within the complaint as true as required when considering a Rule 12 motion, *Jones v. Keogh*, 137 Vt. 562 (1979), the complaint fails to establish a claim of statutory consumer fraud (Counts I, II and IV).

I. OVERVIEW.

This is a lead paint case. The allegations are that in certain target housing in Burlington owned by Mr. Kwon, that the EMP compliance statements were incorrectly filled out and that certain paint conditions in the buildings exist which violates the lead laws. *Complaint* ¶ 14-20. The EMP compliance statements ("Essential Maintenance Practices") are required to be filed via

WARD & BABB
ATTORNEYS-AT-LAW
3069 WILLISTON ROAD
O. BURLINGTON, VT 05403-6044

an annual certificate of compliance. 18 V.S.A. § 1759.

The State's authority to regulate lead paint is detailed in 18 V.S.A. Chapter 38, *Lead Poisoning*. Rights, remedies and procedural details are outlined in the statute. This is the Legislature's solution for lead paint. It would seem self-evident that Vermont's lead paint laws would be central to this lead paint case. However, only Count III of the complaint alleges a lead law violation.

Instead, the Attorney General has predominantly alleged three counts of consumer fraud under the Consumer Protection Act. It is presumed that this is to threaten Mr. Kwon with additional damages. See *Complaint* ¶ 24, 29, and 42. This is an inappropriate use of the wrong statute for the wrong reasons. It is prosecutorial over-reaching.

The Counts belie their inappropriateness.

Count I alleges "false affidavit." Although this would seem to imply this is a perjury or similar charge, review of the Count reveals that it is simply trying to make two violations out of a single act. In this case, the Attorney General alleges the EMP statements were "false." This will be factually disputed. Nonetheless, violation of the EMP requirement is enforceable and may be penalized under 18 V.S.A. § 1760a. Indeed, these are the same allegations forming the basis of Count III ("Failure to perform essential maintenance practices"). There is no recognized claim for "false affidavit" and the EMP cannot be twisted into a consumer fraud claim.

Likewise, Count II alleges violation of the March 13, 2014 Assurance of Discontinuance in a separate matter involving different tenants ("the AoD"). Any claim of violation of the AoD with the State could be enforced by the Attorney General, but the violation cannot form the basis of a consumer fraud claim. It is an attempt to make a third claim out of the same conduct. Why

WARD & BABB
ATTORNEYS-AT-LAW
3069 WILLISTON ROAD
.O. BURLINGTON, VT 05403-6044

would the obligations of the AoD constitute any part of the representations made to the tenants?

Count IV also raised consumer fraud claims but simply alleges "non compliant rental housing." This is a duplicate of Count III, but attempts to cloak the same allegations as consumer fraud. The Attorney General attempts to make four counts based on the same alleged lead paint violations. As will be detailed below, unless the lead law was expressly a point of sale representation, this claim too must fail.

The Attorney General's complaint is a improper piece of spaghetti logic which should not be condoned by this Court.

The Attorney General's argument can be summarized as:

"Offering rental housing is a consumer transaction

SO

Consumer goods sometimes come with implied rights

SO

One of the implied rights is that a rental property is in compliance with certain standards

SO

One of the standards which might apply is the lead statute

SO

The lead statute requires certain regulatory filings

SO

If those filings are done incorrectly, then the Attorney General will conclude retroactively *the original offer to lease must be fraudulent!*"

This is a dubious sequential series of inferences and implications drawn by the Attorney

WARD & BABB
ATTORNEYS-AT-LAW
3069 WILLISTON ROAD
SO. BURLINGTON, VT 05403-6044

General and does not meet the elements of the consumer protection statute.

The *Complaint* takes what is supposed to be a consumer protection law prohibiting misleading point of sale representations and turns it into a convenient open ended violation that would allow just about any transaction involving a consumer good to be transformed into an ambiguous consumer fraud claim. This is overtly an attempt to create an "implied consumer fraud" cause of action. It should not stand.

The Supreme Court has cautioned against confusing principles of contract with principles of fraud so that the elements of fraud are made out by a mere breach of contract. See *Bevins v. King*, 147 Vt. 203, 204-05, 514 A.2d 1044, 1045-46 (1986). According to the Attorney General's complaint, all breaches of contracts are consumer fraud cases. After all, all contracts have implied duties and obligations. If any party fails any implied contractual duty or obligation in a consumer transaction, the Attorney General will hereafter claim "consumer fraud!"

That cannot be right. All breach of contract cases are not consumer fraud. When interpreting the Consumer Fraud Act, the Supreme Court has stated "we are reluctant to conclude that the Legislature intended a mere breach of contract to raise a presumption of fraud." *Winey v. William E. Dailey, Inc.*, 161 Vt. 129, 136 (1993).

The Attorney General has raised exactly the sort of implied and unsupported allegations of consumer fraud which was discouraged in *Bevins* and *Winey* by alleging Mr. Kwon's alleged performance failures during the prospective course and scope of the lease transforms what would seem to be exactly the type of "mere" breach of contract recognized by the Supreme Court. *Arguendo*, the factual allegations of the complaint assert a lead law violation, breach of contract and breach of the warranty of habitability. These are well recognized claims which fully address

WARD & BABB
ATTORNEYS-AT-LAW
3069 WILLISTON ROAD
SO. BURLINGTON, VT 05403-6044

this matter. The consumer fraud allegation is over pleading and unnecessary, raised undoubtedly to inject the claim of costs and civil penalties into what is otherwise a more appropriate allegation of lead law violation. Unless supported by the facts and the elements correctly pled, trying to convert all alleged breaches of consumer contracts into statutory consumer fraud should be rejected.

The allegations in the complaint are – as a matter of law – insufficient to state a claim of consumer fraud and must be dismissed pursuant to V.R.C.P. 12.(b)(6). Even if the Court assumes all factual allegations in the complaint are true and that all contravening assertions are false, *Richards v. Town of Norwich*, 169 Vt. 44, 762 A.2d 81 (1999), the claim is not well considered. Simply labeling a lead law violation or breach of contract "consumer protection" does not meet the requirements of stating a claim under Rule 12 and this Court should dismiss.

II. THERE ARE NO MISLEADING MATERIAL STATEMENTS ALLEGED.

It is axiomatic that there "must be a representation, practice or omission likely to mislead the consumer" – that is the essence of statutory consumer fraud. The *Complaint* raises no alleged representation, no allegation that the representation was interpreted reasonably, and no allegations that the claimed misrepresentation was material to any tenants' decision to enter into the lease. Because there is no misleading representation, the consumer fraud claims must fail.

Although the Legislature authorized the Attorney General in the statute to promulgate regulations, 9 V.S.A. §2453.(c), in 1969, in the ensuing years scant regulation have been issued by the Attorney General. In its stead, the Courts have largely defined the contours of what is considered to be consumer fraud under the statute.

WARD & BABB
ATTORNEYS-AT-LAW
3069 WILLISTON ROAD
SO. BURLINGTON, VT 05403-6044

The relevant provision, "unfair or deceptive acts or practice in commerce," 9 V.S.A. § 2453(a) was explained in *Poulin v. Ford Motor Co.*, 147 Vt. 120, 124-125, 513 A.2d 1168, 1171-1172 (1986). The elements of a consumer fraud claim are:

1) there must be a representation, practice or omission likely to mislead the consumer;

2) the consumer must be interpreting the message reasonably under the circumstances;

3) the misleading effects must the "material," that it, likely to affect the consumer's conduct or decision with regard to the product. See also *Peabody v. P.J.'s Auto Village*, 153 Vt. 55, 57, 569 A.2d 460 (1989).

Fairly pled and fairly read, for this complaint to survive this motion to dismiss, the Attorney General must allege:

Count I (false affidavit)

1. During the showing of the apartment, Mr. Kwon told the tenants that he would fill out the EMPs in the future correctly.

2. The tenants reasonably and materially relied on this statement when making the decision to enter into the lease.

Count II (AoD violation)

1. During the showing of the apartment, Mr. Kwon told the tenants that he was under an AoD and that he intended to comply with the AoD in the future.

2. The tenants reasonably and materially relied on this statement when making the decision to enter into the lease.

WARD & BABB
ATTORNEYS-AT-LAW
3069 WILLISTON ROAD
O. BURLINGTON, VT 05403-6044

Count IV (noncompliant rental housing)

1. During the showing of the apartment, Mr. Kwon told the tenants that he intended to comply with the Vermont lead law statute in the future.

2. The tenants reasonably and materially relied on this statement when making the decision to enter into the lease.

A cursory review of the amended complaint reveals that none of these required elements are pled.

Lead paint was not part of any dialogue between the tenant and landlord – and this is an essential element of the State's claims. It is almost laughable to suggest, as the Attorney General must, that Mr. Kwon made the March 31, 2014 Assurance of Discontinuance the center piece of his leasehold sales presentation to his prospective tenants. Likewise, there is no "omission" because how could Mr. Kwon fail to state something that has not even happened yet (the EMP filings and maintenance)? In truth, the State cannot and did not allege any point of sale representations which were fraudulent or deceptive. See *Complaint*. The State cannot and did not allege reliance by any tenant on the EMP, the AoD, or the lead law. As such, Counts I, II and IV must be dismissed.

III. IMPLIED CONSUMER FRAUD HAS BEEN REJECTED BY THE SUPREME COURT.

The Supreme Court of Vermont has expressly rejected the type of inferred or implied consumer fraud claims brought by the Attorney General in this case in *EBWS, LLC v. Britly Corporation*, 2007 Vt. 37, ___ Vt. ____, 928 A.2d 497. In *EBWS*, the plaintiff EBWS contracted

WARD & BABB
ATTORNEYS-AT-LAW
3069 WILLISTON ROAD
O. BURLINGTON, VT 05403-6044

with Britly to build a creamery building. After completion of the construction, EBWS moved in. EBWS was unhappy with the building and alleged problems with drainage and issues with the floor.

Unlike the Attorney General in the instant case, EBWS did have several point of sale representations underlying its claim of consumer fraud. Like the Attorney General, EBWS argued the subsequent future conduct on the defendant retroactively rendered the point of sale representations fraudulent or misleading. This retrospective inference was rejected by the Supreme Court.

EBWS filed suit alleging breach of contract and six other claims including consumer fraud. *Id.* at ¶ 3. Akin to the Attorney General's argument, EBWS argued implied consumer fraud. EBWS argued that when Britly's president had committed consumer fraud when he had represented that is was "an easy building" and answered the question whether he could build the creamery by stating, "No problem. I can do that." Akin to the Attorney General's argument, EBWS argued the allegations of poor construction, including the failure to properly slope the concrete floor, constituted consumer fraud because it rendered the statements made at the point of sale to be false or misleading. *Id.* at ¶ 27-28. EBWS essentially argued that the latter construction failures retroactively rendered the point of sale representations false or misleading. This is analogous to the Attorney General's claim that Kwon's alleged lead paint violations during the term of the lease retroactively rendered defective the implied point of sale representations.

The trial court and the Supreme Court disagreed. The trial court determined that the point of sale representations were not misleading or false because there was no evidence that either of

WARD & BABB
ATTORNEYS-AT-LAW
3069 WILLISTON ROAD
O. BURLINGTON, VT 05403-6044

the statements were untrue at the time that they were made. The Supreme Court rejected the requested inference that because of the allegations that Britly built a poor or defective creamery that the poor performance of the contract retroactively rendered the point of sale representations false. The Supreme Court narrowly reviewed the point of sale representations for falsity and did not permit the retrospective inference, noting "[t]here was no evidence that Britly was incapable of building a creamery or that building a creamery was uniquely demanding" and "there is no evidence that the statements were false or misleading in any material way." *Id.* at ¶ 28. The fact that Britly might have subsequently poorly performed the contract did not save the consumer fraud claim (indeed, Britly was held liable for breach of contract).

Unless the Attorney General can assert that Mr. Kwon was incapable of complying with the lead law or similar impossibility which might render any statements (or implications) made at the point of sale to be deceptive or fraudulent, this Court should dismiss Counts I, II and IV.

IV. CONCLUSION.

This Court should not allow the unwarranted expansion of statutory consumer fraud to include implied statutory consumer fraud. There were no point-of-sale representations and none are alleged. Further, the allegations are one of a "mere" breach of contract or lead law violations. Implied statutory consumer fraud is not a recognized claim under Vermont law and this Court should not condone the Attorney General's attempt to transform every allegation of breach of contract involving a consumer good in Vermont into a claim for implied statutory consumer fraud.

WARD & BABB
ATTORNEYS-AT-LAW
3069 WILLISTON ROAD
O. BURLINGTON, VT 05403-6044

Dated at South Burlington, Vermont this 1st day of June 2015.

Ward & Babb

By: _____

William B. Towle, Esq.
3069 Williston Road
South Burlington, VT 05403
(802) 863-0307

F:\Client Docs\Kwon Sound and Paint Tickets\General\150526 motion to dismiss.wpd

WARD & BABB
ATTORNEYS-AT-LAW
3069 WILLISTON ROAD
O. BURLINGTON, VT 05403-6044

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

STATE OF VERMONT, Plaintiff	)	CIVIL DIVISION Docket No. 540-9-18 Wncv.
v.	)	
UBER TECHNOLOGIES, INC. Defendant	)	

FINAL JUDGMENT AND CONSENT DECREE

Plaintiff, the State of Vermont, by Thomas J. Donovan, Jr., Attorney General of the State of Vermont, has filed a Complaint for a permanent injunction and other relief in this matter pursuant to the Vermont Consumer Protection Act, 9 V.S.A. §§ 2451 et seq. ("CPA") and the Security Breach Notice Act, 9 V.S.A. § 2435 (the "Notice Act"), alleging Defendant, UBER TECHNOLOGIES, INC. ("UBER") committed violations of the CPA and the Notice Act.

Plaintiff and UBER have agreed to the Court's entry of this Final Judgment and Consent Decree without trial or adjudication of any issue of fact or law, and without admission of any facts alleged or liability of any kind.

Preamble

The Attorneys General of the states and commonwealths of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii[1], Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland[2], Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New

[1] Hawaii is represented by its Office of Consumer Protection. For simplicity purposes, the entire group will be referred to as the "Attorneys General," or individually as "Attorney General." Such designations, however, as they pertain to Hawaii, shall refer to the Executive Director of the State of Hawaii Office of Consumer Protection.

[2] The use of the designations "Attorneys General" or "Attorney General," as they pertain to Maryland, shall refer to the Consumer Protection Division of the Office of the Maryland Attorney General.

Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah[3], Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the District of Columbia (collectively, the "Attorneys General," or the "States") conducted an investigation under their respective State Consumer Protection Acts and Personal Information Protection Acts[4] regarding the data breach involving UBER that occurred in 2016 and that UBER announced in 2017.

Parties

1. The Attorney General is charged with enforcement of the CPA and Notice Act.
2. UBER is a Delaware corporation with its principal place of business at 1455 Market Street, San Francisco, California 94103.
3. As used herein, any reference to "UBER" or "Defendant" shall mean UBER TECHNOLOGIES, INC., including all of its officers, directors, affiliates, subsidiaries and divisions, predecessors, successors and assigns doing business in the United States. However, any affiliate or subsidiary created as a result of an acquisition by UBER after the Effective Date shall not be subject to any requirement of this Final Judgment and Consent Decree until ninety (90) days after the acquisition closes.

Findings

4. The Court has jurisdiction over the subject matter of the complaint filed herein and over the parties to this Final Judgment and Consent Decree.
5. At all times relevant to this matter, UBER engaged in trade and commerce affecting consumers in the States, including in Vermont, in that UBER is a technology company that

[3] Claims pursuant to the Utah Protection of Personal Information Act are brought under the direct enforcement authority of the Attorney General. Utah Code § 13-44-301(1). Claims pursuant to the Utah Consumer Sales Practices Act are brought by the Attorney General as counsel for the Utah Division of Consumer Protection, pursuant to the Division's enforcement authority. Utah Code §§ 13-2-1 and 6.

[4] State law citations (UDAP and PIPAs) – *See Appendix A.*

provides a ride hailing mobile application that connects drivers with riders. Riders hail and pay drivers using the UBER platform.

Order

NOW THEREFORE, on the basis of these findings, and for the purpose of effecting this Final Judgment and Consent Decree, IT IS HEREBY ORDERED AS FOLLOWS:

I. DEFINITIONS

1. "Covered Conduct" shall mean UBER's conduct related to the data breach involving UBER that occurred in 2016 and that UBER announced in 2017.
2. "Data Security Incident" shall mean any unauthorized access to Personal Information owned, licensed, or maintained by UBER.
3. "Effective Date" shall be October 25, 2018.
4. "Encrypt," "Encrypted," or "Encryption" shall mean rendered unusable, unreadable, or indecipherable to an unauthorized person through a security technology or methodology generally accepted in the field of information security.
5. "Personal Information" shall have the same meaning as "Personally Identifiable Information" as set forth in 9 V.S.A. § 2430(5).
6. "Riders and Drivers" or, as applicable, "Rider or Driver" shall mean any individual natural person who is a resident of Vermont who uses UBER's ride hailing mobile applications to request or receive transportation (i.e., riders) or to provide transportation individually or through partner transportation companies (i.e., drivers), other than in connection with Uber Freight or similar services offered by UBER to commercial enterprises.
7. "Security Executive" shall be an executive or officer with appropriate background and experience in information security who is designated by UBER as responsible for the Information Security Program. The title of such individual need not be Security Executive.

II. INJUNCTIVE RELIEF

8. The injunctive terms contained in this Final Judgment and Consent Decree are being entered pursuant to the CPA and Notice Act. Uber shall implement and thereafter maintain the practices described below, including continuing those of the practices that it has already implemented.

9. UBER shall comply with the CPA and Notice Act in connection with its collection, maintenance, and safeguarding of Personal Information.

10. UBER shall not misrepresent the extent to which UBER maintains and/or protects the privacy, security, confidentiality, or integrity of any Personal Information collected from or about Riders and Drivers.

11. UBER shall comply with the reporting and notification requirements of the Notice Act.

12. Specific Data Security Safeguards. No later than ninety (90) days after the Effective Date and for a period of ten (10) years thereafter, UBER shall:

    a. Prohibit the use of any cloud-based service or platform from a third party for developing or collaborating on code containing any plaintext credential if that credential provides access to a system, service, or location that contains Personal Information of a Rider or Driver unless:

        i. UBER has taken reasonable steps to evaluate the data security measures and access controls provided by the service or platform as implemented by UBER;

        ii. UBER has determined that the data security measures and access controls are reasonable and appropriate in light of the sensitivity of the Personal Information that a plaintext credential appearing in code on the service or platform can access;

        iii. UBER has documented its determination in writing; and

iv. UBER's Security Executive or her or his designee has approved the use of the service or platform.

Access controls for such service or platform shall not be considered reasonable and appropriate if they do not include password protection including strong, unique password requirements and multifactor authentication, *or* the equivalent level of protection through other means such as single sign-on; appropriate account lockout thresholds; and access logs maintained for an appropriate period of time.

b. Maintain a password policy for all employees that includes strong password requirements.

c. Develop, implement, and maintain a policy regarding the Encryption of Personal Information of Riders and Drivers in the following circumstances. First, the policy shall require the use of Encryption when such information is transmitted electronically over a network. Second, the policy shall require the use of Encryption for backups of databases containing such information when the backups are stored on a third-party, cloud-based service or platform, either through Encryption of Personal Information of Riders and Drivers within the backup or through Encryption of the backup file or location where it is stored. To the extent UBER determines that such Encryption is not reasonably feasible in a particular instance, UBER may instead use effective alternative compensating controls reviewed and approved by UBER's Security Executive or her or his designee.

13. Information Security Program

a. Within one hundred twenty (120) days after the Effective Date, UBER shall develop, implement, and maintain a comprehensive information security program ("Information Security Program") reasonably designed to protect the security,

integrity, and confidentiality of Personal Information collected from or about Riders and Drivers.

b. The Information Security Program shall be at least compliant with any applicable requirements under Vermont law, and at a minimum, shall be written and shall contain administrative, technical, and physical safeguards appropriate to:

   i. The size and complexity of UBER's operations;

   ii. The nature and scope of UBER's activities; and

   iii. The sensitivity of the Personal Information of Riders and Drivers that UBER maintains.

c. At a minimum, the Information Security Program shall include:

   i. regular identification of internal and external risks to the security, confidentiality, or integrity of Personal Information of Riders and Drivers that could result in the unauthorized disclosure, misuse, loss, alteration, destruction, or other compromise of such information, and an assessment of the sufficiency of any safeguards in place to control these risks;

   ii. the design and implementation of reasonable safeguards to control these risks;

   iii. regular testing and monitoring of the effectiveness of these safeguards;

   iv. the evaluation and adjustment of the Information Security Program in light of the results of the testing and monitoring; and

   v. ongoing training of employees and temporary, contract, and contingent workers concerning the proper handling and protection of Personal Information of Riders and Drivers, the safeguarding of passwords and security credentials for the purpose of preventing unauthorized access to

Personal Information, and disciplinary measures for violation of the Information Security Program, including up to termination for employees and permanent removal from UBER for temporary, contract, and contingent workers.

d. UBER shall ensure that its Information Security Program receives the resources and support reasonably necessary to ensure that the Information Security Program functions as intended.

e. UBER shall designate a Security Executive who shall be responsible for the Information Security Program.

14. Information Security Program Assessments

a. Within one year of the Effective Date and biennially for ten (10) years thereafter, UBER shall obtain assessments of its Information Security Program.

b. The assessments shall be performed by an independent third party that: (a) is a Certified Information Systems Security Professional ("CISSP") or a Certified Information Systems Auditor ("CISA"), or a similarly qualified person or organization; and (b) has at least five (5) years of experience evaluating the effectiveness of computer systems or information system security.

c. The assessments shall set forth the administrative, technical, and physical safeguards maintained by UBER and explain the extent to which the safeguards are appropriate to UBER's size and complexity, the nature and scope of UBER's activities, and the sensitivity of Personal Information of Riders and Drivers that UBER maintains, and thereby meet the requirements of the Information Security Program.

d. UBER shall provide a copy of the third party's final written report of each assessment to the California Attorney General's Office within one hundred twenty (120) days after the assessment has been completed.

i. Confidentiality: The California Attorney General's Office shall treat the report as exempt from disclosure under the relevant public records laws.

ii. State Access: The California Attorney General's Office may provide a copy of the report received from UBER to any other of the Attorneys General upon request, and each requesting Attorney General shall treat such report as exempt from disclosure as applicable under the relevant public records laws.

15. Incident Response and Data Breach Notification Plan

a. For a period of two (2) years following the Effective Date, UBER shall report on at least a quarterly basis to Vermont identifying and describing any Data Security Incidents that occurred during the reporting period and are required by any U.S. federal, state, or local law or regulation to be reported to any U.S. federal, state, or local government entity.

b. UBER shall maintain a comprehensive Incident Response and Data Breach Notification Plan ("Plan"). At a minimum, the Plan shall:

i. identify the types of incidents that fall within the scope of the Plan, which must include any incident that UBER reasonably believes might be a Data Security Incident;

ii. clearly describe all individuals' roles in fulfilling responsibilities under the Plan, including back-up contacts and escalation pathways;

iii. require regular testing and review of the Plan, and the evaluation and revision of the Plan in light of such testing and review; and

iv. require that once UBER has determined that an incident is a Data Security Incident, (a) a duly licensed attorney shall decide whether notification is required under applicable law; (b) that determination shall be documented in writing and communicated to UBER's Security Executive and to a member of UBER's legal department with a supervisory role at least at the level of associate general counsel; (c) UBER shall maintain documentation sufficient to show the investigative and responsive actions taken in connection with the Data Security Incident and the determination as to whether notification is required; and (d) UBER shall assess whether there are reasonably feasible training or technical measures, in addition to those already in place, that would materially decrease the risk of the same type of Data Security Incident re-occurring. UBER's Security Executive is responsible for overseeing, maintaining and implementing the Plan.

c. UBER's Security Executive shall report to the Chief Executive Officer, the Chief Legal Officer, and the Board of Directors on a quarterly basis how many Data Security Incidents occurred and how they were resolved, including any payment by UBER in excess of $5,000 to a third party who reported the Data Security Incident to UBER such as through a bug bounty program (other than a payment to a forensics company retained by UBER).

16. Corporate Integrity Program

a. UBER shall develop, implement, and maintain a hotline or equivalent mechanism for employees to report misconduct, ethical concerns, or violations of UBER's policies, cultural norms, or code of conduct.

b. UBER shall require an executive or officer with appropriate background and

experience in compliance to report to the Board of Directors, or to a committee thereof, at each regularly scheduled meeting of the Board of Directors or committee to provide information concerning instances or allegations of misconduct, ethical concerns, or violations of UBER's policies, cultural norms, or code of conduct, including complaints received by the hotline.

c. No later than ninety (90) days after the Effective Date and for a period of ten (10) years thereafter, UBER shall develop, implement and maintain a process, incorporating privacy by design principles, to review proposed changes to UBER's applications, its products, and any other ways in which UBER uses, collects, or shares data collected from or about Riders and Drivers.

d. UBER shall develop, implement, and maintain an annual training program for employees concerning UBER's code of conduct.

e. UBER's Security Executive shall advise the Chief Executive Officer or the Chief Legal Officer of UBER's security posture, security risks faced by UBER, and security implications of UBER's business decisions.

Meet and Confer

17. If the Attorney General reasonably believes that UBER has failed to comply with any of Paragraphs 12 through 16 of this Final Judgment and Consent Decree, and if in the Attorney General's sole discretion the failure to comply does not threaten the health or safety of citizens and does not create an emergency requiring immediate action, the Attorney General will notify UBER in writing of such failure to comply and UBER shall have thirty (30) days from receipt of such written notice to provide a good faith written response, including either a statement that UBER believes it is in full compliance or otherwise a statement explaining how the violation occurred, how it has been addressed or when it will be addressed, and

what UBER will do to make sure the violation does not happen again. The Attorney General may agree to provide UBER more than thirty (30) days to respond.

18. Nothing herein shall be construed to exonerate any failure to comply with any provision of this Final Judgment and Consent Decree, or to compromise the authority of the Attorney General to initiate a proceeding for any failure to comply with this Final Judgment and Consent Decree in the circumstances excluded in Paragraph 17 or if, after receiving the response from UBER described in Paragraph 17, the Attorney General determines that an enforcement action is in the public interest.

Payment to the States

19. Within thirty (30) days of the Effective Date, UBER shall pay **One Hundred Forty-Eight Million Dollars ($148,000,000)** to the Attorneys General, to be distributed as agreed by the Attorneys General. If the Court has not entered this Final Judgment and Consent Decree by the Effective Date, UBER shall pay within thirty (30) days of the Effective Date or within fourteen (14) days of entry of this Final Judgment and Consent Decree, whichever is later. The money received by the Attorneys General pursuant to this paragraph may be used for purposes that may include, but are not limited to, attorneys' fees, and other costs of investigation and litigation, or be placed in, or applied to, any consumer protection law enforcement fund, including future consumer protection or privacy enforcement, consumer education, litigation or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the Attorneys General, and in Vermont, pursuant to the Constitution of the State of Vermont, Ch. II § 27 and 32 V.S.A. § 462.

20. The Office of the Vermont Attorney General has determined that the State of Vermont's award in this matter is the total amount of $ 587,219.91 and shall include: $18,200.00 for

payments to the Vermont drivers pursuant to 9 V.S.A. § 2458(b)(2) who received notice in November 2017 that their information was the subject of the Covered Conduct.

Release

21. Upon payment of the amount due to Vermont under this Final Judgment and Consent Decree, the Attorney General shall release and discharge UBER from all civil claims that the Attorney General could have brought under the CPA or Notice Act or common law claims concerning unfair, deceptive, or fraudulent trade practices based on the Covered Conduct. Nothing contained in this paragraph shall be construed to limit the ability of the Attorney General to enforce the obligations that UBER has under this Final Judgment and Consent Decree. Further, nothing in this Final Judgment and Consent Decree shall be construed to create, waive, or limit any private right of action.

General Provisions

22. The parties understand and agree that this Final Judgment and Consent Decree shall not be construed as an approval or a sanction by the Attorney General of UBER's business practices, nor shall UBER represent that this Final Judgment and Consent Decree 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 Final Judgment and Consent Decree shall not be construed as an approval or sanction of any representations, acts, or practices indicated by such information, nor shall it preclude action thereon at a later date.
23. Nothing in this Final Judgment and Consent Decree shall be construed as relieving UBER of the obligation to comply with all state and federal laws, regulations, and rules, nor shall any of the provisions of this Final Judgment and Consent Decree be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, and rules.

24. UBER shall deliver a copy of this Final Judgment and Consent Decree to, or otherwise fully apprise, its executive management having decision-making authority with respect to the subject matter of this Final Judgment and Consent Decree within thirty (30) days of the Effective Date.

25. To the extent that there are any, UBER agrees to pay all court costs associated with the filing (if legally required) of this Final Judgment and Consent Decree. No court costs, if any, shall be taxed against the Attorney General.

26. If any clause, provision, paragraph, or section of this Final Judgment and Consent Decree is for any reason held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, paragraph, or section of this Final Judgment and Consent Decree, and this Final Judgment and Consent Decree shall be construed and enforced as if such illegal, invalid, or unenforceable clause, provision, paragraph, or section had not been contained herein.

27. Any notice or report provided by UBER to the Attorney General under this Final Judgment and Consent Decree shall be satisfied by sending notice to the Designated Contacts in *Appendix B*. Any notice or report provided by the Attorney General to UBER under this Final Judgment and Consent Decree shall be satisfied by sending notice to: Chief Legal Officer, Uber Technologies, Inc., 1455 Market Street, San Francisco, California 94103; with a copy to Rebecca S. Engrav, Perkins Coie LLP, 1201 Third Avenue, Suite 4900, Seattle, Washington 98101. All such notices or reports shall be sent by United States mail, certified mail return receipt requested, or other nationally recognized courier service that provides for tracking services and identification of the person signing for the notice or document, and shall be deemed to be sent upon mailing. Notwithstanding the foregoing, if a sending party requests of the receiving party whether transmission by electronic mail is sufficient for a

particular notice or report and the receiving party agrees, electronic mail may be used if an electronic return receipt is provided. An Attorney General may update its address by sending a complete, new updated version of *Appendix B* to UBER and to all other Attorneys General listed on *Appendix B*. UBER may update its address by sending written notice to all parties listed in *Appendix B*.

APPROVED:

PLAINTIFF, STATE OF VERMONT

THOMAS J. DONOVAN, JR.
ATTORNEY GENERAL

By: _____ Date: 9/25/2018

Ryan G. Kriger
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
ryan.kriger@vermont.gov
802-828-3170

[Additional approvals on subsequent pages]

APPROVED:

DEFENDANT, UBER TECHNOLOGIES, INC.

By: _____ Date: 9.21.18
Tony West
Chief Legal Officer

APPROVED:

COUNSEL FOR DEFENDANT, UBER TECHNOLOGIES, INC.

By: _____ Date: 9/21/18

Jonathan Rose [ERN 6128]
Dunkiel Saunders Elliott Raubvogel & Hand PLLC
91 College Street, PO Box 545
Burlington, VT 05402-0545
Telephone: 802-860-1003 x 117
Email: jrose@dunkielsaunders.com
Local Counsel for Uber Technologies, Inc.

Rebecca S. Engrav (Not Admitted *Pro Hac Vice*)
Perkins Coie LLP
1201 Third Avenue, Suite 4900
Seattle, WA 98101
Telephone: (206) 359-6168
Email: rengrav@perkinscoie.com
Lead Counsel for Uber Technologies, Inc.

Entered:

_____ Date: _____

Judge

Appendix A.

STATE	CONSUMER PROTECTION ACTS and PERSONAL INFORMATION PROTECTION ACTS
Alabama	Alabama Deceptive Trade Practices Act, Ala. Code § 8-19-1, *et seq.*; Alabama Data Breach Notification Act of 2018, Ala. Code § 8-38-1, *et seq.*
Alaska	The Alaska Unfair Trade Practices and Consumer Protection Act, AS 45.50.471 *et seq.*; The Alaska Personal Information Protection Act, AS 45.48 *et seq.*
Arizona	Arizona Consumer Fraud Act, Ariz. Rev. Stat. § 44-1521 *et seq.*; Arizona Data-Breach Notification Law, Ariz. Rev. Stat. § 18-545 (in effect 2016-2018; now codified, as revised, at Ariz. Rev. Stat. §§ 18-551 and 18-552)
Arkansas	Arkansas Deceptive Trade Practices Act, Ark. Code Ann. §§ 4-88-101, *et seq.*; Personal Information Protection Act, Ark. Code Ann. §§ 4-110-101, *et seq.*
California	California Business & Professions Code, section 17200, *et seq.*; California Civil Code, sections 1798.82 and 1798.81.5
Colorado	Colorado Consumer Protection Act, Colo. Rev. Stat. § 6-1-101, *et seq.*
Connecticut	Connecticut Unfair Trade Practices Act, Conn. Gen. Stat. § 42-110a *et seq.*; Breach of Security re Computerized Data Containing Personal Information, Conn. Gen. Stat. § 36a-701b; Safeguarding of Personal Information, Conn. Gen. Stat. § 42-471
District of Columbia	D.C. Code §§ 28-3901, *et seq.*; D.C. Code §§ 28-3851, *et seq.*
Delaware	Delaware Consumer Fraud Act, 6 Del. C. § 2511, *et seq.*; Delaware Uniform Deceptive Trade Practices Act, 6 Del. C. § 2531, *et seq.*; Delaware Computer Security Breaches Act, 6 Del. C.§ 12B-100, *et seq.*

Appendix A.

Florida	Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes; Florida Information Protection Act, Section 501.171, Florida Statutes
Georgia	Fair Business Practices Act, O.C.G.A. §§ 10-1-390 through 408; Georgia Personal Identity Protection Act, O.C.G.A. §§ 10-1-910 through 912
Hawaii	Monopolies; Restraint of Trade, Haw. Rev. Stat. Chpt. 480; Security Breach of Personal Information, Haw. Rev. Stat. Chpt. 487N
Idaho	Idaho Consumer Protection Act, Idaho Code §§ 48-601 *et seq.*; Idaho Identity Theft Act, Idaho Code §§ 28-51-101 *et seq.*
Illinois	Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1, *et seq.*; Illinois Personal Information Protection Act, 815 ILCS 530/1, *et seq.*
Indiana	Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5 *et seq.*; Disclosure of Security Breach Act, Ind. Code § 24-4.9 *et seq.*
Iowa	Iowa Consumer Fraud Act, Iowa Code § 714.16; Personal Information Security Breach Protection, Iowa Code § 715C
Kansas	Kansas Consumer Protection Act K.S.A. 50-623 *et seq.*; Wayne Owen Act K.S.A. 50-6,139b
Kentucky	Kentucky Consumer Protection Act, KRS 367.110-.300 and 367.990; KRS 365.732
Louisiana	Unfair Trade Practices and Consumer Protection Law LA RS 51:1401 *et seq.*; Database Security Breach Notification Law LA RS 51:3071 *et seq.*
Maine	Maine Unfair Trade Practices Act, 5 M.R.S.A. §§ 205-A through 214; Maine Notice of Risk to Personal Data Act, 10 M.R.S.A. §§ 1346 through 1350-B

Appendix A.

Maryland	Maryland Consumer Protection Act, Md. Code Ann., Com. Law § 13-101, *et seq.* (2013 Repl. Vol and 2017 Supp.); Maryland Personal Information Protection Act, Md. Code Ann., Com. Law § 14-3501, *et seq.* (2013 Repl. Vol and 2017 Supp.)
Massachusetts	Massachusetts Consumer Protection Act (G.L. c. 93A); Massachusetts Data Security Law (G.L. c. 93H)
Michigan	Michigan Consumer Protection Act, MCL 445.901, *et seq.*; Michigan Identity Theft Protection Act, MCL 445.61, *et seq.*
Minnesota	Minnesota Deceptive Trade Practices Act, Minn. Stat. §§ 325D.43 *et seq.* Minnesota Prevention of Consumer Fraud Act, Minn. Stat. §§ 325F.68 *et seq.* Minnesota Data Breach Notification Statute, Minn. Stat. § 325E.61.
Mississippi	Mississippi Consumer Protection Act Miss. Code Ann. § 75-24-1 *et seq.*; Notice of Breach of Security Miss. Code Ann. § 75-24-29
Missouri	Mo. Rev. Stat. § 407.010, *et seq.*; Mo. Rev. Stat. § 407.1500
Montana	Montana Unfair Trade Practices and Consumer Protection Act, Mont. Code Ann. §§ 30-14-101 *et seq.*; Montana Impediment of Identity Theft Act, Mont. Code Ann. §§ 30-14-1701 *et seq.*
Nebraska	Consumer Protection Act, Neb. Rev. Stat. § 59-1601 *et seq.*; Uniform Deceptive Trade Practices Act, Neb. Rev. Stat. § 87-301 *et seq.*; Financial Data Protection and Consumer Notification of Data Security Breach Act of 2006, Neb. Rev. Stat. § 87-801 *et seq.*
Nevada	Nevada Deceptive Trade Practices Act; Nev. Rev. Stat. §§ 598.0903, *et seq.*; Nevada Security of Personal Information Act; Nev. Rev. Stat. §§ 603A.010, *et seq.*
New Hampshire	NH RSA 358-A; NH RSA 359-C: 19-21

Appendix A.

New Jersey	New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 *et seq.*; New Jersey Identity Theft Prevention Act, N.J.S.A. 56:8-161 to -166
New Mexico	The New Mexico Unfair Practices Act, NMSA 1978, §§ 57-12-1 to -26 (1967, as amended through 2009); The New Mexico Data Breach Notification Act, NMSA 1978, §§ 57-12C-1 to -12 (2017)
New York	Executive Law 63(12) and General Business Law 349/350
North Carolina	North Carolina Unfair and Deceptive Trade Practices Act, N.C. Gen. Stat. §§ 75-1.1, *et seq.*; North Carolina Identity Theft Protection Act, N.C. Gen. Stat. §§ 75-60, *et seq.*
North Dakota	Unlawful Sales or Advertising Practices N.D.C.C. § 51-15-01 *et seq.*; Notice of Security Breach for Personal Information N.D.C.C. § 51-30-01 *et seq.*
Ohio	Ohio Consumer Sales Practices Act, Ohio R.C. 1345.01 *et seq.*; Ohio Data Breach Notification Act, R.C. 1349.19 *et seq.*
Oklahoma	Oklahoma Consumer Protection Act, 15 O.S. §§ 751 *et seq.*; Security Breach Notification Act, 24 O.S. §§ 161 *et seq.*
Oregon	Unlawful Trade Practices Act, ORS 646.605 *et seq.*; Oregon Consumer Identity Theft Protection Act, ORS 646A.600 *et seq.*
Pennsylvania	Unfair Trade Practices and Consumer Protection Law, 73 P.S. §§ 201-1 – 201-9.3; Breach of Personal Information Notification Act, 73 P.S. § 2301, *et seq.*
Rhode Island	Rhode Island Gen. Laws § 6-13.1-1, *et seq.*; Rhode Island Gen. Laws § 11-49.3-1, *et seq.*
South Carolina	South Carolina Unfair Trade Practices Act §§39-5-10 *et seq.*; Section 39-1-90
South Dakota	SDCL 37-24; Data Breach Notification SDCL 22-40-19 through 22-40-26

Appendix A.

Tennessee	Tennessee Consumer Protection Act of 1977, Tenn. Code Ann. §§ 47-18-101 to -131; Tennessee Identity Theft Deterrence Act of 1999, §§ 47-18-2101 to -2111
Texas	Deceptive Trade Practices – Consumer Protection Act, Tex. Bus. & Com. Code Ann.§§ 17.41-17.63; Identity Theft Enforcement and Protection Act, Tex. Bus. & Com. Code Ann. § 521.001 -152
Utah	Utah Consumer Sales Practices Act, Utah Code §§ 13-11-1, *et. seq.*; Utah Protection of Personal Information Act, Utah Code §§ 13-44-101, *et. seq.*
Vermont	Vermont Consumer Protection Act, 9 V.S.A. §§ 2451 *et seq.*; Vermont Security Breach Notice Act, 9 V.S.A. § 2435
Virginia	Breach of Personal Information Notification, Virginia Code § 18.2-186.6
Washington	Consumer Protection Act, RCW 19.86.020; Notice of Security Breaches law, RCW 19.255.010
West Virginia	West Virginia Consumer Credit and Protection Act, W.Va. Code § 46A-1-101 *et seq.*; Theft of Consumer Identity Protections, W.Va. Code § 46A-2A-101 *et seq.*
Wisconsin	Fraudulent Misrepresentations, Wis. Stat.§ 100.18; Notice of unauthorized acquisition of personal information, Wis. Stat. § 134.98
Wyoming	Wyoming Consumer Protection Act, Wyo. Stat. Ann. §§ 40-12-101 through -114; Wyo. Stat. Ann. §§ 40-12-501 through -509

Appendix B.

STATE	ATTORNEYS GENERAL DESIGNATED CONTACTS
Alabama	Michael G. Dean Assistant Attorney General Office of the Alabama Attorney General 501 Washington Avenue Montgomery, Alabama 36130 mdean@ago.state.al.us (334) 353-0415
Alaska	Cynthia A. Franklin Assistant Attorney General Office of the Alaska Attorney General 1031 W. 4th Ave, Suite 200 Anchorage, AK 99501 cynthia.franklin@alaska.gov (907) 269-5208
Arizona	John C. Gray Senior Litigation Counsel Arizona Attorney General's Office 2005 N. Central Ave. Phoenix, AZ 85004 john.gray@azag.gov (602) 542-7753
Arkansas	Peggy Johnson Assistant Attorney General Office of the Arkansas Attorney General 323 Center St., Suite 200 Little Rock, AR 72201 Peggy.johnson@arkansasag.gov (501) 682-8062
California	Lisa B. Kim Deputy Attorney General Office of the California Attorney General 300 S. Spring Street, Suite 1702 Los Angeles, CA 90013 Lisa.Kim@doj.ca.gov (213) 269-6369
Colorado	Mark T. Bailey Senior Assistant Attorney General Colorado Attorney General's Office 1300 Broadway, 7th Floor Denver, Colorado 80203 mark.bailey@coag.gov (720) 508-6202

Appendix B.

Connecticut	Jeremy Pearlman Assistant Attorney General Office of the Connecticut Attorney General 110 Sherman Street Hartford CT 06105 Jeremy.pearlman@ct.gov (860) 808-5440
District of Columbia	Benjamin Wiseman Director, Office of Consumer Protection Office of the District of Columbia Attorney General 441 4th Street NW, Suite 600S Washington, D.C. 20001 benjamin.wiseman@dc.gov (202) 741-5226
Delaware	Christian Douglas Wright Director of Consumer Protection Delaware Department of Justice 820 N. French Street Wilmington, DE 19801 christian.wright@state.de.us (302) 577-8944
Florida	Edward Moffitt Senior Financial Investigator Multistate and Privacy Bureau Florida Office of the Attorney General 135 W Central Boulevard Orlando, FL 32801-2437 Edward.Moffitt@myfloridalegal.com (407) 845-6388
Georgia	Melissa M. Devine Assistant Attorney General Office of the Georgia Attorney General 2 Martin Luther King, Jr. Drive, Suite 356 Atlanta, GA 30334 mdevine@law.ga.gov (404) 656-3795
Hawaii	Lisa P. Tong Enforcement Attorney State of Hawaii Office of Consumer Protection 235 S. Beretania Street #801 Honolulu, HI 96813 ltong@dcca.hawaii.gov (808) 586-2636

Appendix B.

Idaho	Jane E. Hochberg Deputy Attorney General Idaho Office of Attorney General Consumer Protection Division 954 W. Jefferson Street, 2nd Floor Boise, ID 83720-0010 Jane.Hochberg@ag.idaho.gov (208) 332-3553
Illinois	Matthew W. Van Hise, CIPP/US Assistant Attorney General Chief, Privacy Unit 500 South Second Street Springfield, IL 62701 mvanhise@atg.state.il.us (217) 782-9024
Indiana	Douglas Swetnam Section Chief, Data Privacy & Identity Theft Unit Office of the Indiana Attorney General 302 W. Washington St., IGCS – 5th Floor, Indianapolis, IN 46204 douglas.swetnam@atg.in.gov (317) 232-6294
Iowa	William R. Pearson Assistant Attorney General Office of the Attorney General of Iowa 1305 E. Walnut Street Des Moines, IA 50319 William.Pearson@ag.iowa.gov (515) 242-6773
Kansas	Sarah M. Dietz Assistant Attorney General Office of Kansas Attorney General 120 SW 10th Avenue, 2nd Floor Topeka, Kansas 66612 sarah.dietz@ag.ks.gov (785) 296-3751
Kentucky	Kevin R. Winstead Assistant Attorney General Kentucky Attorney General 1024 Capital Center Dr., #200 Frankfort, KY 40601 kevin.winstead@ky.gov (502) 696-5379

Appendix B.

Louisiana	Alberto A. De Puy Assistant Attorney General Louisiana Department of Justice 1885 N. Third Street, 4th Floor Baton Rouge, LA 70802 depuya@ag.louisiana.gov (225) 326-6471
Maine	Brendan O'Neil Assistant Attorney General Office of the Maine Attorney General 6 State House Station Augusta, ME 04333 brendan.oneil@maine.gov (207) 626-8842
Maryland	Richard L. Trumka Jr. Assistant Attorney General Consumer Protection Division Office of the Maryland Attorney General 200 St. Paul St. Baltimore, MD 21202 rtrumka@oag.state.md.us (410) 576-6957
Massachusetts	Sara Cable Director, Data Privacy & Security Assistant Attorney General Massachusetts Attorney General's Office One Ashburton Place Boston MA 02108 sara.cable@state.ma.us (617) 963-2827
Michigan	Kathy Fitzgerald Assistant Attorney General Corporate Oversight Division Michigan Department of Attorney General 525 W. Ottawa St. 6th Floor Lansing, MI 48933 fitzgeraldk@michigan.gov (517) 241-0026
Minnesota	Alex K. Baldwin Assistant Attorney General Minnesota Attorney General's Office 445 Minnesota Street St. Paul, MN 55101 alex.baldwin@ag.state.mn.us

Appendix B.

	(651) 757-1020
Mississippi	Crystal Utley Secoy Special Assistant Attorney General Mississippi Attorney General's Office PO Box 22947 Jackson, Mississippi 39225 cutle@ago.state.ms.us (601) 359-4213
Missouri	Michael Schwalbert Assistant Attorney General Missouri Attorney General's Office 815 Olive Street, Suite 200 Saint Louis, Missouri 63101 michael.schwalbert@ago.mo.gov (314) 340-7888
Montana	Mark W. Mattioli Chief, Office of Consumer Protection Montana Department of Justice 555 Fuller Avenue Helena, MT 59601 mmattioli@mt.gov (404) 444-5791
Nebraska	Dan Birdsall Assistant Attorney General Consumer Protection Division Nebraska Attorney General's Office 2115 State Capitol Lincoln, NE 68509 dan.birdsall@nebraska.gov (402) 471-3840
Nevada	Laura Tucker Senior Deputy Attorney General Office of the Nevada Attorney General 100 N. Carson Street Carson City, NV 89701 lmtucker@ag.nv.gov (775) 684-1244
New Hampshire	James T. Boffetti Associate Attorney General NH Department of Justice 33 Capitol Street Concord, NH 03301 james.boffetti@doj.nh.gov (603) 271-0302

Appendix B.

New Jersey	Elliott M. Siebers Deputy Attorney General Office of the New Jersey Attorney General 124 Halsey Street, 5th Floor P.O. Box 45029-5029 Newark, New Jersey 07101 elliott.siebers@law.njoag.gov (973) 648-4460
New Mexico	Brian E. McMath Assistant Attorney General Office of the New Mexico Attorney General 201 3rd St. NW, Suite 300 Albuquerque NM, 87102 bmcmath@nmag.gov (505) 717-3531
New York	Clark Russell Deputy Bureau Chief New York State Office of the Attorney General 28 Liberty Street New York, NY 10005 clark.russell@ag.ny.gov (212) 416.6494
North Carolina	Kim D'Arruda Special Deputy Attorney General North Carolina Department of Justice 114 West Edenton Street Raleigh, NC 27603 kdarruda@ncdoj.gov (919) 716-6000
North Dakota	Parrell D. Grossman Director, Consumer Protection & Antitrust Division Office of Attorney General of North Dakota 1050 East Interstate Ave. Ste. 200 Bismarck, ND 58503-5574 pgrossman@nd.gov (701) 328-5570
Ohio	Melissa Szozda Smith Senior Assistant Attorney General Office of the Ohio Attorney General 30 E. Broad Street, Floor 14 Columbus, OH 43215 melissa.s.smith@ohioattorneygeneral.gov

Appendix B.

	(614) 466.1305
Oklahoma	Julie A. Bays Chief, Consumer Protection Oklahoma Attorney General's Office 313 NE 21st Street Oklahoma City, OK 73105 julie.bays@oag.ok.gov (405) 522-3082
Oregon	Katherine A. Campbell Senior Assistant Attorney General Oregon Department of Justice 100 SW Market Street Portland, OR 97201-5702 katherine.campbell@doj.state.or.us (971) 673-1880
Pennsylvania	John M. Abel Senior Deputy Attorney General Office of the Pennsylvania Attorney General 15th Floor, Strawberry Square Harrisburg, PA 17120 jabel@attorneygeneral.gov (717) 783.1439
Rhode Island	Edmund F. Murray, Jr. Special Assistant Attorney General Rhode Island Department of Attorney General 150 South Main Street Providence, Rhode Island 02903 emurray@riag.ri.gov (401) 274-4400 ext. 2401
South Carolina	Chantelle Neese Assistant Attorney General South Carolina Attorney General's Office 1000 Assembly Street Columbia, SC 29201 cneese@scag.gov (803) 734-2346
South Dakota	Philip D. Carlson Assistant Attorney General South Dakota Attorney General 1302 E. Hwy. 14, Ste. 1 Pierre, SD 57501 Phil.Carlson@state.sd.us (605) 773-3215
Tennessee	Carolyn Smith

Appendix B.

	Senior Assistant Attorney General Tennessee Attorney General's Office P.O.Box 20207 Nashville, TN 37202-0207 carolyn.smith@ag.tn.gov (615) 532-2578
Texas	D. Esther Chavez Senior Assistant Attorney General Office of the Texas Attorney General PO Box 12548, MC- 010 Austin, TX 78711-2548 esther.chavez@oag.texas.gov (512) 475-4628
Utah	David N. Sonnenreich Deputy Attorney General Office of the Utah Attorney General PO Box 140874 Salt Lake City, Utah 84114-0874 dsonnenreich@agutah.gov (801) 366-0132
Vermont	Ryan Kriger Assistant Attorney General Office of the Vermont Attorney General 109 State St. Montpelier, VT 05609 ryan.kriger@vermont.gov (802) 828-3170
Virginia	Gene Fishel Senior Assistant Attorney General Office of the Virginia Attorney General 202 North 9th Street Richmond, VA 23219 sfishel@oag.state.va.us (804) 786-3870
Washington	Tiffany Lee Assistant Attorney General Office of the Washington Attorney General 800 5th Avenue, Suite 2000 Seattle, WA 98104 tiffanyc@atg.wa.gov (206) 464-6098
West Virginia	Laurel K. Lackey Assistant Attorney General Office of the West Virginia Attorney General

Appendix B.

	269 Aikens Center Martinsburg, WV 25404 laurel.k.lackey@wvago.gov (304) 267-0239
Wisconsin	Lara Sutherlin Assistant Attorney General Wisconsin Department of Justice 17 West Main Street, PO Box 7857 Madison, WI 53707-7857 sutherlinla@doj.state.wi.us (608) 267-7163
Wyoming	Benjamin M. Burningham Senior Assistant Attorney General Office of the Wyoming Attorney General 2320 Capitol Ave. Cheyenne, WY 82002 ben.burningham@wyo.gov (307) 777-7847

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is made and effective as of June 12, 2018 (the "Effective Date") by and between: (1) the Plaintiff State of Vermont ("State" or the "Plaintiff"), on the one hand; and (2) Defendants Volkswagen Aktiengesellschaft, a/k/a Volkswagen AG; Volkswagen Group of America, Inc.; Volkswagen Group of America Chattanooga Operations LLC;[1] Audi Aktiengesellschaft, a/k/a Audi AG; and Audi of America LLC (the "Volkswagen Defendants"); Porsche Cars North America, Inc.; and Dr. Ing. h.c. F. Porsche Aktiengesellschaft, a/k/a Porsche AG (the "Porsche Defendants") (collectively, the "Defendants"), on the other. The State and the Defendants (collectively, the "Parties"), by and through their counsel, enter into this Agreement to resolve the claims asserted in *State of Vermont* v. *Volkswagen Aktiengesellschaft, et al.*, Civil Docket No. 536-9-16 Wncv (Superior Court, Washington Unit, Vermont) (the "Action").

RECITALS

WHEREAS, the State brought the Action against Defendants in the Superior Court of the State of Vermont, Washington Unit;

WHEREAS, the Complaint alleges the Defendants violated the Vermont Consumer Protection Act, Chapter 63, Title 9, Vermont Statutes Annotated ("VCPA"); and Vermont Air Pollution Control statutes (the "Environmental Statutes"), with respect to certain diesel vehicles sold, leased, and/or operated within the State of Vermont, as further defined below, and the Complaint further asserts claims for civil penalties and other monetary and injunctive relief;

---

[1] This party incorrectly appears in the case caption as "Volkswagen Group of America; Chattanooga Operations LLC."

WHEREAS, the Parties entered into a settlement of the State's claims under the Environmental Statutes through a Partial Consent Judgment entered in the Action on November 3, 2017 ("Vermont Environmental Consent Judgment");

WHEREAS, the State's only remaining claims in the Action are its claims under Counts 9 and 10 pursuant to the VCPA;

WHEREAS, the Parties have investigated the facts, analyzed the relevant legal issues regarding the claims and defenses asserted in the Action, and propounded initial discovery requests;

WHEREAS, the Parties have each considered the costs, delays and legal uncertainties associated with the continued prosecution and defense of this litigation, and have reached an amicable agreement to settle and resolve the Action;

WHEREAS, the Parties agree that, except for the factual admissions set forth in Sections 6.4 through 6.6 herein, nothing in this Agreement shall constitute an admission of any wrongdoing or admission of any violations of law by any Party.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the adequacy and receipt of which the Parties hereby acknowledge, the Parties agree as follows:

Section 1. General Definitions

1.1 **"Claims Administrator"** shall mean a third party selected and retained by Plaintiff to conduct settlement administration activities in connection with the distribution to Eligible Consumers of the Consumer Restitution Fund pursuant to Appendix A.

1.2 **"Claim Form"** shall mean the form included with the Consumer Letter sent to Eligible Consumers, an example of which is attached hereto as Exhibit 2, and which must be

Timely Submitted to the Claims Administrator in order to properly request the pertinent consumer payment detailed below in Paragraph 3.1(a).

1.3 **"Consumer Letter"** shall mean the settlement letter that must be mailed by the Claims Administrator to each Eligible Consumer, an example of which is attached hereto as Exhibit 1, in which (i) the up to $1,000 designated consumer payment amount is communicated to the Eligible Consumer, (ii) the Eligible Consumer is informed that he or she must attest in the Claim Form that he or she satisfies the definition herein of Eligible Consumer, and (iii) the Eligible Consumer is informed that a necessary pre-condition to being paid a designated consumer payment amount is that he or she must sign the enclosed Claim Form and Timely Submit it to the Claims Administrator. The Consumer Letter will also include a postage-paid, pre-addressed envelope in which Eligible Consumers can return their Claim Form.

1.4 **"Covered Conduct"** shall mean any and all acts or omissions with respect to the Subject Vehicles, whether known claims or Unknown Claims (as defined below), discovered claims or undiscovered claims, including all communications, advertisements or promotions occurring up to and including the Effective Date of this Agreement, relating to the marketing, advertising, distribution, selling and leasing of any Subject Vehicle as green, clean, or environmentally friendly (or similar such terms), and/or compliant with state or federal law (including any applicable emissions standards), including the marketing, advertisement or offering for sale or lease of any Subject Vehicles without disclosing the design, installation or presence of a Defeat Device.[2]

[2] The term "Defeat Device" means (a) "an auxiliary emission control device (AECD) that reduces the effectiveness of the emission control system under conditions which may reasonably be expected to be encountered in normal vehicle operation and use, unless: (1) Such conditions are substantially included in the Federal emission test procedure; (2) The need for the AECD is justified in terms of protecting the vehicle against damage or accident; (3) The AECD does not

1.5 **"Eligible Consumers"** shall mean person(s) who (i) on September 18, 2015, owned or leased a 2.0 Liter Subject Vehicle that, as of that date, was registered with the Vermont Agency of Transportation ("VAOT"); or (ii) on November 2, 2015, owned or leased a 3.0 Liter Subject Vehicle that, as of that date, was registered with the VAOT. For purposes of this Agreement, if ownership of a 2.0 Liter Subject Vehicle registered with the VAOT was transferred on September 18, 2015, the person(s) who first held ownership on September 18, 2015 is the Eligible Consumer. Similarly, for purposes of this Agreement, if ownership of a 3.0 Liter Subject Vehicle registered with the VAOT was transferred on November 2, 2015, the person(s) who first held ownership on November 2, 2015 is the Eligible Consumer.

1.6 **"E-mail Notification"** shall mean an e-mail sent by the Claims Administrator to each Eligible Consumer for whom an e-mail address is available, notifying the consumer that the Consumer Letter has been sent, and providing contact information for the Claims Administrator in the event the Consumer Letter is not received.

1.7 **"Federal Test Procedures"** shall mean emissions testing required of new motor vehicles by the Environmental Protection Agency ("EPA") and/or the California Air Resources Board ("CARB") as part of applications for Certificates of Conformity or Executive Orders.

1.8 **"Payment Letter"** shall mean a letter included with the check sent to each Eligible Consumer who properly returned to the Claims Administrator a Timely Submitted

---

go beyond the requirements of engine starting; or (4) The AECD applies only for emergency vehicles[.]" 40 C.F.R. § 86.1803-01, or (b) "any part or component intended for use with, or as part of, any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with [the Emission Standards for Moving Sources section of the Clean Air Act], and where the person knows or should know that such part or component is being offered for sale or installed for such use or put to such use," 42 U.S.C. § 7522(a)(3)(B).

Claim Form (an example of which is attached hereto as Exhibit 3), and which should inform the Eligible Consumer recipients that they have 180 days within which to cash the pertinent check.

1.9 **"2.0 Liter Subject Vehicles"** shall mean each and every light duty diesel vehicle equipped with a 2.0-liter TDI engine that the Defendants or their respective affiliates sold or offered for sale in, leased or offered for lease in, or introduced or delivered for introduction into commerce in the United States or its states or territories, or imported into the United States or its states or territories, and that was purported to have been covered by the following EPA Test Groups:

2.0-Liter Diesel Models

Model Year (MY)	EPA Test Group(s)	Vehicle Make and Model(s)
2009	9VWXV02.035N 9VWXV02.0U5N	VW Jetta, VW Jetta Sportwagen
2010	AVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2011	BVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2012	CVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2013	DVWXV02.0U5N	VW Beetle, VW Beetle Convertible; VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2014	EVWXV02.0U5N	VW Beetle, VW Beetle Convertible; VW Golf, VW Jetta, VW Jetta Sportwagen
2012 2013 2014	CVWXV02.0U4S DVWXV02.0U4S EVWXV02.0U4S	VW Passat
2015	FVGAV02.0VAL	VW Beetle, VW Beetle Convertible; VW Golf, VW Golf Sportwagen; VW Jetta, VW Passat, Audi A3

1.10 **"3.0 Liter Subject Vehicles"** shall mean each and every light duty diesel vehicle equipped with a 3.0-liter TDI engine that the Defendants or their respective affiliates sold or offered for sale in, leased or offered for lease in, or introduced or delivered for introduction into commerce in the United States or its states or territories, or imported into the United States or its

states or territories, and that was purported to have been covered by the following EPA Test Groups:

3.0-Liter Diesel Models

Model Year (MY)	EPA Test Group(s)	Vehicle Make and Model(s)
2009	9ADXT03.03LD	VW Touareg, Audi Q7
2010	AADXT03.03LD	VW Touareg, Audi Q7
2011	BADXT03.02UG BADXT03.03UG	VW Touareg Audi Q7
2012	CADXT03.02UG CADXT03.03UG	VW Touareg Audi Q7
2013	DADXT.0302UG DADXT03.03UG DPRXT03.0CDD	VW Touareg Audi Q7 Porsche Cayenne Diesel
2014	EADXT03.02UG EADXT03.03UG EPRXT03.0CDD EADXJ03.04UG	VW Touareg Audi Q7 Porsche Cayenne Diesel Audi A6 Quattro, Audi A7 Quattro, Audi A8L, Audi Q5
2015	FVGAT03.0NU2 FVGAT03.0NU3 FPRXT03.0CDD FVGAJ03.0NU4	VW Touareg Audi Q7 Porsche Cayenne Diesel Audi A6 Quattro, Audi A7 Quattro, Audi A8L, Audi Q5
2016	GVGAT03.0NU2 GPRXT03.0CDD GVGAJ03.0NU4	VW Touareg Porsche Cayenne Diesel Audi A6 Quattro, Audi A7 Quattro, Audi A8L, Audi Q5

1.11 **"Subject Vehicles"** shall mean 2.0 Liter Subject Vehicles and 3.0 Liter Subject Vehicles, collectively.

1.12 **"Timely Submit" or "Timely Submitted"** shall mean an Eligible Consumer's returned Claim Form bearing a postmark no later than 90 days from the date of the Consumer Letter.

Section 2. No Impact Upon Other Settlements

2.1 The Defendants have entered into other settlements, consent decrees, consent judgments, and agreements with other governmental and private parties with respect to the Subject Vehicles and the Covered Conduct. Nothing in this Agreement shall release, mitigate, or

alter in any way the obligations assumed, or rights obtained, by the Defendants under those other settlements, consent decrees, consent judgments, or agreements, including to the extent such agreements obligate the Defendants to take action for the benefit of the State of Vermont or the residents therein. Furthermore, nothing in this Agreement shall release, mitigate, or alter in any way the effect of Vermont's Certification for Beneficiary Status Under Environmental Mitigation Trust Agreement, filed November 1, 2017, including the "Waiver of Claims for Injunctive Relief under Environmental or Common Laws" set forth therein.

Section 3. Settlement Payment

3.1 In full and complete satisfaction of all claims asserted in the Action, the Volkswagen Defendants agree to pay to the State, in care of the Vermont Attorney General's Office, the sum of six million, five-hundred thousand dollars ($6,500,000.00) (the "Settlement Payment"), of which three million six-hundred thousand dollars ($3,6000,000) constitutes Payment to the State, and up to two million nine-hundred thousand ($2,900,000) constitutes the Consumer Restitution Fund, as described in 3.2 (a) below. The Payment to the State includes the State's fees and costs incurred in investigating and litigating this matter, and the costs of the administration of the settlement of this matter.

3.2 To effectuate the transfer of the Settlement Payment, on or before the Effective Date, the State shall provide the Volkswagen Defendants with wire instructions in the form attached as Exhibit 4. The Volkswagen Defendants will transfer the Settlement Payment to the State within thirty (30) days of the Effective Date.

(a) Up to $2,900,000 of the Settlement Payment will be paid for consumer restitution for the purposes set forth in 9 V.S.A. § 2458 (b)(2) ("Consumer Restitution Fund"). Payments made to Eligible Consumers pursuant to this subsection will be made in the amount of

up to $1,000 per Subject Vehicle. Given the number of Subject Vehicles, Plaintiff does not anticipate that the consumer restitution will exceed $2,900,000. However, if for some unanticipated reason the number of Subject Vehicles and number of returned Claim Forms is such that consumer restitution would exceed $2,900,000, the total amount of such consumer restitution shall not exceed $2,900,000 and instead, the consumer restitution payments provided for herein will be paid out on a pro-rata basis, in a manner to be determined by the Plaintiff, to the Eligible Consumers that timely returned Claim Forms pursuant to the claims process set forth in Appendix A. These payments constitute restitution for any damages that any Eligible Consumer may have suffered related to the Subject Vehicles.

(b) In the event monies remain in the Consumer Restitution Fund following the payment to all Eligible Consumers who submit Timely Filed Claim Forms pursuant to Paragraph 3.1(a), such remaining monies, less the State's costs and expenses, shall be paid to the State of Vermont pursuant to the Constitution of the State of Vermont, Ch II, § 27, and 32 V.S.A. § 462.

3.3 This Agreement resolves all remaining claims asserted in the Action.

3.4 Upon the Volkswagen Defendants making the Settlement Payment as described herein, the Volkswagen Defendants shall bear no obligations or in any way be liable for the dispersal or other use of the Settlement Payment, and shall be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies. Any subsequent interest or income derived therefrom shall inure entirely to the benefit of the Plaintiff pursuant to the terms herein

Section 4. Mutual Releases

4.1 Immediately upon the Volkswagen Defendants making the Settlement Payment in the manner specified herein, the State hereby shall and hereby does fully, finally, irrevocably,

and forever release, waive, discharge, relinquish, settle, and acquit the Defendants, their affiliates and any of the Defendants' or their affiliates' former, present or future owners, shareholders, directors, officers, employees, attorneys, parent companies, subsidiaries, predecessors, successors, dealers, agents, assigns and representatives (collectively, "Released Defendant Parties") from any and all claims arising out of or in any way related to the Covered Conduct (including, without limitation, consumer-related claims; any and all claims reserved under Paragraph 24 of the Vermont Environmental Consent Judgment; claims for penalties, fines or other monetary payments, including attorney costs or fees; claims for disgorgement of profits; claims for injunctive relief or restitution; claims brought in the State's sovereign enforcement capacity; claims brought as parens patriae on behalf of Vermont citizens); and demands, actions, or causes of action, including Unknown Claims (as defined below), that it may have, purport to have, or may hereafter have against any Released Defendant Party arising out of or in any way related to the Covered Conduct (hereinafter, "Released Plaintiff Claims").

4.2 Upon the release in Paragraph 4.1 becoming effective, the Defendants shall and hereby do fully, finally, irrevocably, and forever release, waive, discharge, relinquish, settle and acquit the State and its departments and former or current officers, representatives, or employees (the "Released Plaintiff Parties") from any and all claims, demands, actions, or causes of action, including Unknown Claims (as defined below), that they may have, purport to have, or may hereafter have against any Released Plaintiff Party arising out of or in any way related to the Covered Conduct (hereinafter, "Released Defendant Claims").

4.3 "Unknown Claims" means any and all Released Plaintiff Claims or Released Defendant Claims (together, "Released Claims") that any of the Released Plaintiff Parties or Released Defendant Parties (together, "Released Persons") do not know or suspect to exist in

their favor at the time of the release arising out of or in any way related to the Covered Conduct, which if known by them might have affected their decisions with respect to the agreement that is approved by way of this Agreement. To ensure that the releases described in Section 4 are fully enforced in accordance with their terms, with respect to any and all Released Claims, the Parties stipulate and agree that upon the Effective Date, the Parties expressly waive, and each Released Person shall be deemed to have waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Parties acknowledge, and the Released Persons by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims was separately bargained for and was an essential element of this Agreement.

4.4 Notwithstanding any term of this Agreement, the Released Claims do not include actions to enforce this Settlement Agreement.

Section 5. Dismissal of the Litigation

5.1 Independent of the releases described in Section 4, within three (3) business days after the State receives the wire transfer constituting the Settlement Payment, the State will file a Stipulation of Dismissal with Prejudice of the Action and an Order of Dismissal with Prejudice in the Superior Court, Washington Unit, in the form attached as Exhibit 5.

Section 6. Miscellaneous

6.1 This is a fully integrated settlement agreement. This document contains the entire agreement of the Parties with respect to its subject matter, and all prior oral or written

agreements, contracts, negotiations, representations and discussions, if any, pertaining to this matter are merged into this Agreement. No Party to this Agreement has made any oral or written representation other than those set forth in this Agreement, and no Party has relied upon, or is entering into, this Agreement in reliance upon any representation other than those set forth in this Agreement. This Agreement may not be modified in any respect except by a written amendment signed by all Parties.

6.2 This Agreement shall bind and inure to the benefit of the Parties hereto, the Released Persons and their predecessors, successors, assigns, agents and attorneys. Each of the signatories of this Agreement represents and warrants that it, he, or she is authorized by it, his or her respective clients or principal to execute this Agreement and to bind the corresponding Party hereto. With respect to the Plaintiff, the relevant signatories affirm that they have authority to execute this Agreement on behalf of the State and that this Agreement is a binding obligation enforceable against the State.

6.3 This Agreement shall be construed and interpreted in accordance with the substantive law of the State of Vermont without regard to its conflict of laws provisions.

6.4 The Volkswagen Defendants admit that:

(a) software in the Volkswagen- and Audi-branded 2.0 and 3.0 Liter Subject Vehicles enables the vehicles' engine control modules to detect when the vehicles are being driven on the road, rather than undergoing Federal Test Procedures, and that this software renders certain emission control systems in the vehicles inoperative when the engine control module detects the vehicles are not undergoing Federal Test Procedures, resulting in NOx emissions that exceed EPA-compliant and CARB-compliant levels (which CARB standards are applicable in the Commonwealth) when the vehicles are driven on the road; and

(b) this software was not disclosed in the Certificate of Conformity and Executive Order applications for the 2.0 and 3.0 Liter Subject Vehicles, and, as a result, the design specifications of the 2.0 and 3.0 Liter Subject Vehicles, as manufactured, differ materially from the design specifications described in the Certificate of Conformity and Executive Order applications.

6.5 The Porsche Defendants admit that:

(a) software in the Porsche-branded 3.0 Liter Subject Vehicles enables the vehicles' engine control modules to detect when the vehicles are being driven on the road, rather than undergoing Federal Test Procedures, and that this software renders certain emission control systems in the vehicles inoperative when the engine control module detects the vehicles are not undergoing Federal Test Procedures, resulting in NOx emissions that exceed EPA-compliant and CARB-compliant levels (which CARB standards are applicable in the Commonwealth) when the vehicles are driven on the road; and

(b) this software was not disclosed in the Certificate of Conformity and Executive Order applications for the 3.0 Liter Subject Vehicles, and, as a result, the design specifications of the 3.0 Liter Subject Vehicles, as manufactured, differ materially from the design specifications described in the Certificate of Conformity and Executive Order applications.

6.6 Volkswagen AG admits, agrees, and stipulates that the factual allegations set forth in the Statement of Facts attached as Exhibit 2 to its January 11, 2017 Rule 11 Plea Agreement in *U.S.* v. *Volkswagen AG*, No. 16-CR-20394 are true and correct. Volkswagen AG agrees it will neither contest the admissibility of, nor contradict, the Statement of Facts contained in Exhibit 2

to the Rule 11 Plea Agreement in any proceeding. A true and correct copy of the Statement of Facts described in this paragraph is attached hereto as Exhibit 6.

6.7 Nothing in this Agreement shall constitute an admission of fact by any Party, except for the explicit admissions of fact contained in Paragraphs 6.4 through 6.6.

6.8 Nothing in this Agreement constitutes an agreement by the Vermont Attorney General concerning the characterization of the amounts paid hereunder for purposes of any proceeding under the Internal Revenue Code or state tax laws. The Agreement takes no position with regard to the tax consequences of the Agreement with regard to federal, state, local, and/or foreign taxes.

6.9 The Parties agree that, in the event that any dispute relating to this Agreement arises between the Parties, the Parties will first meet and confer in good faith in an attempt to resolve the dispute prior to litigation.

6.10 Each Party acknowledges and agrees that this Agreement was negotiated at arms' length and shall not be construed against its drafter as each Party participated equally in its drafting.

6.11 Any notice hereunder to or among the Parties shall be in writing and delivered (i) by email or personal delivery, and (ii) confirmed by United States Certified Mail, return receipt requested, or by Federal Express (or other overnight carrier) with recipient signature. Any such notice shall be delivered as follows:

For the State:

Merideth C. Chaudoir
Jill. S. Abrams
Assistant Attorneys General
Office of the Attorney General
109 State Street
Montpelier, VT 05609

For the Volkswagen Defendants:

As to Volkswagen AG and Audi AG:

Berliner Ring 2
38440 Wolfsburg, Germany
Attention: Group General Counsel

As to Volkswagen Group of America, Inc., Volkswagen Group of America Chattanooga Operations, LLC, and Audi of America, LLC:

2200 Ferdinand Porsche Dr.
Herndon, VA 20171
Attention: U.S. General Counsel

As to one or more of the Volkswagen

David M. J. Rein
William B. Monahan
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
reind@sullcrom.com
monahanw@sullcrom.com

For the Porsche Defendants:

As to Volkswagen AG and Audi AG:

Dr. Ing. h.c. F. Porsche AG
Porscheplatz 1, D-70435 Stuttgart, Germany
Attention:
GR/Rechtsabteilung/General Counsel

As to Porsche Cars North America, Inc.:

1 Porsche Dr.
Atlanta, GA 30354
Attention: Secretary
With copy by email to offsecy@porsche.us

As to one or more of the Porsche Defendants: Defendants:

Granta Y. Nakayama
Joseph A. Eisert
King & Spalding LLP
1700 Pennsylvania Ave., N.W., Suite 200
Washington, DC 20006
gnakayama@kslaw.com
jeisert@kslaw.com

Any Party may change its address for such notices by notice given in accordance with this paragraph.

6.12 The Parties agree that this Agreement does not enforce the laws of other countries, including the emissions laws or regulations of any jurisdiction outside the United States. Nothing in this Agreement is intended to apply to, or affect, the Defendants' obligations under the laws or regulations of any jurisdiction outside the United States. At the same time, the laws and regulations of other countries shall not affect the Defendants' obligations under this Agreement.

6.13 Nothing in this Agreement shall be construed to waive any claims of sovereign immunity any party may have in any action or proceeding.

6.14 Any failure by any party to this Agreement to insist upon the strict performance of any other party of the provisions of this Agreement shall not be deemed a waiver of any of the provisions of this Agreement.

6.15 Nothing in this Agreement constitutes an approval by the Attorney General of the Defendants' business acts and practices, and Defendants shall not represent this Agreement as such an approval.

6.16 Nothing in this Agreement shall relieve the Defendants of their obligation to comply with all federal, state or local laws and regulations.

6.17 Except for the rights of the Released Persons with respect to the Released Claims: (i) this Agreement shall not be construed to create rights in, or grant any cause of action to, any third party not party to this Agreement, and (ii) no third party shall be entitled to enforce any aspect of this Agreement or claim any legal or equitable injury for a violation of this Agreement.

6.18 Paragraph and section headings contained herein are inserted solely as reference aids for the ease and convenience of the reader. They shall not be deemed to define or limit the scope or substance of the provisions they introduce, nor shall they be used in construing the intent or effect of such provisions or any other aspect of this Agreement.

6.19 The Parties agree that this Agreement may be executed in identical counterparts by the Parties, and when each Party has signed and delivered at least one (1) such counterpart to the other Party, each counterpart shall be deemed an original and taken together shall constitute one and the same agreement that shall be binding and effective as to all Parties. A facsimile

signature or signatures transmitted in PDF by electronic mail will be binding and enforceable to the same extent as an original signature.

6.20 The Parties agree that each Party shall bear its own costs and expenses, including without limitation all attorneys' fees.

APPROVED:

STATE OF VERMONT
THOMAS J. DONOVAN, JR.
ATTORNEY GENERAL

Dated: June 12, 2018

By: _____

Merideth C. Chaudoir
Jill S. Abrams
Assistant Attorneys General
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609
(802) 828-3186

Dated: June 12, 2018

COUNSEL FOR DEFENDANTS VOLKSWAGEN AKTIENGESELLSCHAFT, a/k/a VOLKSWAGEN AG; VOLKSWAGEN GROUP OF AMERICA, INC.; VOLKSWAGEN GROUP OF AMERICA CHATTANOOGA OPERATIONS LLC; AUDI AKTIENGESELLSCHAFT, a/k/a AUDI AG; AND AUDI OF AMERICA LLC

By: David Rein

Robert J. Giuffra, Jr.
David M.J. Rein
SULLIVAN & CROMWELL LLP
125 Broad Street
New York, New York 10004
Email: giuffrar@sullcrom.com
Email: reind@sullcrom.com

COUNSEL FOR DEFENDANTS PORSCHE CARS NORTH AMERICA, INC.AND DR. ING. H.C. F. PORSCHE AG

By: _____

Granta Y. Nakayama
Joseph A. Eisert
KING & SPALDING, LLP
1700 Pennsylvania Avenue N.W.
Washington, DC 20006
Email: gnakayama@kslaw.com
Email: jeisert@kslaw.com

Dated: June 12, 2018

APPENDIX A

Retention and Operation of Claims Administrator and Claims Process

1.1 The Plaintiff shall promptly take steps to procure a Claims Administrator upon the entry of dismissal of this Action by the Court. The Claims Administrator so procured shall be responsible for the following settlement administration activities:

(a) Taking custodial control of the Consumer Restitution Fund designated for payments to consumers pursuant to Paragraph 3.2(a) of the Agreement;

(b) Obtaining a list of Eligible Consumers from the appropriate state agencies, departments and other relevant third parties, as well as current address information for Eligible Consumers.

(c) Sending Consumer Letters to Eligible Consumers by First-Class U.S. Mail, explaining that Eligible Consumers are eligible to receive up to $1,000 in connection with the resolution of this matter, in addition to any sums such consumers already may have received or may be entitled to receive in connection with the Subject Vehicles as a result of other legal actions or resolution of claims;

(d) Sending E-mail Notification to those Eligible Consumers for whom e-mail addresses can be obtained, explaining that Eligible Consumers are eligible to receive up to $1,000 in connection with the resolution of this matter, in addition to any sums such consumers may have already received or may be entitled to receive in connection with the Subject Vehicles as a result of other legal actions or resolution of claims;

(e) Compiling and verifying the Claim Forms returned by Eligible Consumers;

(f) Sending a check, consistent with Paragraph 3.1(a) of the Agreement, along with a Payment Letter, to each Eligible Consumer who has properly returned a Timely Submitted Claim Form;

(g) After the pertinent time for cashing all issued checks has expired (pursuant to the instructions in each Payment Letter), or upon notification, that reasonable efforts to reach all Eligible Consumers have been completed, whichever comes later, the Claims Administrator will send any remaining custodial funds to the Plaintiff.

1.2 Plaintiff retains the right to investigate whether any returned Claim Forms were not in fact from Eligible Consumers and to deny consumer payments accordingly if it concludes, in its exercise of good faith based upon the facts presented, that a Claim Form is not from an Eligible Consumer.

1.3 Eligible Consumers shall be informed that in any future or still-pending lawsuit initiated by an Eligible Consumer against any Defendant(s) concerning the Covered Conduct, such Defendant(s) may be entitled to assert a damages offset in the amount of any payment offered or provided to that Eligible Consumer pursuant to this Agreement.

1.4 Upon reasonable written request and upon five (5) days' notice to the Plaintiff, the Claims Administrator shall provide the Volkswagen Defendants or Porsche Defendants with (a) the names of Eligible Consumers to whom a Consumer Letter was mailed, (b) the names of Eligible Consumers who received payment pursuant to this Agreement, and (c) the names of persons whose Claim Forms were denied pursuant to Section 1.2 of this Appendix to the Agreement. The Volkswagen Defendants and Porsche Defendants shall maintain as confidential any Eligible Consumer information received and shall not disclose such information to any third party for any purpose, except to the extent that disclosure is: (i) required by law or by order of a

court or governmental body having the authority to require such disclosure; or (ii) in connection with any proceeding brought by any Party or Eligible Consumer.

1.5 It is the intention of the Parties that Plaintiff will assume full control of the Claims Process described in this Agreement, and that Defendants shall have no obligations with respect to the Claims Process. Neither Plaintiff nor any third party shall be entitled to assert claims against Defendants arising out of the Claims Process described in this Agreement.

EXHIBIT 1

[VERMONT ATTORNEY GENERAL LETTERHEAD]

[DATE]

Dear [Eligible Consumer],

We are pleased to notify you that the Vermont Attorney General's Office, on the one hand, and certain Volkswagen, Audi, and Porsche entities (collectively, "VW"),[1] on the other, have reached a settlement in a lawsuit filed by the Attorney General's Office against VW. The settlement relates to the marketing, advertising, selling, and leasing of certain Volkswagen, Audi, and Porsche "clean diesel" vehicles for model years 2009-2016.

Records indicate that you may be an "Eligible Consumer" under the settlement. This means that on September 18, 2015, you may have owned or leased an affected 2.0-liter "clean diesel" vehicle that was registered with the Vermont Agency of Transportation, or, on November 2, 2015, you may have owned or leased an affected 3.0-liter "clean diesel" vehicle that was registered with the Vermont Agency of Transportation. Specifically, records indicate that you may have owned or leased a (FILL IN MODEL YEAR, MAKE, AND VIN) on the relevant date.

Before I go further, I need to note that if you are represented by an attorney with regard to an issue with Volkswagen, Audi, or Porsche, you should give this letter to your attorney and discuss this matter with him or her.

If you are an Eligible Consumer and you sign and return the enclosed Claims Form, you will receive a payment of up to $1,000 under the settlement with my office. This payment is separate from any previous payment or payments you may have received from any other settlement relating to the Volkswagen, Audi, and Porsche "clean diesel" vehicles. Signing the Claims Form does not release any claims you may still have against VW or change any amount owed to you under a currently-existing settlement agreement, but VW may assert an offset of any money you are offered through this settlement in any pending or future litigation by you against VW. You may choose not to sign and return the enclosed Claims Form, but in that case, you will not receive a payment under this settlement.

To receive a payment under the settlement, you **must** sign and return the attached Consumer Release to [CLAIMS ADMINISTRATOR] at the address below. **Please note that in signing the Claims Form, you attest that you satisfy the definition of an Eligible Consumer under the settlement.** Your signed Claims Form must be received by [CLAIMS ADMINISTRATOR] by no later than [**CONSUMER RELEASE DEADLINE**].

---

[1] "VW" means Volkswagen Aktiengesellschaft, a/k/a Volkswagen AG; Volkswagen Group of America, Inc.; Volkswagen Group of America Chattanooga Operations LLC; Audi Aktiengesellschaft, a/k/a Audi AG; and Audi of America LLC; Porsche Cars North America, Inc.; and Dr. Ing. h.c. F. Porsche Aktiengesellschaft, a/k/a Porsche AG.

For more information, please contact [CLAIMS ADMINISTRATOR AND CONTACT DETAILS, INCLUDING PHONE NUMBER.]

Sincerely,

Thomas J. Donovan, Jr.
Vermont Attorney General

EXHIBIT 2

CLAIM FORM
OFFICE OF THE ATTORNEY GENERAL

(PLEASE TYPE OR PRINT)

Volkswagen Settlement – Consumer Claim Form

Step 1: Consumer Information

Individual Information

Please complete the following information for the registered owner(s), registered lessee(s), former owner(s) or former lessee(s) of the potentially eligible vehicle. If the potentially eligible vehicle has multiple registered owners or lessees, please provide information for additional owners or lessees below and, if necessary, on a separate sheet. Please use each individual's full legal name.

Is the vehicle registered to (*check one*): ☐ Private Owner(s) or Lessee(s)
☐ Business Organization

Business Organization Name(s) (if applicable): _____

Full Name: _____
Last *First* *(Spouse's name if applicable)*

Street Address: _____

City: _____ State: _____ Zip Code: _____

Daytime Phone: ( ) _____ Mobile Phone: ( ) _____

Email Address: _____

Registered Address

Please provide the address that matches the registration for the potentially eligible vehicle. If your address is different than the vehicle's registered address or you no longer own or lease the vehicle, fill out the mailing address in the "Mailing Address" section below.					
Street					
City		State		Zip Code	

Mailing Address

Complete this section only if your mailing address differs from the registered address supplied above.					
Street					
City		State/Province		Zip/Postal Code	
Country	(*Select one.*) ☐ CANADA ☐ U.S.				

Step 2: Vehicle Information

Vehicle Identification Number (VIN)

The VIN can be found on the dashboard of the vehicle and is 17 characters long.

VIN (Please provide all 17 digits of the eligible vehicle's VIN):

State/Province in which potentially eligible vehicle was purchased or leased	
State or Province	

I declare, under penalty of perjury under the laws of the State of Vermont, that the information in this Claim Form is true and accurate to the best of my knowledge.

Signature _____ Date _____

The completed form must be received by this office no later than the end of the business day on **<DATE>**. Please return your completed form:

Via mail: [CLAIMS ADMINISTRATOR]

Via facsimile: [CLAIMS ADMINISTRATOR]

Via email: [CLAIMS ADMINISTRATOR]

EXHIBIT 3

[VERMONT ATTORNEY GENERAL LETTERHEAD]

[DATE]

Dear [Eligible Consumer],

In June 2018, a settlement was reached between my office and certain Volkswagen, Audi, and Porsche entities (collectively "VW")[1] related to the marketing, advertising, selling, and leasing of certain Volkswagen, Audi, and Porsche "clean diesel" vehicles for model years 2009-2016. Records indicate that you may have owned or leased a "clean diesel vehicle" -- a (FILL IN MODEL YEAR, MAKE, AND VIN) -- on the relevant date.

You submitted a Claims Form in connection with this settlement. After review of your Claims Form to confirm eligibility, my office is pleased to provide the enclosed check, which reflects [AMOUNT] payment as restitution. This payment is in addition to any other amounts you may have received from other settlements relating to the "clean diesel" vehicles.

Cashing this check does not release any claims you may still have against VW, but VW may assert the amount offered to you in this check as an offset in any pending or future litigation by you against VW, whether you cash it or not. No tax forms will be sent to you as a result of your receipt of this payment. Please cash the check on or before [DATE]. If you have questions about this settlement, please go to:

- ☐ [WEBSITE]
- ☐ Call the Settlement Administrator toll free at [NUMBER]

As I previously noted, if you are represented by an attorney with regard to an issue with Volkswagen, Audi, or Porsche, you should give this letter to your attorney and discuss this matter with him or her before taking any further action.

Sincerely,

Thomas J. Donovan, Jr.
Vermont Attorney General

[1] "VW" means Volkswagen Aktiengesellschaft, a/k/a Volkswagen AG; Volkswagen Group of America, Inc.; Volkswagen Group of America Chattanooga Operations LLC; Audi Aktiengesellschaft, a/k/a Audi AG; and Audi of America LLC; Porsche Cars North America, Inc.; and Dr. Ing. h.c. F. Porsche Aktiengesellschaft, a/k/a Porsche AG.

EXHIBIT 4

[*STATE LETTERHEAD*]

[*DATE*]

TO: **Volkswagen Group of America, Inc.**
(addressees listed on following page)

RE: **Wire Instructions – VWGoA Settlement Agreement**

Ladies and Gentlemen:

Reference is made to the Settlement Agreement, entered into on or about June [__], 2018, by Volkswagen Aktiengesellschaft, a/k/a Volkswagen AG; Volkswagen Group of America, Inc.; Volkswagen Group of America Chattanooga Operations LLC; Audi Aktiengesellschaft, a/k/a Audi AG; and Audi of America LLC; Dr. Ing. h.c. F. Porsche AG; and Porsche Cars North America, Inc. with the state of Vermont.

Please find below wire instructions for the disbursement of funds pursuant to the Settlement Agreement.

Funds to be Transferred (USD):	
Beneficiary Name:	
Beneficiary Account Number:	
Bank Name:	
Bank Routing Information: (ABA # and SWIFT Code)	
Memo:	

If you have any questions regarding these wire instructions, please contact [*NAME*] at [*TELEPHONE*] or [*EMAIL*].

I certify that I am a representative of the State of Vermont authorized to deliver these instructions and that the information provided above is true and correct.

Sincerely,

_____

Signature

_____

Print Name and Title

The preceding wire instructions should be delivered to the following persons:

Name:	Volkswagen Group of America, Inc.
Address:	2200 Ferdinand Porsche Drive Herndon, Virginia 20171
Attn:	Office of the General Counsel
Telephone:	703-364-7290
Facsimile:	703-364-7080
E-mail:	kevin.duke@vw.com

Name:	Sullivan & Cromwell LLP
Address:	125 Broad Street New York, New York 10004
Attn:	David M.J. Rein, Esq.
Telephone:	212-558-3035
Facsimile:	212-291-9120
E-mail:	reind@sullcrom.com

Name:	Sullivan & Cromwell LLP
Address:	125 Broad Street New York, New York 10004
Attn:	William B. Monahan, Esq.
Telephone:	212-558-7375
Facsimile:	212-291-9414
Email:	monahanw@sullcrom.com

EXHIBIT 5

STATE OF VERMONT

SUPERIOR COURT
WASHINGTON UNIT

CIVIL DIVISION
Docket No. 536-9-16 Wncv.

STATE OF VERMONT,

Plaintiff,

v.

VOLKSWAGEN AKTIENGESELLSCHAFT, a/k/a VOLKSWAGEN AG; VOLKSWAGEN GROUP OF AMERICA, INC.; VOLKSWAGEN GROUP OF AMERICA CHATTANOOGA OPERATIONS, LLC; AUDI AKTIENGESELLSCHAFT a/k/a AUDI AG; AUDI OF AMERICA, LLC; DR. ING. H.C.F. PORSCHE AKTIENGESELLSCHAFT a/k/a PORSCHE AG; and PORSCHE CARS NORTH AMERICA, INC.,

Defendants.

STIPULATION OF DISMISSAL WITH PREJUDICE

As evidenced by their signatures below, Plaintiff State of Vermont (the "State"), through its Attorney General, and Defendants Volkswagen Aktiengesellschaft, a/k/a Volkswagen AG; Volkswagen Group of America, Inc.; Volkswagen Group of America Chattanooga Operations LLC;[1] Audi Aktiengesellschaft, a/k/a Audi AG; Audi of America LLC; Porsche Cars North America, Inc.; and Dr. Ing. h.c. F. Porsche Aktiengesellschaft, a/k/a Porsche AG (collectively, the "Parties") hereby enter into the Settlement Agreement attached hereto as Exhibit A and stipulate as follows: This matter should be dismissed with prejudice, with the Parties bearing their own fees, costs, and expenses.

SO STIPULATED.

STATE OF VERMONT
THOMAS DONOVAN, JR.
ATTORNEY GENERAL

By: _____
Merideth C. Chaudoir
Jill S. Abrams
Assistant Attorneys General
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609
(802) 828-3186

Dated: June _____, 2018

[1] This party incorrectly appears in the case caption as "Volkswagen Group of America; Chattanooga Operations LLC."

COUNSEL FOR DEFENDANTS VOLKSWAGEN AG, VOLKSWAGEN GROUP OF AMERICA, INC., VOLKSWAGEN GROUP OF AMERICA CHATTANOOGA OPERATIONS, INC.; AUDI AG, AND AUDI OF AMERICA, LLC

Dated: June _____, 2018

By: _____

Ritchie E. Berger, Esq.
DINSE, KNAPP & MCANDREW, P.C.
P.O. Box 988
Burlington, VT 05402
(802) 864-5751

Robert J. Giuffra, Jr.*
Sharon L. Nelles*
David M.J. Rein*
**admitted pro hac vice*
SULLIVAN & CROMWELL LLP
125 Broad Street
New York, New York 10004
(212) 558-4000

COUNSEL FOR DEFENDANTS PORSCHE CARS NORTH AMERICA, INC. AND DR. ING. H.C. F. PORSCHE AG

Dated: June _____, 2018

By: _____

W. Scott O'Connell
Nixon Peabody LLP
900 Elm Street
14th Floor
Manchester, NH 03101
(603) 628-4087

Joseph A. Eisert*
*admitted pro hac vice
KING & SPALDING, LLP
1700 Pennsylvania Avenue N.W., Suite 200
Washington, DC 20006
(202) 737-0500

EXHIBIT A

STATE OF VERMONT

SUPERIOR COURT
WASHINGTON UNIT

CIVIL DIVISION
Docket No. 536-9-16 Wncv.

STATE OF VERMONT,

Plaintiff,

v.

VOLKSWAGEN AKTIENGESELLSCHAFT, a/k/a VOLKSWAGEN AG; VOLKSWAGEN GROUP OF AMERICA, INC.; VOLKSWAGEN GROUP OF AMERICA CHATTANOOGA OPERATIONS, LLC; AUDI AKTIENGESELLSCHAFT a/k/a AUDI AG; AUDI OF AMERICA, LLC; DR. ING. H.C.F. PORSCHE AKTIENGESELLSCHAFT a/k/a PORSCHE AG; and PORSCHE CARS NORTH AMERICA, INC.,

Defendants.

ORDER GRANTING STIPULATION OF DISMISSAL WITH PREJUDICE

Upon consideration of the parties' Joint Stipulation of Dismissal with Prejudice,

IT IS HEREBY ORDERED, that the above-captioned matter is dismissed with prejudice.

DATED:_____

_____
Hon. Mary Miles Teachout
Vermont Superior Court Judge

EXHIBIT 6

EXHIBIT 2

STATEMENT OF FACTS

The following Statement of Facts is incorporated by reference as part of the Plea Agreement (the "Agreement") between the United States Department of Justice (the "Department") and Volkswagen AG ("VW AG"). VW AG hereby agrees and stipulates that the following information is true and accurate. VW AG admits, accepts, and acknowledges that under U.S. law it is responsible for the acts of its employees set forth in this Statement of Facts, which acts VW AG acknowledges were within the scope of the employees' employment and, at least in part, for the benefit of VW AG. All references to legal terms and emissions standards, to the extent contained herein, should be understood to refer exclusively to applicable U.S. laws and regulations, and such legal terms contained in this Statement of Facts are not intended to apply to, or affect, VW AG's rights or obligations under the laws or regulations of any jurisdiction outside the United States. This Statement of Facts does not contain all of the facts known to the Department or VW AG; the Department's investigation into individuals is ongoing. The following facts took place during the time frame specified in the Third Superseding Information and establish beyond a reasonable doubt the charges set forth in the criminal Information attached to this Agreement:

Relevant Entities and Individuals

1. VW AG was a motor vehicle manufacturer based in Wolfsburg, Germany. Under U.S. law, VW AG acts through its employees, and conduct undertaken by VW AG, as described herein, reflects conduct undertaken by employees. Pursuant to applicable German stock corporation law, VW AG was led by a Management Board that was supervised by a Supervisory Board. Solely for purposes of this Statement of Facts, unless otherwise indicated, references in this Statement of Facts to "supervisors" are to senior employees below the level of the VW AG Management Board.

2. Audi AG ("Audi") was a motor vehicle manufacturer based in Ingolstadt, Germany and a subsidiary approximately 99.55% owned by VW AG. Under U.S. law, Audi AG acts through its employees, and conduct undertaken by Audi AG, as described herein, reflects conduct undertaken by employees.

3. Volkswagen Group of America, Inc. ("VW GOA") was a wholly-owned subsidiary of VW AG based in Herndon, Virginia. Under U.S. law, VW GOA acts through its employees, and conduct undertaken by VW GOA, as described herein, reflects conduct undertaken by employees.

4. VW AG, Audi AG, and VW GOA are collectively referred to herein as "VW."

5. "VW Brand" was an operational unit within VW AG that developed vehicles to be sold under the "Volkswagen" brand name.

6. Company A was an automotive engineering company based in Berlin, Germany, which specialized in software, electronics, and technology support for vehicle manufacturers. VW AG owned fifty percent of Company A's shares and was Company A's largest customer.

7. "Supervisor A," an individual whose identity is known to the United States and VW AG, was the supervisor in charge of Engine Development for all of VW AG from in or about October 2012 to in or about September 2015. From July 2013 to September 2015, Supervisor A also served as the supervisor in charge of Development for VW Brand, where he supervised a group of approximately 10,000 VW AG employees. From in or about October 2011, when he joined VW, until in or about July 2013, Supervisor A served as the supervisor in charge of the VW Brand Engine Development department.

8. "Supervisor B," an individual whose identity is known to the United States and VW AG, was a supervisor in charge of the VW Brand Engine Development department from in or about May 2005 to in or about April 2007.

9. "Supervisor C," an individual whose identity is known to the United States and VW AG, was a supervisor in charge of the VW Brand Engine Development department from in or about May 2007 to in or about March 2011.

10. "Supervisor D," an individual whose identity is known to the United States and VW AG, was a supervisor in charge of the VW Brand Engine Development department from in or about October 2013 to the present.

11. "Supervisor E," an individual whose identity is known to the United States and VW AG, was a supervisor with responsibility for VW AG's Quality Management and Product Safety department who reported to the supervisor in charge of Quality Management from in or about 2007 to in or about October 2014.

12. "Supervisor F," an individual whose identity is known to the United States and VW AG, was a supervisor within the VW Brand Engine Development department from in or about 2003 until in or about December 2012.

13. "Attorney A," an individual whose identity is known to the United States and VW AG, was a German-qualified in-house attorney for VW AG who was the in-house attorney principally responsible for providing legal advice in connection with VW AG's response to U.S. emissions issues from in or about May 2015 to in or about September 2015.

U.S. NOx Emissions Standards

14. The purpose of the Clean Air Act and its implementing regulations was to protect human health and the environment by, among other things, reducing emissions of pollutants from new motor vehicles, including nitrogen oxides ("NOx").

15. The Clean Air Act required the U.S. Environmental Protection Agency ("EPA") to promulgate emissions standards for new motor vehicles. The EPA established standards and test procedures for light-duty motor vehicles sold in the United States, including emission standards for NOx.

16. The Clean Air Act prohibited manufacturers of new motor vehicles from selling, offering for sale, introducing or delivering for introduction into U.S. commerce, or importing (or causing the foregoing with respect to) any new motor vehicle unless the vehicle complied with U.S. emissions standards, including NOx emissions standards, and was issued an EPA certificate of conformity.

17. To obtain a certificate of conformity, a manufacturer was required to submit an application to the EPA for each model year and for each test group of vehicles that it intended to sell in the United States. The application was required to be in writing, to be signed by an authorized representative of the manufacturer, and to include, among other things, the results of testing done pursuant to the published Federal Test Procedures that measure NOx emissions, and a description

of the engine, emissions control system, and fuel system components, including a detailed description of each Auxiliary Emission Control Device ("AECD") to be installed on the vehicle.

18. An AECD was defined under U.S. law as "any element of design which senses temperature, vehicle speed, engine RPM, transmission gear, manifold vacuum, or any other parameter for the purpose of activating, modulating, delaying, or deactivating the operation of any part of the emission control system." The manufacturer was also required to include a justification for each AECD. If the EPA, in reviewing the application for a certificate of conformity, determined that the AECD "reduced the effectiveness of the emission control system under conditions which may reasonably be expected to be encountered in normal vehicle operation and use," and that (1) it was not substantially included in the Federal Test Procedure, (2) the need for the AECD was not justified for protection of the vehicle against damage or accident, or (3) it went beyond the requirements of engine starting, the AECD was considered a "defeat device." Whenever the term "defeat device" is used in this Statement of Facts, it refers to a defeat device as defined by U.S. law.

19. The EPA would not certify motor vehicles equipped with defeat devices. Manufacturers could not sell motor vehicles in the United States without a certificate of conformity from the EPA.

20. The California Air Resources Board ("CARB") (together with the EPA, "U.S. regulators") issued its own certificates, called executive orders, for the sale of motor vehicles in the State of California. To obtain such a certificate, the manufacturer was required to satisfy the standards set forth by the State of California, which were equal to or more stringent than those of the EPA.

21. As part of the application for a certification process, manufacturers often worked in parallel with the EPA and CARB. To obtain a certificate of conformity from the EPA, manufacturers were required to demonstrate that the light-duty vehicles were equipped with an on-board diagnostic ("OBD") system capable of monitoring all emissions-related systems or components. Manufacturers could demonstrate compliance with California OBD standards in order to meet federal requirements. CARB reviewed applications from manufacturers, including VW, to determine whether their OBD systems were in compliance with California OBD standards, and CARB's conclusion would be included in the application the manufacturer submitted to the EPA.

22. In 1998, the United States established new federal emissions standards that would be implemented in separate steps, or Tiers. Tier II emissions standards, including for NOx emissions, were significantly stricter than Tier I. For light-duty vehicles, the regulations required manufacturers to begin to phase in compliance with the new, stricter Tier II NOx emissions standards in 2004 and required

manufacturers to fully comply with the stricter standards for model year 2007. These strict U.S. NOx emissions standards were applicable specifically to vehicles in the United States.

VW Diesel Vehicles Sold in the United States

23. In the United States, VW sold, offered for sale, introduced into commerce, delivered for introduction into commerce, imported, or caused the foregoing actions (collectively, "sold in the United States") the following vehicles containing 2.0 liter diesel engines ("2.0 Liter Subject Vehicles"):

a. Model Year ("MY") 2009-2015 VW Jetta;

b. MY 2009-2014 VW Jetta Sportwagen;

c. MY 2010-2015 VW Golf;

d. MY 2015 VW Golf Sportwagen;

e. MY 2010-2013, 2015 Audi A3;

f. MY 2013-2015 VW Beetle and VW Beetle Convertible; and

g. MY 2012-2015 VW Passat.

24. VW sold in the United States the following vehicles containing 3.0 liter diesel engines ("3.0 Liter Subject Vehicles"):

a. MY 2009-2016 VW Touareg;

b. MY 2009-2015 Audi Q7;

c. MY 2014-2016 Audi A6 Quattro;

d. MY 2014-2016 Audi A7 Quattro;

e. MY 2014-2016 Audi A8L; and

f. MY 2014-2016 Audi Q5.

25. VW GOA's Engineering and Environmental Office ("EEO") was located in Auburn Hills, Michigan, in the Eastern District of Michigan. Among other things, EEO prepared and submitted applications (the "Applications") for a certificate of conformity and an executive order (collectively, "Certificates") to the EPA and CARB to obtain authorization to sell each of the 2.0 Liter Subject Vehicles and 3.0 Liter Subject Vehicles in the United States (collectively, the "Subject Vehicles"). VW GOA's Test Center California performed testing related to the Subject Vehicles.

26. VW AG developed the engines for the 2.0 Liter Subject Vehicles. Audi AG developed the engines for the 3.0 Liter Subject Vehicles and the MY 2013-2016 Porsche Cayenne diesel vehicles sold in the United States (the "Porsche Vehicles").

27. The Applications to the EPA were accompanied by the following signed statement by a VW representative:

> The Volkswagen Group states that any element of design, system, or emission control device installed on or incorporated in the Volkswagen Group's new motor vehicles or new motor vehicle engines for the purpose of complying with standards prescribed under section 202 of the Clean Air Act, will not, to the best of the Volkswagen Group's information and belief,

> cause the emission into the ambient air of pollutants in the operation of its motor vehicles or motor vehicle engines which cause or contribute to an unreasonable risk to public health or welfare except as specifically permitted by the standards prescribed under section 202 of the Clean Air Act. The Volkswagen Group further states that any element of design, system, or emission control device installed or incorporated in the Volkswagen Group's new motor vehicles or new motor vehicle engines, for the purpose of complying with standards prescribed under section 202 of the Clean Air Act, will not, to the best of the Volkswagen Group's information and belief, cause or contribute to an unreasonable risk to public safety.
>
> . . .
>
> All vehicles have been tested in accordance with good engineering practice to ascertain that such test vehicles meet the requirement of this section for the useful life of the vehicle.

28. Based on the representations made by VW employees in the Applications for the Subject Vehicles, EPA and CARB issued Certificates for these vehicles, allowing the Subject Vehicles to be sold in the United States.

29. Upon importing the Subject Vehicles into the United States, VW disclosed to U.S. Customs and Border Protection ("CBP") that the vehicles were covered by valid Certificates by affixing an emissions label to the vehicles' engines. These labels stated that the vehicles conformed to EPA and CARB emissions regulations. VW affixed these labels to each of the Subject Vehicles that it imported into the United States.

30. VW represented to its U.S. customers, U.S. dealers, U.S. regulators and others in the United States that the Subject Vehicles met the new and stricter

U.S. emissions standards identified in paragraph 22 above. Further, VW designed a specific marketing campaign to market these vehicles to U.S. customers as "clean diesel" vehicles.

VW AG's Criminal Conduct

31. From approximately May 2006 to approximately November 2015, VW AG, through Supervisors A-F and other VW employees, agreed to deceive U.S. regulators and U.S. customers about whether the Subject Vehicles and the Porsche Vehicles complied with U.S. emissions standards. During their involvement with design, marketing and/or sale of the Subject Vehicles and the Porsche Vehicles in the United States, Supervisors A-F and other VW employees: (a) knew that the Subject Vehicles and the Porsche Vehicles did not meet U.S. emissions standards; (b) knew that VW was using software to cheat the U.S. testing process by making it appear as if the Subject Vehicles and the Porsche Vehicles met U.S. emissions standards when, in fact, they did not; and (c) attempted to and did conceal these facts from U.S. regulators and U.S. customers.

The 2.0 Liter Defeat Device in the United States

32. In at least in or about 2006, VW AG employees working under the supervision of Supervisors B, C, and F were designing the new EA 189 2.0 liter diesel engine (later known as the Generation 1 or "Gen 1") for use in the United States that would be the cornerstone of a new project to sell passenger diesel

vehicles in the United States. Selling diesel vehicles in the U.S. market was an important strategic goal of VW AG. This project became known within VW as the "US'07" project.

33. Supervisors B, C, and F, and others, however, realized that VW could not design a diesel engine that would both meet the stricter U.S. NOx emissions standards that would become effective in 2007 and attract sufficient customer demand in the U.S. market. Instead of bringing to market a diesel vehicle that could legitimately meet the new, more restrictive U.S. NOx emissions standards, VW AG employees acting at the direction of Supervisors B, C, and F and others, including Company A employees, designed, created, and implemented a software function to detect, evade and defeat U.S. emissions standards.

34. While employees acting at their direction designed and implemented the defeat device software, Supervisors B, C, and F, and others knew that U.S. regulators would measure VW's diesel vehicles' emissions through standard U.S. tests with specific, published drive cycles. VW AG employees acting at the direction of Supervisors B, C, and F, and others designed the VW defeat device to recognize whether the vehicle was undergoing standard U.S. emissions testing on a dynamometer (or "dyno") or whether the vehicle was being driven on the road under normal driving conditions. The defeat device accomplished this by recognizing the standard drive cycles used by U.S. regulators. If the vehicle's

software detected that it was being tested, the vehicle performed in one mode, which satisfied U.S. NOx emissions standards. If the defeat device detected that the vehicle was not being tested, it operated in a different mode, in which the effectiveness of the vehicle's emissions control systems was reduced substantially, causing the vehicle to emit substantially higher NOx, sometimes 35 times higher than U.S. standards.

35. In designing the defeat device, VW engineers borrowed the original concept of the dual-mode, emissions cycle-beating software from Audi. On or about May 17, 2006, a VW engineer, in describing the Audi software, sent an email to employees in the VW Brand Engine Development department that described aspects of the software and cautioned against using it in its current form because it was "pure" cycle-beating, i.e., as a mechanism to detect, evade and defeat U.S. emissions cycles or tests. The VW AG engineer wrote (in German), "within the clearance structure of the pre-fuel injection the acoustic function is nearly always activated within our current US'07-data set. This function is pure [cycle-beating] and can like this absolutely not be used for US'07."

36. Throughout in or around 2006, Supervisor F authorized VW AG engineers to use the defeat device in the development of the US'07 project, despite concerns expressed by certain VW AG employees about the propriety of designing and activating the defeat device software. In or about the fall of 2006, lower level

VW AG engineers, with the support of their supervisors, raised objections to the propriety of the defeat device, and elevated the issue to Supervisor B. During a meeting that occurred in or about November 2006, VW AG employees briefed Supervisor B on the purpose and design of the defeat device. During the meeting, Supervisor B decided that VW should continue with production of the US'07 project with the defeat device, and instructed those in attendance, in sum and substance, not to get caught.

37. Throughout 2007, various technical problems arose with the US'07 project that led to internal discussions and disagreements among members of the VW AG team that was primarily responsible for ensuring vehicles met U.S. emissions standards. Those disagreements over the direction of the project were expressly articulated during a contentious meeting on or about October 5, 2007, over which Supervisor C presided. As a result of the meeting, Supervisor C authorized Supervisor F and his team to proceed with the US'07 project despite knowing that only the use of the defeat device software would enable VW diesel vehicles to pass U.S. emissions tests.

38. Starting with the first model year 2009 of VW's new engine for the 2.0 Liter Subject Vehicles through model year 2016, Supervisors A-D and F, and others, then caused the defeat device software to be installed in the 2.0 Liter Subject Vehicles marketed and sold in the United States.

The 3.0 Liter Defeat Device in the United States

39. Starting in or around 2006, Audi AG engineers designed a 3.0 liter diesel for the U.S. market. The 3.0 liter engine was more powerful than the 2.0 liter engine, and was included in larger and higher-end model vehicles. The 3.0 liter engine was ultimately placed in various Volkswagen, Audi and Porsche diesel vehicles sold in the United States for model years 2009 through 2016. In order to pass U.S. emissions tests, Audi engineers designed and installed software designed to detect, evade and defeat U.S. emissions standards, which constituted a defeat device under U.S. law.

40. Specifically, Audi AG engineers calibrated a defeat device for the 3.0 Liter Subject Vehicles and the Porsche Vehicles that varied injection levels of a solution consisting of urea and water ("AdBlue") into the exhaust gas system based on whether the vehicle was being tested or not, with less NOx reduction occurring during regular driving conditions. In this way, the vehicle consumed less AdBlue, and avoided a corresponding increase in the vehicle's AdBlue tank size, which would have decreased the vehicle's trunk size, and made the vehicle less marketable in the United States. In addition, the vehicle could drive further between service intervals, which was also perceived as important to the vehicle's marketability in the United States.

Certification of VW Diesel Vehicles in the United States

41. VW employees met with the EPA and CARB to seek the certifications required to sell the Subject Vehicles to U.S. customers. During these meetings, some of which Supervisor F attended personally, VW employees misrepresented, and caused to be misrepresented, to the EPA and CARB staff that the Subject Vehicles complied with U.S. NOx emissions standards, when they knew the vehicles did not. During these meetings, VW employees described, and caused to be described, VW's diesel technology and emissions control systems to the EPA and CARB staff in detail but omitted the fact that the engine could not meet U.S. emissions standards without using the defeat device software.

42. Also as part of the certification process for each new model year, Supervisors A-F and others certified, and/or caused to be certified, to the EPA and CARB that the Subject Vehicles met U.S. emissions standards and complied with standards prescribed by the Clean Air Act. Supervisors A-F, and others, knew that if they had told the truth and disclosed the existence of the defeat device, VW would not have obtained the requisite Certificates for the Subject Vehicles and could not have sold any of them in the United States.

Importation of VW Diesel Vehicles in the United States

43. In order to import the Subject Vehicles into the United States, VW was required to disclose to CBP whether the vehicles were covered by valid certificates for the United States. VW did so by affixing a label to the vehicles' engines. VW employees caused to be stated on the labels that the vehicles complied with applicable EPA and CARB emissions regulations and limitations, knowing that if they had disclosed that the Subject Vehicles did not meet U.S. emissions regulations and limitations, VW would not have been able to import the vehicles into the United States. Certain VW employees knew that the labels for the Porsche Vehicles stated that those vehicles complied with EPA and CARB emissions regulations and limitations, when in fact, the VW employees knew they did not.

Marketing of "Clean Diesel" Vehicles in the United States

44. Supervisors A and C and others marketed, and caused to be marketed, the Subject Vehicles to the U.S. public as "clean diesel" and environmentally-friendly, when they knew the Subject Vehicles were intentionally designed to detect, evade and defeat U.S. emissions standards.

45. For example, on or about November 18, 2007, Supervisor C sent an email to Supervisor F and others attaching three photos of himself with

California's then-Governor, which were taken during an event at which Supervisor C promoted the 2.0 Liter Subject Vehicles in the United States as "green diesel."

The Improvement of the 2.0 Liter Defeat Device in the United States

46. Following the launch of the Gen 1 2.0 Liter Subject Vehicles in the United States, Supervisors C and F, and others, worked on a second generation of the vehicle (the "Gen 2"), which also contained software designed to detect, evade and defeat U.S. emissions tests. The Gen 2 2.0 Liter Subject Vehicles were launched in the United States in or around 2011.

47. In or around 2012, hardware failures developed in certain of the 2.0 Liter Subject Vehicles that were being used by customers on the road in the United States. VW AG engineers hypothesized that vehicles equipped with the defeat device stayed in "dyno" mode (i.e., testing mode) even when driven on the road outside of test conditions. Since the 2.0 Liter Subject Vehicles were not designed to be driven for longer periods of time in "dyno" mode, VW AG engineers suspected that the increased stress on the exhaust system from being driven too long in "dyno" mode could be the root cause of the hardware failures.

48. In or around July 2012, engineers from the VW Brand Engine Development department met, in separate meetings, with Supervisors A and E to explain that they suspected that the root cause of the hardware failures in the 2.0 Liter Subject Vehicles was the increased stress on the exhaust system from being

driven too long in "dyno" mode as a result of the use of software designed to detect, evade and defeat U.S. emissions tests. To illustrate the software's function, the engineers used a document. Although they understood the purpose and significance of the software, Supervisors A and E each encouraged the further concealment of the software. Specifically, Supervisors A and E each instructed the engineers who presented the issue to them to destroy the document they had used to illustrate the operation of the defeat device software.

49. VW AG engineers, having informed the supervisor in charge of the VW AG Engine Development department and within the VW AG Quality Management and Product Safety department of the existence and purpose of the defeat device in the 2.0 Liter Subject Vehicles, then sought ways to improve its operation in existing 2.0 Liter Subject Vehicles to avoid the hardware failures. To solve the hardware failures, VW AG engineers decided to start the 2.0 Liter Subject Vehicles in the "street mode" and, when the defeat device recognized that the vehicle was being tested for compliance with U.S. emissions standards, switch to the "dyno mode." To increase the likelihood that the vehicle in fact realized that it was being tested on the dynamometer for compliance with U.S. emissions standards, the VW AG engineers activated a "steering wheel angle recognition" feature. The steering wheel angle recognition interacted with the software by

enabling the vehicle to detect whether it was being tested on a dynamometer (where the steering wheel is not turned), or being driven on the road.

50. Certain VW AG employees again expressed concern, specifically about the expansion of the defeat device through the steering wheel angle detection, and sought approval for the function from more senior supervisors within the VW AG Engine Development department. In particular, VW AG engineers asked Supervisor A for a decision on whether or not to use the proposed function in the 2.0 Liter Subject Vehicles. In or about April 2013, Supervisor A authorized activation of the software underlying the steering wheel angle recognition function. VW employees then installed the new software function in new 2.0 Liter Subject Vehicles being sold in the United States, and later installed it in existing 2.0 Liter Subject Vehicles through software updates during maintenance.

51. VW employees falsely told, and caused others to tell, U.S. regulators, U.S. customers and others in the United States that the software update in or around 2014 was intended to improve the 2.0 Liter Subject Vehicles when, in fact, VW employees knew that the update also used the steering wheel angle of the vehicle as a basis to more easily detect when the vehicle was undergoing emissions tests, thereby improving the defeat device's precision in order to reduce the stress on the emissions control systems.

The Concealment of the Defeat Devices in the United States – 2.0 Liter

52. In or around March 2014, certain VW employees learned of the results of a study undertaken by West Virginia University's Center for Alternative Fuels, Engines and Emissions and commissioned by the International Council on Clean Transportation (the "ICCT study"). The ICCT study identified substantial discrepancies in the NOx emissions from certain 2.0 Liter Subject Vehicles when tested on the road compared to when these vehicles were undergoing EPA and CARB standard drive cycle tests on a dynamometer. The results of the study showed that two of the three vehicles tested on the road, both 2.0 Liter Subject Vehicles, emitted NOx at values of up to approximately 40 times the permissible limit applicable during testing in the United States.

53. Following the ICCT study, CARB, in coordination with the EPA, attempted to work with VW to determine the cause for the higher NOx emissions in the 2.0 Liter Subject Vehicles when being driven on the road as opposed to on the dynamometer undergoing standard emissions test cycles. To do this, CARB, in coordination with the EPA, repeatedly asked VW questions that became increasingly more specific and detailed, as well as conducted additional testing themselves.

54. In response to learning about the results of the ICCT study, engineers in the VW Brand Engine Development department formed an ad hoc task force to

formulate responses to questions that arose from the U.S. regulators. VW AG supervisors, including Supervisors A, D, and E, and others, determined not to disclose to U.S. regulators that the tested vehicle models operated with a defeat device. Instead, Supervisors A, D, and E, and others decided to pursue a strategy of concealing the defeat device in responding to questions from U.S. regulators, while appearing to cooperate.

55. Throughout 2014 and the first half of 2015, Supervisors A, D, and E, and others, continued to offer, and/or cause to be offered, software and hardware "fixes" and explanations to U.S. regulators for the 2.0 Liter Subject Vehicles' higher NOx measurements on the road without revealing the underlying reason – the existence of software designed to detect, evade and defeat U.S. emissions tests.

56. On or about April 28, 2014, members of the VW task force presented the findings of the ICCT study to Supervisor E, whose supervisory responsibility included addressing safety and quality problems in vehicles in production. Included in the presentation was an explanation of the potential financial consequences VW could face if the defeat device was discovered by U.S. regulators, including but not limited to applicable fines per vehicle, which were substantial.

57. On or about May 21, 2014, a VW AG employee sent an email to his supervisor, Supervisor D, and others, describing an "early round meeting" with

Supervisor A, at which emissions issues in North America for the Gen 2 2.0 Liter Subject Vehicles were discussed, and questions were raised about the risk of what could happen and the available options for VW. Supervisor D responded by email that he was in "direct touch" with the supervisor in charge of Quality Management at VW AG and instructed the VW AG employee to "please treat confidentially" the issue.

58. On or about October 1, 2014, VW AG employees presented to CARB regarding the ICCT study results and discrepancies identified in NOx emissions between dynamometer testing and road driving. In response to questions, the VW AG employees did not reveal that the existence of the defeat device was the explanation for the discrepancies in NOx emissions, and, in fact, gave CARB various false reasons for the discrepancies in NOx emissions including driving patterns and technical issues.

59. When U.S. regulators threatened not to certify VW model year 2016 vehicles for sale in the United States, VW AG supervisors requested a briefing on the situation in the United States. On or about July 27, 2015, VW AG employees presented to VW AG supervisors. Supervisors A and D were present, among others.

60. On or about August 5, 2015, in a meeting in Traverse City, Michigan, two VW employees met with a CARB official to discuss again the discrepancies in

emissions of the 2.0 Liter Subject Vehicles. The VW employees did not reveal the existence of the defeat device.

61. On or about August 18, 2015, Supervisors A and D, and others, approved a script to be followed by VW AG employees during an upcoming meeting with CARB in California on or about August 19, 2015. The script provided for continued concealment of the defeat device from CARB in the 2.0 Liter Subject Vehicles, with the goal of obtaining approval to sell the Gen 3 model year 2016 2.0 Liter Subject Vehicles in the United States.

62. On or about August 19, 2015, in a meeting with CARB in El Monte, California, a VW employee explained, for the first time to U.S. regulators and in direct contravention of instructions from supervisors at VW AG, that certain of the 2.0 Liter Subject Vehicles used different emissions treatment depending on whether the vehicles were on the dynamometer or the road, thereby signaling that VW had evaded U.S. emissions tests.

63. On or about September 3, 2015, in a meeting in El Monte, California with CARB and EPA, Supervisor D, while creating the false impression that he had been unaware of the defeat device previously, admitted that VW had installed a defeat device in the 2.0 Liter Subject Vehicles.

64. On or about September 18, 2015, the EPA issued a public Notice of Violation to VW stating that the EPA had determined that VW had violated the

Clean Air Act by manufacturing and installing defeat devices in the 2.0 Liter Subject Vehicles.

The Concealment of the Defeat Devices in the United States – 3.0 Liter

65. On or about January 27, 2015, CARB informed VW AG that CARB would not approve certification of the Model Year 2016 3.0 Liter Subject Vehicles until Audi AG confirmed that the 3.0 Liter Subject Vehicles did not possess the same emissions issues as had been identified by the ICCT study and as were being addressed by VW with the 2.0 Liter Subject Vehicles.

66. On or about March 24, 2015, in response to CARB's questions, Audi AG employees made a presentation to CARB, during which Audi AG employees did not disclose that the Audi 2.0 and 3.0 Liter Subject Vehicles and the Porsche Vehicles in fact contained a defeat device, which caused emissions discrepancies in those vehicles. The Audi AG employees informed CARB that the 3.0 Liter Subject Vehicles did not possess the same emissions issues as the 2.0 Liter Subject Vehicles when, in fact, the 3.0 Liter Subject Vehicles possessed at least one defeat device that interfered with the emissions systems to reduce NOx emissions on the dyno but not on the road. On or about March 25, 2015, CARB, based on the misstatements and omissions made by the Audi AG representatives, issued an executive order approving the sale of Model Year 2016 3.0 Liter Subject Vehicles.

67. On or about November 2, 2015, EPA issued a Notice of Violation to VW AG, Audi AG and Porsche AG, citing violations of the Clean Air Act related to EPA's discovery that the 3.0 Liter Subject Vehicles and the Porsche Vehicles contained a defeat device that resulted in excess NOx emissions when the vehicles were driven on the road.

68. On or about November 2, 2015, VW AG issued a statement that "no software has been installed in the 3-liter V6 diesel power units to alter emissions characteristics in a forbidden manner."

69. On or about November 19, 2015, Audi AG representatives met with EPA and admitted that the 3.0 Liter Subject Vehicles contained at least three undisclosed AECDs. Upon questioning from EPA, Audi AG representatives conceded that one of these three undisclosed AECDs met the criteria of a defeat device under U.S. law.

70. On or about May 16, 2016, Audi AG representatives met with CARB and admitted that there were additional elements within two of its undisclosed AECDs, which impacted the dosing strategy in the 3.0 Liter Subject Vehicles and the Porsche Vehicles.

71. On or about July 19, 2016, in a presentation to CARB, Audi AG representatives conceded that elements of two of its undisclosed AECDs met the definition of a defeat device.

72. Supervisors A-F and others caused defeat device software to be installed on all of the approximately 585,000 Subject Vehicles and the Porsche Vehicles sold in the United States from 2009 through 2015.

Obstruction of Justice

73. As VW employees prepared to admit to U.S. regulators that VW used a "defeat device" in the 2.0 Liter Subject Vehicles, counsel for VW GOA prepared a litigation hold notice to ensure that VW GOA preserved documents relevant to diesel emissions issues. At the same time, VW GOA was in contact with VW AG to discuss VW AG preserving documents relevant to diesel emissions issues. Attorney A made statements that several employees understood as suggesting the destruction of these materials. In anticipation of this hold taking effect at VW AG, certain VW AG employees destroyed documents and files related to U.S. emissions issues that they believed would be covered by the hold. Certain VW AG employees also requested that their counterparts at Company A destroy sensitive documents relating to U.S. emissions issues. Certain Audi AG employees also destroyed documents related to U.S. emissions issues. The VW AG and Audi AG employees who participated in this deletion activity did so to protect both VW and themselves from the legal consequences of their actions.

74. Between the August 19, 2015 and September 3, 2015 meetings with U.S. regulators, certain VW AG employees discussed issues with Attorney A and others.

75. On or about August 26, 2015, VW GOA's legal team sent the text of a litigation hold notice to Attorney A in VW AG's Wolfsburg office that would require recipients to preserve and retain records in their control. The subject of the e-mail was "Legal Hold Notice – Emissions Certification of MY2009-2016 2.0L TDI Volkswagen and Audi vehicles." The VW GOA legal team stated that VW GOA would be issuing the litigation hold notice to certain VW GOA employees the following day. On or about August 28, 2015, Attorney A received notice that VW GOA was issuing that litigation hold notice that day. Attorney A indicated to his staff on August 31 that the hold would be sent out at VW AG on September 1. Among those at VW AG being asked to retain and preserve documents were Supervisors A and D and a number of other VW AG employees.

76. On or about August 27, 2015, Attorney A met with several VW AG engineers to discuss the technology behind the defeat device. Attorney A indicated that a hold was imminent, and that these engineers should check their documents, which multiple participants understood to mean that they should delete documents prior to the hold being issued.

77. On or about August 31, 2015, a meeting was held to prepare for the September 3 presentation to CARB and EPA where VW's use of the defeat device in the United States was to be formally revealed. During the meeting, within hearing of several participants, Attorney A discussed the forthcoming hold and again told the engineers that the hold was imminent and recommended that they check what documents they had. This comment led multiple individuals, including supervisors in the VW Brand Engine Development department at VW AG, to delete documents related to U.S. emissions issues.

78. On or about September 1, 2015, the hold at VW AG was issued. On or about September 1, 2015, several employees in the VW Brand Engine Development department at VW AG discussed the fact that their counterparts at Company A would also possess documents related to U.S. emissions issues. At least two VW AG employees contacted Company A employees and asked them to delete documents relating to U.S. emissions issues.

79. On or about September 3, 2015, Supervisor A approached Supervisor D's assistant, and requested that Supervisor D's assistant search in Supervisor D's office for a hard drive on which documents were stored containing emails of VW AG supervisors, including Supervisor A. Supervisor D's assistant recovered the hard drive and gave it to Supervisor A. Supervisor A later asked his assistant to throw away the hard drive.

80. On or about September 15, 2015, a supervisor within the VW Brand Engine Development department convened a meeting with approximately 30-40 employees, during which Attorney A informed the VW AG employees present about the current situation regarding disclosure of the defeat device in the United States. During this meeting, a VW AG employee asked Attorney A what the employees should do with new documents that were created, because they could be harmful to VW AG. Attorney A indicated that new data should be kept on USB drives and only the final versions saved on VW AG's system, and then, only if "necessary."

81. Even employees who did not attend these meetings, or meet with Attorney A personally, became aware that there had been a recommendation from a VW AG attorney to delete documents related to U.S. emissions issues. Within VW AG and Audi AG, thousands of documents were deleted by approximately 40 VW AG and Audi AG employees.

82. After it began an internal investigation, VW AG was subsequently able to recover many of the deleted documents.

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into as of the 28th day of December 2018 (hereinafter, "Effective Date"), by and between the Attorneys General of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming[1] (the "Attorneys General"), on the one hand, and Wells Fargo & Company, acting for Wells Fargo Bank, N.A. and their current and former parents (collectively, "Wells Fargo"), on the other.

WHEREAS, the Attorneys General conducted investigations of the following issues:

(i) Sales practices related to consumer and small business checking and savings accounts, credit cards, unsecured lines of credit, and online bill pay services for which Wells Fargo Community Bank employees could qualify for incentive compensation credit;

(ii) Sales practices related to renters and simplified term-life insurance products referred to American Modern Home Insurance Group, Inc. ("AMIG"), Assurant, Inc. ("Assurant"), Great West Life & Annuity Insurance Company ("Great West"), and Prudential Insurance Company of America, Pruco Life Insurance Company and Pruco Life Insurance Company of New Jersey (collectively, "Prudential") by Wells Fargo Insurance, Inc. and/or Wells Fargo Community Bank for which Wells Fargo retail bank employees could qualify for incentive compensation credit;

---

[1] With regard to Maryland, any references to the Attorney General or Attorneys General shall mean the Consumer Protection Division, Office of the Attorney General of Maryland.

Hawaii is represented on this matter by its Attorney General's Office and its Office of Consumer Protection, an agency which is not part of the state Attorney General's Office, but which is statutorily authorized to undertake consumer protection functions, including legal representation of the State of Hawaii. For simplicity purposes, "Attorney General" or "Attorneys General," as they pertain to Hawaii, refer to the Hawaii Attorney General and the Executive Director of the State of Hawaii's Office of Consumer Protection.

With regard to Utah, any references to the Attorney General or Attorneys General shall mean the Utah Attorney General's Office and the Utah Division of Consumer Protection, which administers the Utah Consumer Sales Practices Act.

(iii) Collateral Protection Insurance policies acquired from third-party insurers by Wells Fargo Auto for Wells Fargo Auto Finance Customers to cover motor vehicles that served as collateral for Wells Fargo Auto's financing agreements;

(iv) Wells Fargo's Guaranteed Asset/Auto Protection products and Guaranteed Asset/Auto Protection products purchased by Auto Finance Customers in connection with motor vehicle agreements acquired by Wells Fargo Auto as an indirect auto lender, including, but not limited to, the refund of unearned charges and/or premiums;

(v) The mortgage-interest-rate-lock extension fees charged by Wells Fargo Home Mortgage; and

(vi) Potential violations of various laws of the states of the respective Attorneys General arising out of the foregoing (i)-(v) (collectively, "Attorneys General's Investigations");

WHEREAS, the Attorneys General allege that Wells Fargo has violated the consumer protection laws of the states of the respective Attorneys General based on the Attorneys General's Investigations;

WHEREAS, pursuant to the September 8, 2016 Consent Order issued by the Bureau of Consumer Financial Protection ("Bureau"), Wells Fargo has retained an independent consultant with specialized experience in consumer-finance-compliance issues to conduct an independent review of Wells Fargo's sales practices, and in consultation with the independent consultant was required to develop a plan to correct any deficiencies identified through the independent consultant's review ("Compliance Plan"). The Compliance Plan is subject to review by the Bureau for a determination of non-objection or direction to make revisions;

WHEREAS, pursuant to the September 8, 2016 Consent Order issued by the Bureau, Wells Fargo may not engage in any of the following in the Wells Fargo Community Bank: (1) opening any account without the consumer's consent; (2) transferring funds between a consumer's accounts without the consumer's consent; (3) applying for any credit card without the consumer's consent; (4) issuing any debit card without the consumer's consent; and (5) enrolling any consumer in online-banking services without the consumer's consent;

WHEREAS, pursuant to the September 8, 2016 Consent Order issued by the Office of the Comptroller of the Currency ("OCC"), Wells Fargo has retained an independent consultant to review Wells Fargo's enterprise-wide governance and risk management of sales practices and will address the findings as part of a comprehensive action plan;

WHEREAS, pursuant to the September 8, 2016 Consent Order issued by the OCC, Wells Fargo has developed a sales practices risk management and oversight program, complaints management policy, and consumer remediation plan. The program, policy, and plan are subject to review by the OCC for a determination of non-objection or direction to make revisions;

WHEREAS, on February 2, 2018, the Board of Governors of the Federal Reserve ("Federal Reserve") issued a Consent Cease and Desist Order against Wells Fargo alleging deficiencies in corporate governance and risk management;

WHEREAS, pursuant to the February 2, 2018 Consent Cease and Desist Order issued by the Federal Reserve, Wells Fargo was required to strengthen and improve its corporate governance and controls;

WHEREAS, pursuant to the February 2, 2018 Consent Cease and Desist Order issued by the Federal Reserve, Wells Fargo's growth was limited until such time as it improves its corporate governance. Wells Fargo is restricted from exceeding its total asset size as of the end of 2017;

WHEREAS, pursuant to the April 20, 2018 Consent Orders issued by the Bureau and the OCC, Wells Fargo has been developing an enterprise-wide compliance risk management program to ensure compliance with enterprise-wide corporate policies and applicable laws and regulations. The program is subject to review by the OCC and the Bureau for a determination of non-objection or direction to make revisions;

WHEREAS, pursuant to the April 20, 2018 Consent Order issued by the Bureau, Wells Fargo may not charge borrowers for Collateral Protection Insurance when Wells Fargo knew or should have known that it had ineffective processes that were likely to result in Wells Fargo's unnecessarily placing or maintaining Collateral Protection Insurance, either for the entire term of the policy, or for a portion of the term of the policy;

WHEREAS, pursuant to the April 20, 2018 Consent Order issued by the Bureau, Wells Fargo also may not charge prospective borrowers a fee for extending a mortgage interest-rate-lock period when the fee should have been absorbed by Wells Fargo under its established policy and in a manner inconsistent with how it explained the rate-lock process to prospective borrowers;

WHEREAS, Wells Fargo has committed to or already provided remediation to consumers in amounts in excess of $600,000,000 (i) through a nationwide class action settlement, (ii) through agreements with the OCC and the Bureau, and/or (iii) voluntarily;

WHEREAS, on December 12, 2016, Wells Fargo discontinued promoting and referring renters and/or simplified term life insurance policies through Wells Fargo Community Bank, and should Wells Fargo facilitate such enrollments in the future, has committed to obtain a Person's consent prior to submitting renters and/or simplified term life insurance policy applications, including any payments related to those policies, on behalf of any Person to a third-party insurance carrier;

WHEREAS, Wells Fargo has committed to change its practices to create mechanisms to provide information to the Auto Finance Customer and operational dealerships from whom Wells Fargo acquired the motor vehicle financing agreement to facilitate the refunds of unearned premiums and/or payments on Guaranteed Asset/Auto Protection purchased by Auto Finance Customers; as part of these mechanisms, Wells Fargo will provide Auto Finance Customers with information relevant to seeking such refunds, including contact information to allow the Auto Finance Customer to contact Wells Fargo if they have any questions; Wells Fargo will also notify operational dealerships from whom Wells Fargo acquired the motor vehicle financing agreement when an Auto Finance Customer pays off his/her financing agreement early; and

WHEREAS, Wells Fargo has cooperated with the Attorneys General's Investigations and is entering into this Settlement Agreement to resolve the Attorneys General's Investigations without admitting or denying the factual allegations described in paragraphs 1 to 27 of the Settlement Agreement or that it has violated the laws of the states of the Attorneys General;

NOW THEREFORE, in exchange for the mutual obligations described below, Wells Fargo and the Attorneys General hereby enter into this Settlement Agreement.

DEFINITIONS

A. "Account(s)" means any Wells Fargo Community Bank Customer checking or savings account, credit card, debit card, unsecured line of credit, and online bill pay that was opened, in which a Customer was enrolled, or in which funds were transferred by Wells Fargo Community Bank employees without the Customer's consent, or through a misrepresentation or omission.

B. "Auto Finance Customer" means any motor vehicle purchaser or lessee whose motor vehicle financing agreement was originated or acquired by Wells Fargo Auto.

C. "Borrower" means any Person who applied for a Wells Fargo residential-mortgage loan.

D. "Collateral Protection Insurance" or "CPI" means physical damage insurance acquired by Wells Fargo Auto for Wells Fargo Auto's Auto Finance Customers to cover motor vehicles that served as collateral for Wells Fargo Auto's financing agreements.

E. "Covered Conduct" means Wells Fargo's acts and practices, including representations and omissions to consumers, related to (i) the sale, offer, referral, or enrollment of Customers into Accounts and any related unauthorized transfer of funds into or from Accounts, from May 1, 2002 to April 20, 2017; (ii) the sale, offer, referral, or enrollment of Customers into Insurance Referral Products, from January 1, 2008 to December 12, 2016; (iii) the forced-placement or delayed cancellation of Collateral Protection Insurance by Wells Fargo Auto for Wells Fargo Auto Finance Customers from October 15, 2005 to September 30, 2016; (iv) Wells Fargo's Guaranteed Asset/Auto Protection and the failure to provide or ensure refunds of unearned premiums and/or payments on Guaranteed Asset/Auto Protection purchased by Auto Finance Customers, whose motor vehicle financing agreement was acquired by Wells Fargo Auto as an indirect lender or financer, when the motor vehicle financing agreement associated with the financing of motor vehicle purchases and leases is terminated or the collateral vehicle securing the motor vehicle financing agreement is repossessed, from June 1, 2008 to July 19, 2018; and (v) Rate Lock Extension Fees charged by Wells Fargo Home Mortgage from September 16, 2013 to February 28, 2017.

F. "Customer" means any individual or small business that owns or holds or previously owned or held an Account with Wells Fargo Community Bank and/or was sold, offered, referred, or enrolled in an Insurance Referral Product by Wells Fargo Community Bank and/or Wells Fargo Insurance, Inc.

G. "Guaranteed Asset/Auto Protection" or "GAP" means any product, including but not limited to, GAP insurance and GAP waiver, pursuant to which, in the event of a total loss to the collateral motor vehicle, a portion or all of any unpaid balance on the consumer's finance or loan agreement would be paid by the insurance and/or waived.

H. "Insurance Referral Product(s)" means renters and/or simplified term-life insurance products opened with AMIG, Assurant, Great West, and Prudential, that Customers were referred to by Wells Fargo Insurance, Inc. and/or Wells Fargo Community Bank employees without the Customer's consent, or through a misrepresentation or omission for which Wells Fargo Community Bank employees could qualify for incentive compensation credit.

I. "Parties" means Wells Fargo and the signatory Attorneys General.

J. "Person" means both natural persons and business entities.

K. "Rate Lock Extension Fee(s)" means any fee charged by Wells Fargo Home Mortgage to Borrowers for extending an interest-rate-lock period for a residential-mortgage loan.

L. "Wells Fargo Auto" means Wells Fargo Bank, N.A.'s Wells Fargo Auto Division, as well as any of its predecessor entities or divisions, including, but not limited to, Wells Fargo Dealer Services, Inc. and Wells Fargo Auto Finance.

M. "Wells Fargo Community Bank" means Wells Fargo Bank, N.A.'s business division engaged in retail banking at physical bank branch facilities and call centers and offering financial products and services to Customers, including checking and savings accounts, credit cards, debit cards, unsecured lines of credit, and online bill pay.

N. "Wells Fargo Home Mortgage" means Wells Fargo Bank, N.A.'s Wells Fargo Home Mortgage Division.

O. "Wells Fargo Releasees" means Wells Fargo and its successors and assigns and any of its current and former subsidiaries, directors, officers, shareholders, and/or employees.

FACTUAL ALLEGATIONS

The Attorneys General allege as follows:

Sales Practices

1. During the period of May 1, 2002 to April 20, 2017, Wells Fargo Bank, N.A. offered consumer financial banking products and services, including consumer or small business checking and savings accounts, credit cards, unsecured lines of credit, and online bill pay services. Wells Fargo Bank, N.A. established and implemented an incentive compensation program whereby, until September 30, 2016, Wells Fargo Community Bank employees could qualify for credit by selling these products to Customers.

2. During the period of January 1, 2004 to December 1, 2016, Wells Fargo Bank, N.A. and Wells Fargo Insurance, Inc. referred Customers to AMIG, and Assurant for renters

insurance products. During the period of October 15, 2009 to December 12, 2016, Wells Fargo Bank, N.A. and Wells Fargo Insurance, Inc. referred Customers to Great West and Prudential for simplified term life insurance products. Wells Fargo established and implemented an incentive compensation program whereby Wells Fargo Community Bank employees could qualify for incentive compensation credit by referring Customers to these entities.

3. Wells Fargo's sales goals and incentive compensation program created an incentive for employees to engage in improper sales practices to satisfy sales goals and earn financial rewards. The sales goals and incentive compensation program requirements imposed on Wells Fargo Community Bank employees contributed to several improper sales practices that Wells Fargo failed to promptly recognize and adequately prevent, including the following:

   a. Opening Accounts without Customers' knowledge or consent;

   b. Transferring funds between Customers' Accounts without Customers' knowledge and consent;

   c. Applying for credit cards without Customers' knowledge or consent;

   d. Issuing debit cards without Customers' knowledge or consent;

   e. Enrolling Customers into online banking services, including online bill pay services, without Customers' knowledge or consent;

   f. Submitting renters insurance and/or simplified term life insurance policy applications to AMIG, Assurant, Great West, and/or Prudential, and submitting payments for such insurance from Customers' checking and/or savings accounts without Customers' knowledge or consent; and

   g. Engaging in misrepresentations and omissions to Customers regarding Accounts and Insurance Referral Products.

4. Wells Fargo Bank, N.A. has identified over 3.5 million Accounts and 528,000 online bill pay enrollments that may have resulted from improper sales practices. Wells Fargo Bank, N.A. has identified or notified Customers who may have been impacted by these improper sales practices, and is providing remediation to such Customers, including but not limited to, entering into a $142 million class-action lawsuit settlement.

5. As of August 31, 2018, Wells Fargo identified over 5,500 renters and simplified term life insurance policies opened with AMIG and Assurant between the period of January 1, 2008 and December 1, 2016 and over 1,000 simplified term life insurance policies opened with Great West and Prudential between the period of October 15, 2009 and December 12, 2016 for Customers who were referred by Wells Fargo Community Bank and/or Wells Fargo Insurance, Inc. These policies either may have been opened without a Customer's consent, involved consensual employee gaming of the incentive compensation system, or involved a customer complaint of lack of consent that could be

neither corroborated nor rebutted. As of August 31, 2018, Wells Fargo has remediated or agreed to remediate over $1.1 million to Customers with the identified policies.

Force-Placed Collateral Protection Insurance

6. Wells Fargo Auto engaged in the business of providing financing to purchasers, lessors, and/or owners of motor vehicles.

7. The motor vehicle financing agreements that Wells Fargo entered into or purchased from dealerships typically included an agreement by the Auto Finance Customers to maintain insurance covering physical damage to the motor vehicle (i.e., collision and comprehensive damage insurance) for the duration of the financing agreement, since the motor vehicle served as collateral for the financing agreement.

8. Wells Fargo Auto contracted with third-party vendors to monitor the Auto Finance Customer's insurance coverage.

9. If Wells Fargo Auto's vendor was unable to verify that an Auto Finance Customer had the required insurance, the vendor was required to send written notices to the Auto Finance Customer, as well as attempt to call the Auto Finance Customer and/or the Auto Finance Customer's previously identified insurance agent or insurance carrier to request evidence of insurance.

10. If, following this attempted outreach, the vendor did not obtain evidence of the required insurance, Wells Fargo Auto caused force-placed Collateral Protection Insurance to be issued to the Auto Finance Customer. If the Auto Finance Customer provided evidence that insurance coverage had been in effect, Wells Fargo Auto had a process to cancel the force-placed CPI policy and refund premiums charged for duplicative CPI. To date, Wells Fargo has provided substantial refunds to Auto Finance Customers in connection with force-placed CPI.

11. The median annual premium charged by Wells Fargo Auto for a CPI policy was more than $1,000. Wells Fargo Auto increased the Auto Finance Customers' monthly payments to cover the premium and, in the majority of cases, charged the customers interest on the premium amount.

12. Wells Fargo Auto force-placed and charged over 2 million Auto Finance Customer accounts for CPI policies between October 2005 and September 2016.

13. During the period of October 15, 2005 to September 30, 2016, Wells Fargo did not sufficiently monitor its vendor and internal processes resulting in high rates of cancellations of CPI placements for Auto Finance Customers who had the necessary physical damage insurance for the entire time or for a portion of the force-placed CPI policy period. Additionally, Wells Fargo Auto failed to provide data and information to its vendor, including information provided in some instances by customers to dealers about the customer's existing insurance company or agent, that could have allowed its vendor to more effectively execute its obligations to Wells Fargo and borrowers. Wells

Fargo Auto and its vendor received many complaints from customers about the placement of and delay in cancelling CPI.

14. Specifically, Wells Fargo Auto was required to cancel policies because the Auto Finance Customers maintained the necessary physical damage insurance, and therefore the CPI policies were unnecessary and duplicative for the entire CPI policy period ("flat cancels").

15. In addition, some Auto Finance Customers did not always maintain their own physical damage insurance as required in their loan agreements, resulting in the placement of CPI; but they eventually obtained their own physical damage insurance and had the CPI policy canceled for the period of time covered by the customer's separate insurance policy (i.e., a "partial cancel"). In these situations, Wells Fargo Auto had a practice to provide a premium refund to those customers for the unused portion of their policy, but that refund process did not always include a correct refund of interest or a refund of fees that had been charged to the customer.

16. In some instances, the unnecessary force-placed CPI charges could have contributed to defaults that resulted in over 51,000 CPI-related repossessions between 2005 and 2016.

17. Wells Fargo has agreed, for certain Auto Finance Customers with unnecessary and duplicative CPI placements, as well as Auto Finance Customers with placements in five states within defined time periods due to the form of customer disclosure used in those states (the "Five States" policies), to refund fees, repossession related expenses, and other associated costs. Wells Fargo anticipates providing remediation totaling more than $385 million to approximately 850,000 identified accounts of such Auto Finance Customers. The estimate of 850,000 accounts currently identified to receive remediation includes approximately 552,000 accounts with flat-cancel impacted policies only, approximately 193,000 accounts with partial-cancel impacted policies only, approximately 100,000 accounts with a mix of flat-cancel, partial-cancel, and/or Five States impacted policies, and approximately 5,600 additional accounts with impacted Five States policies only.

Guaranteed Asset/Auto Protection

18. Guaranteed Asset/Auto Protection, or GAP, is an optional product offered by dealerships to consumers at the point of vehicle sale. GAP can be purchased in full or financed as part of the consumer's motor vehicle financing agreement with a dealership.

19. When the Auto Finance Customer purchased a GAP product, the motor vehicle financing agreements that Wells Fargo Auto acquired from the dealerships included the Auto Finance Customer's agreement to purchase a GAP product.

20. Some Auto Finance Customers, whose vehicle financing agreement was acquired by Wells Fargo Auto as an indirect lender or financer, may be entitled to obtain refunds of any unearned portion of the cost of GAP if: (1) an Auto Finance Customer pays off his/her financing agreement early, (2) the GAP product is cancelled, or (3) the motor vehicle is repossessed.

21. During the period of June 1, 2008 to July 19, 2018, Wells Fargo Auto, in some instances, failed to ensure that refunds of the unearned portion of the cost of GAP were made to Auto Finance Customers following the early payoff of the vehicle financing agreement or repossession of the vehicle.

22. Wells Fargo has agreed to provide refunds of the unearned portion of the cost of GAP to Auto Finance Customers in certain states whose laws impose refund-related obligations through statutory provisions on indirect auto lenders, and anticipates expending more than $37 million with respect to such Auto Finance Customers.

Mortgage Rate Lock

23. Wells Fargo Home Mortgage engages in the business of originating residential mortgage loans.

24. Wells Fargo offers prospective Borrowers the ability to lock a fixed interest rate for a period while their mortgage loan application is pending. Depending on the circumstances, if a residential-mortgage loan does not close during the defined rate lock period, Wells Fargo may charge the prospective Borrower a Rate Lock Extension Fee.

25. During the period of September 16, 2013 to February 28, 2017, Wells Fargo implemented a new policy that further defined when a Borrower would pay the Rate Lock Extension Fee. Under this new policy, if the mortgage loan did not close during the rate lock period and Wells Fargo caused the delay, Wells Fargo would extend the rate lock period without charging the Borrower a Rate Lock Extension Fee. Wells Fargo identified over 110,000 Borrowers that were charged Rate Lock Extension Fees during the effective time period of the policy described herein.

26. Following the implementation of the new Rate Lock Extension Fee policy, Wells Fargo determined that, in certain circumstances, it had inconsistently applied its rate lock policy and therefore some Borrowers were inappropriately charged Rate Lock Extension Fees.

27. Wells Fargo identified and contacted Borrowers who were charged a Rate Lock Extension Fee during this time period, and refunded or agreed to refund over $100 million in Rate Lock Extension Fees.

REMEDIATION

28. Wells Fargo represents that, as of the Effective Date, Wells Fargo is implementing reformed business practices with respect to the Covered Conduct in accordance with the requirements set forth in the September 2016 and April 2018 Bureau and OCC Consent Orders and is using all reasonable efforts to substantially comply with the reform requirements set forth in those orders.

29. Wells Fargo represents that, as of the Effective Date, Wells Fargo is remediating or will remediate consumers through reasonable efforts pursuant to a nationwide class action settlement, through agreements with the OCC and the Bureau, and/or voluntarily as follows (collectively, "Remediation Programs"):

a. Repayment of fees and other associated costs to applicable Customers related to Accounts;

b. Repayment of premiums, fees, and other associated costs to applicable Customers related to Insurance Referral Products;

c. Repayment of fees, interest, repossession related expenses, and other associated costs to applicable Auto Finance Customers related to Collateral Protection Insurance;

d. Repayment of the unearned portion of the product cost and other associated costs to applicable Auto Finance Customers related to Guaranteed Asset/Auto Protection; and

e. Repayment of fees and interest to applicable Borrowers related to Rate Lock Extension Fees.

30. Wells Fargo has identified and/or is identifying consumers who qualify for remediation under the ongoing Remediation Programs. As of the Effective Date, Wells Fargo has remediated or is in the process of remediating consumers who have been identified as qualified for remediation and is continuing to remediate consumers who qualify for remediation under those ongoing Remediation Programs.

31. Wells Fargo shall create and/or continue to maintain procedures to address, and to review consumers for entitlement to redress for issues or concerns raised by consumers relating to Accounts, Insurance Referral Products, Collateral Protection Insurance, Guaranteed Asset/Auto Protection and/or Rate Lock Extension Fees ("Covered Issues"). Through these procedures Wells Fargo shall:

    a. Maintain designated teams responsible for reviewing and responding to consumer inquiries and/or complaints regarding any issues or concerns consumers have relating to the Covered Issues ("Consumer Escalation Teams");

    b. Train general customer help desk and complaint handling teams to route consumers who reach out to Wells Fargo with inquiries and/or complaints regarding the Covered Issues to the applicable Consumer Escalation Team(s);

    c. Create and maintain a website as described in paragraph 33 that identifies the contact information for the Consumer Escalation Teams; and

    d. Develop and/or maintain complaint escalation and review protocols to adequately assess whether a consumer is entitled to redress (collectively, the "Redress Review").

32. In the event a Consumer Escalation Team determines that a consumer is entitled to redress related to the Covered Issues and has not otherwise already been remediated or is not otherwise already in the process of being remediated under one or more of the ongoing Remediation Programs, Wells Fargo shall provide the consumer with appropriate redress.

33. Wells Fargo shall create and maintain a website that, at a minimum, includes descriptions of the Covered Issues, descriptions of the Remediation Programs (which will be updated

as the Remediation Programs are finalized), and contact information for the Consumer Escalation Teams to allow consumers to contact the Consumer Escalation Teams directly with any inquiries or complaints regarding the Covered Issues and any potential redress available related to the Covered Issues and/or the Remediation Programs.

34. Wells Fargo shall maintain a dedicated email address for use by the Attorneys General for communication regarding all complaints and inquiries from individual consumers received by the Attorneys General regarding the Covered Issues. Wells Fargo shall provide relevant information regarding such complaints and inquiries to the consumers that reached out to the Attorneys General and to representatives of the Attorneys General upon written request, including information relating to the reviews conducted by the Consumer Escalation Teams and the basis for determinations regarding individual consumer's entitlement to redress.

35. The obligations described in paragraphs 31 to 34 shall commence within sixty (60) days of the Effective Date and shall remain in effect until at least twelve (12) months after the satisfaction of the Remediation Programs that relate to the Covered Issues ("Redress Review Period").

36. Wells Fargo will provide a report of ongoing remediation efforts related to the Covered Conduct to the Attorneys General every six months until the end of the Redress Review Period.

MONETARY PAYMENT TO THE STATES

37. Wells Fargo shall pay an aggregate amount of $575 million related to the Covered Conduct to the signatory Attorneys General. Wells Fargo shall pay to each signatory Attorney General the specific amount set forth in Appendix A. Payment shall be made within ten (10) calendar days of receiving written payment processing instructions from each Attorney General. The payments to the signatory Attorneys General shall be used for the purposes specified and according to the general instructions of each signatory Attorney General as set forth in Appendix B.

38. The amounts listed in Appendix A include payments related to the costs of the investigation to the Attorneys General who conducted the Attorneys General's Investigations and negotiated and facilitated this Settlement Agreement (the "Investigating Attorneys General") and, on their behalf, to the National Association of Attorneys General Financial Services and Consumer Protection Enforcement, Education, and Training Fund ("NAAG FSF") and the National Attorneys General Training & Research Institute ("NAGTRI"). Wells Fargo shall pay to each Investigating Attorney General, and to NAAG FSF and NAGTRI the specific amounts set forth in Appendix A. Payment shall be made within ten (10) calendar days of receiving written payment processing instructions from the Investigating Attorneys General. The payments to the Investigating Attorneys General shall be used for the purposes specified and according to the general instructions of each Investigating Attorney General as set forth in Appendix B.

ENFORCEMENT

39. The provisions of this Settlement Agreement are enforceable by the Attorneys General. The Attorneys General, jointly or individually, may make such application as appropriate to enforce or interpret the provisions of this Settlement Agreement or, in the alternative, may maintain any action within their legal authority. Wells Fargo consents to the jurisdiction of the courts of the States and Commonwealths of the Attorneys General, only for the purpose of an action brought by one or more of the Attorneys General to enforce the terms of this Settlement Agreement. In any action to enforce this Settlement Agreement, the Attorney(s) General may seek any appropriate relief authorized by law.

40. If an Attorney General determines that Wells Fargo may have violated any of the terms of this Settlement Agreement, before bringing any legal action, the Attorney General agrees to notify Wells Fargo in writing of such alleged failure to comply. After receiving such notice, Wells Fargo shall have ten (10) days to provide a response as to how it is complying with the terms of this Settlement Agreement. The Attorney General may then accept the explanation or take whatever action is available to the Attorney General under law.

41. An Attorney General is not required to provide notice in advance of taking any enforcement action if necessary to protect the health, safety, or welfare of the public.

RELEASE

42. The Attorneys General release and discharge the Wells Fargo Releasees from all civil claims, including common law claims, that the Attorneys General have or could have asserted arising out of or related to the Covered Conduct prior to the Effective Date. The Attorneys General execute this release in their official capacity and release only claims that the Attorneys General have the authority to bring and release.

43. Nothing in this Settlement Agreement shall be construed to create, waive, release, or limit any private right 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 Wells Fargo.

44. Notwithstanding the releases in paragraph 42 of this Settlement Agreement, or any other term(s) of this Settlement Agreement, the following claims are specifically reserved and not released by this Settlement Agreement:

    a. Claims based on violations of securities laws, including claims based on the offer, sale, or purchase of securities; and

    b. Claims of state regulatory agencies having specific regulatory jurisdiction that are separate and independent from the regulatory and enforcement jurisdiction of the Attorneys General.

NOTICES AND REPORTS

45. All notices and reports required to be provided shall be sent electronically and by first class mail, postage pre-paid, as follows:

a. For Wells Fargo:

David J. Rice
Assistant General Counsel
Legal Department
Wells Fargo & Company
301 South College Street, 30th Floor
Charlotte, NC 28202-6000
MAC D1053-300
(704) 374-6611

With a copy to:

JB Kelly
Cozen O'Connor
1200 19th Street, NW
Washington, DC 20036
(202) 471-3418

b. For the Attorneys General:

Drew Ensign
Senior Litigation Counsel
Arizona Office of the Attorney General
2005 N. Central Avenue
Phoenix, AZ 85004
(602) 541-5252

Joseph J. Chambers
Assistant Attorney General
Finance Department Head
State of Connecticut, Office of the Attorney General
P.O. Box 120, 55 Elm Street
Hartford, CT 06141-0120
(860) 808-5270

Patrick Madigan
Assistant Attorney General
Iowa Department of Justice
Office of the Attorney General
1305 E. Walnut Street
Des Moines, IA 50319

(515) 281-5926

John M. Abel
Senior Deputy Attorney General
Pennsylvania Office of the Attorney General
15th Floor, Strawberry Square
Harrisburg, PA 17120
(717) 783-1439

MISCELLANEOUS PROVISIONS

46. This Settlement Agreement shall not constitute or be construed as any admission of fact by or liability against Wells Fargo. Without limiting or reducing any of Wells Fargo's obligations described in this Settlement Agreement or affecting the Attorneys General's authority to enforce any of the rights thereunder, this Settlement Agreement shall not constitute or be construed as: (i) a permanent or temporary injunction against Wells Fargo; (ii) any admission of fact by or liability against Wells Fargo showing moral turpitude, or the basis for any disqualification under federal and state securities laws, or the rules and regulations thereunder; (iii) a plea of nolo contendere, or a conviction of Wells Fargo; or (iv) a final order of a state securities or insurance commission, or a state authority that supervises or examines securities, banking, savings associations, credit unions, or insurance.

47. Nothing contained in this Settlement Agreement shall be construed as mandating or recommending that Wells Fargo be disqualified, suspended, or debarred from engaging in any business in any jurisdiction, including but not limited to the marketing and sale of bank products or insurance in any jurisdiction.

48. Nothing contained in this Settlement Agreement shall be construed to provide that Wells Fargo or any of its affiliates or current or former employees shall be subject to any disqualifications contained in the federal securities laws, the rules and regulations thereunder, the rules and regulations of self-regulatory organizations or various states' securities laws, including any disqualifications from relying upon registration exemptions or safe harbor provisions. In addition, this Settlement Agreement is not intended to form the basis for any such disqualifications.

49. The Parties acknowledge that this Settlement Agreement is made without any trial or final adjudication on the merits of any claims. This Settlement Agreement shall not be construed as a final order of any court or governmental authority that adjudicates the merits of any allegations made or claims brought or that could have been brought by the Attorneys General.

50. This Settlement Agreement shall be considered an Assurance of Voluntary Compliance, Assurance of Discontinuance, Cease and Desist By Agreement, administrative order, or stipulated judgment, as applicable, under: California, Business and Professions Code sections 17200, *et seq.* and 17500, *et seq.* (for California), § 501.207(6), Florida Statutes (for Florida), Idaho Code § 48-610 (for Idaho), 815 ILCS 505/6.1 (for Illinois), Minn.

Stat. § 8.31 (for Minnesota), RSMo § 407.030 (for Missouri), RSA 358-A:7 (for New Hampshire), ORS 646.632 (for Oregon), Tenn. Code Ann. § 47-18-107(a) (for Tennessee), Tex. Bus. & Com. Code § 17.58 (for Texas), Revised Code of Washington (RCW) 19.86.100 (for Washington). An Attorney General that is party to this Settlement Agreement may file this Settlement Agreement in its state court or administrative tribunal as may be required by the laws of their state. Failure to reference in this provision the law of the state of an Attorney General signing this Settlement Agreement shall have no effect on the enforceability of this Settlement Agreement under the law of any such state. Notwithstanding any treatment given this Settlement Agreement under this paragraph or otherwise, this Settlement Agreement is not intended to be considered a judicial or administrative decree, a court order, an order described in paragraph 46, or any other similar form of order, for purposes of any disqualification or debarment provision under federal or state law or regulation.

51. The Parties understand and agree that this Settlement Agreement shall not be construed as an approval or a sanction by the Attorneys General of Wells Fargo's business practices, nor shall Wells Fargo represent that this Settlement Agreement constitutes an approval or sanction of its business practices.

52. Nothing herein shall be construed as relieving Wells Fargo of the obligation to comply with all applicable state and federal laws, regulations or rules, nor shall any of the provisions herein be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

53. This Settlement Agreement is binding on Wells Fargo's successors and assigns.

54. This Settlement Agreement contains the complete agreement between the Parties. The Parties have made no promises, representations, or warranties other than what is contained in this Settlement Agreement. This Settlement Agreement supersedes any prior oral or written communications, discussions, or understandings.

55. For the purposes of construing the Settlement Agreement, this Settlement Agreement shall be deemed to have been drafted by all Parties.

56. Calculation of time limitations will run from the Effective Date and be based on calendar days, except to the extent otherwise provided in this Settlement Agreement.

57. This Settlement Agreement shall not be construed or used as a waiver or any limitation of any defense otherwise available to Wells Fargo in any pending or future legal or administrative action or proceeding, or Wells Fargo's right to defend itself from, or make any arguments in, any individual or class claims or suits.

58. In the event there is a conflict between this Settlement Agreement and the requirements of federal, state, or local laws, such that Wells Fargo cannot comply with this Settlement Agreement without violating these requirements, Wells Fargo shall document such conflicts and notify the Attorneys General that it intends to comply with the requirements to the extent necessary to eliminate the conflict. Within thirty (30) days after receipt of a notification from Wells Fargo referenced above, the Attorneys General may request a

meeting to discuss the steps Wells Fargo has implemented to resolve the conflict, and Wells Fargo shall comply with any such reasonable request.

59. This Settlement Agreement shall not confer any rights upon, and is not enforceable by, any persons or entities besides the Attorneys General and the Wells Fargo Releasees. This Settlement Agreement shall not confer any rights upon the Attorneys General with respect to (including, but not limited to, any right to enforce) any current or future order or other agreement entered, or action taken, by the Bureau, the OCC, or any other federal bank regulatory authority.

60. Except to the extent as otherwise provided in this Settlement Agreement, including but not limited to paragraph 38, each party shall bear its own attorneys' fees and costs arising out of, related to, or in connection with this Settlement Agreement.

61. Except for paragraph 42, if any provision of this Settlement Agreement shall, for any reason, be held illegal, invalid, or unenforceable, in whole or in part, such illegality, invalidity, or unenforceability shall not affect any other provision or clause of this Settlement Agreement and this Settlement Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision, in whole or in part, had not been contained herein.

62. This Settlement Agreement may not be amended except by an instrument in writing signed on behalf of all Parties to this Settlement Agreement.

63. This Settlement Agreement may be executed in multiple counterparts by the Parties. All counterparts so executed shall constitute one agreement binding upon the Parties, notwithstanding that all Parties are not signatories to the original or the same counterpart.

64. The undersigned counsel for the Attorneys General represent and warrant that they are fully authorized to execute this Settlement Agreement.

65. This Settlement Agreement is entered into voluntarily and solely for the purpose of resolving the claims and causes of action against Wells Fargo. Each party and signatory to this Settlement Agreement represents that it freely and voluntarily enters into this Settlement Agreement without any degree of duress or compulsion.

APPENDIX A

STATE	MONETARY ALLOCATION
AK	$1,486,804.01
AL	$7,945,123.52
AR	$1,298,019.87
AZ	$37,136,571.08
CA	$148,733,525.16
CO	$21,476,334.34
CT	$5,242,279.59
DC	$1,112,853.08
DE	$2,007,548.53
FL	$28,301,139.58
GA	$16,346,293.31
HI	$1,468,038.75
IA	$6,180,941.33
ID	$5,276,628.87
IL	$10,857,474.49
IN	$5,202,676.45
KS	$2,307,874.13
KY	$3,675,446.17
LA	$1,911,733.65
MA	$6,182,546.05
MD	$7,916,350.19
ME	$1,136,559.61
MI	$5,235,475.56
MN	$9,361,299.85
MO	$5,616,485.55

STATE	MONETARY ALLOCATION
MS	$2,538,491.41
MT	$2,779,651.69
NC	$15,174,791.40
ND	$1,215,310.89
NE	$5,210,423.09
NH	$1,167,689.76
NJ	$16,989,709.60
NM	$6,449,106.00
NV	$13,363,512.80
NY	$11,854,349.87
OH	$2,974,953.32
OK	$2,640,251.14
OR	$9,766,546.95
PA	$16,526,551.91
RI	$1,216,915.47
SC	$6,788,785.83
SD	$1,827,596.64
TN	$4,989,322.01
TX	$47,378,217.69
UT	$10,232,596.05
VA	$11,546,080.48
VT	$1,984,047.03
WA	$16,147,093.34

STATE	MONETARY ALLOCATION
WI	$8,565,813.31
WV	$1,652,275.25
WY	$1,603,894.35
NAAG FSF	$7,000,000
NAGTRI	$2,000,000

APPENDIX B

Alabama

Pursuant to Paragraphs 37 and 38 and Appendices A and B of this Settlement Agreement, the State of Alabama shall receive a total payment of $7,945,123.52. Wells Fargo shall make the payment by electronic funds transfer pursuant to written payment processing instructions to be provided by the State of Alabama, Office of the Attorney General. The payment shall be remitted to the Office of the Alabama Attorney General. The portion of the Multistate UDAP Payment disbursed to Alabama shall be used by the Alabama Attorney General, at his sole discretion, for any purpose permitted by state law, including but not limited to the enforcement or collection of civil penalties, attorneys' fees and other costs of investigation or litigation, and/or placement into the consumer protection law enforcement fund.

Alaska

The money received by the Alaska Attorney General pursuant to this settlement may be used for purposes that may include, but are not limited to, attorneys' fees, and other costs of investigation and litigation, or be placed in, or applied to, any consumer protection law enforcement fund, including future consumer protection or privacy enforcement, consumer education, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the Attorneys General.

Arizona

The funds received by the Arizona Attorney General pursuant to this Settlement Agreement shall be deposited as follows: (a) $20,000,000 to the fund established by A.R.S. § 44-1531.02(C), for law enforcement and consumer protection purposes deemed appropriate by the Arizona Attorney General in his discretion, and (b) $17,136,571.08 to the fund established by A.R.S. § 44-1531.01(B), for law enforcement and consumer protection purposes deemed appropriate by the Arizona Attorney General in his discretion, of which $2,000,000 shall be considered attorneys' fees and investigative costs.

Arkansas

The funds received by the Arkansas Attorney General pursuant to Paragraphs 37 and 38 and Appendices A and B of this Settlement Agreement shall be held by the Attorney General and deposited in the Consumer Education and Enforcement Fund to be used in accordance with Act 763 of 2013, or for other uses permitted by state law, at the sole discretion of the Attorney General; except that in accordance with the terms of the Settlement Agreement, these funds shall not be used for restitution, remediation, redress, or compensation to consumers.

California

The payment shall be allocated and used by the California Attorney General as provided in California Business and Professions Code section 17206, and to defray the Attorney General's costs in connection with the investigation and litigation leading to the entry of the judgment in this matter.

Colorado

The Colorado Attorney General directs that $7,750,569.02 of the total payment to the State of Colorado will be held, along with any interest thereon, in trust by the Attorney General to be used for reimbursement of the Attorney General's actual costs and attorneys' fees, for future consumer fraud or antitrust enforcement actions, or to support consumer education and public welfare. The Colorado Attorney General directs that the remaining amount of $13,725,765.32 will be paid to the State of Colorado as a penalty.

All payments shall be made by electronic funds transfer according to written payment processing instructions provided by the State of Colorado with a reference to "*Wells Fargo Settlement Agreement.*" Wells Fargo shall provide written notice to the State of Colorado at or around the time that they initiate the electronic funds transfer.

Connecticut

Pursuant to Paragraphs 37 and 38 and Appendix A and B of this Settlement Agreement the State of Connecticut shall receive a total payment of $5,242,279.59. Wells Fargo shall make the payment by electronic funds transfer pursuant to written payment processing instructions to be provided by the State of Connecticut, Office of the Attorney General. The payment shall be deposited into the State of Connecticut General Fund.

Delaware

All settlement funds received by the Delaware Attorney General in connection with this Agreement shall be deposited into the Consumer Protection Fund pursuant to 6 *Del. C.* § 2527, and shall be used for purposes related to consumer protection efforts in a manner consistent with the provisions of 6 *Del. C.* § 2527 and 29 *Del. C.* § 2520, except for the purposes set forth in 29 *Del. C.* § 2520(a)(5).

District of Columbia

The money received by the District of Columbia may be used for purposes that may include, but are not limited to, attorneys' fees, and other costs of investigation and litigation, or be placed in, or applied to, the District's litigation support fund, used to defray the costs of the inquiry leading hereto, or for other uses permitted by District of Columbia law, at the sole discretion of the Attorney General for the District of Columbia.

Florida

Wells Fargo shall pay $28,301,139.58 to the State of Florida, with $27,000,000.00 to be applied as penalties, and the remaining $1,301,139.58 to be used for investigative costs, attorney's fees, and future enforcement.

Georgia

Pursuant to Paragraphs 37 and 38 and Appendix A of this Settlement Agreement, the Georgia Office of the Attorney General shall receive a total of $16,346, 293.31 which may be used by the State of Georgia for purposes that may include, but are not limited to, civil penalties, attorneys' fees, and other costs of investigation and litigation, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the Attorney General. Wells Fargo shall make the payment by wire transfer pursuant to written instructions to be provided by the Georgia Office of the Attorney General.

Hawaii

Payment shall be made payable to the State of Hawaii Office of Consumer Protection pursuant to Hawaii Revised Statutes Sect. 26-9(o), to be used by the State of Hawaii to fund or assist in funding consumer education, consumer outreach, consumer protection enforcement, or consumer protection litigation.

Idaho

Pursuant to Idaho Code § 48-606(5), the money paid to the State of Idaho under this agreement shall be remitted to the consumer protection fund.

Illinois

Pursuant to Paragraphs 37 and 38 and Appendix A and B of this Settlement Agreement the State of Illinois shall receive a total payment of $10,857,474.49. Wells Fargo shall make the payment by electronic funds transfer pursuant to written payment processing instructions to be provided by the State of Illinois, Office of the Illinois Attorney General. The funds allocated to the Illinois Attorney General shall be expended, in the sole discretion of the Attorney General, for such purposes that may include, but are not limited to, attorneys' fees and other costs of investigation, future consumer protection enforcement, consumer education, litigation or for such other purposes as directed by the Attorney General.

Indiana

The settlement payment to the State of Indiana may be used for any purpose allowable under Indiana law.

Iowa

Wells Fargo shall pay $6,180,941.33 to the Attorney General of Iowa to be distributed according to written instructions received from the Attorney General of Iowa. This payment shall be deposited in the Consumer Education and Litigation Fund created under Iowa Code section 714.16C(1).

Kansas

The Kansas Attorney General shall use these funds solely for enforcing and implementing the consumer protection laws of the State of Kansas that are within the jurisdiction of the Kansas Attorney General.

Kentucky

The amount payable to the Commonwealth of Kentucky is $3,675,446.17, which includes $918,816.54 for the recovery of the Attorney General's reasonable costs of investigation and litigation.

Louisiana

Payment shall be used by the Attorney General for such purposes that may include, but are not limited to, being placed in, or applied to, any consumer protection law enforcement fund, including future consumer protection enforcement, consumer education, litigation or local consumer aid fund or revolving fund, used to defray costs of the inquiry leading hereto, or for attorneys' fees and other costs of investigation, or for other uses permitted by state law, at the sole discretion of the Attorneys General.

Maine

Said payment shall be used by the Maine Attorney General as attorneys' fees and other costs of investigation and litigation, or to be placed in, or applied to, consumer protection enforcement funds, for future consumer protection enforcement, consumer education, litigation or local consumer aid fund at the sole discretion of the Attorney General.

Maryland

The money received by the Maryland Attorney General's Office pursuant to paragraphs 37 and 38 shall be used, at the sole discretion of the Attorney General, for consumer protection purposes, including consumer protection enforcement or consumer education, to defray the costs of the inquiry leading hereto, monitoring and potential enforcement of this Settlement Agreement, or may be used for any other public purpose permitted by state law.

Massachusetts

Payment shall be made by electronic funds transfer according to wire instructions provided by the Massachusetts Attorney General's Office; the payment shall be utilized in accordance with G.L. c. 12 sec. 4A for purposes of implementation, monitoring, investigation and/or other actions in furtherance of the mission of the Attorney General's Office and the Attorney General may direct any relevant portion of funds not so designated, encumbered or utilized to the Commonwealth's General Fund, which shall also receive any remainder on or after July 1, 2019.

Michigan

The portion of the payment disbursed to Michigan may be used as attorneys' fees and other costs of investigation or to be placed in, or applied to, consumer protection enforcement funds, used to defray the costs of the inquiry leading hereto, or for any lawful purpose, in the State's sole discretion.

Minnesota

Minn. Stat. § 8.31 provides that the Minnesota Attorney General may obtain and collect payment to resolve allegations of violations of any of the laws referred to in subdivision 1 of that section. The Attorney General, in her discretion, shall collect and use funds for any lawful purpose provided pursuant to that section.

Mississippi

Said payment shall be used by the Mississippi Attorney General for purposes that may include, but are not limited to, attorneys' fees, and other costs of investigation and litigation, or to be placed in, or applied to, any consumer protection fund, including future consumer protection enforcement, consumer education, litigation or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the Mississippi Attorney General.

Missouri

Wells Fargo shall pay $5,616,485.55 to the State of Missouri as equitable disgorgement under § 407.100.3, RSMo, and as recovery of fees and costs of investigation and prosecution of this matter under § 407.130, RSMo.

Montana

The portion of the payment under the Settlement Agreement disbursed and allocated to Montana shall be used for purposes intended to avoid preventable unfair or deceptive trade practices, to ameliorate the effects of unfair or deceptive trade practices, to enhance advocacy and legal efforts for the prevention and prosecution of unfair or deceptive acts or practices, or for any other purposes permitted by Montana law, at the sole discretion of the Attorney General.

North Carolina

$15,174,791.40 shall be paid by Wells Fargo to the North Carolina Department of Justice pursuant to this Agreement and the terms of written payment instructions from the North Carolina Attorney General. Out of said payment, $14,174,791.40 shall be deemed a civil penalty under North Carolina law. The remaining $1,000,000.00 of said $15,174,791.40 payment is for attorneys' fees and recovery of investigative costs; this amount of $1,000,000.00 is not a fine, penalty, or payment in lieu thereof.

North Dakota

The settlement payment to the State of North Dakota shall be paid to the North Dakota Attorney General, pursuant to North Dakota Century Code § 51-15-10, and shall be used, in the Attorney General's discretion, to compensate the state for attorney's fees and costs resulting from the alleged unlawful conduct of the Defendants, or for other purposes permitted by North Dakota Century Code § 54-12-18 or other state law.

Nebraska

Pursuant to Paragraphs 37 and 38 and Appendix A and B of this Settlement Agreement the State of Nebraska shall receive a total payment of $5,210,423.09. Wells Fargo shall make the payment by electronic funds transfer pursuant to written payment processing instructions provided by the State of Nebraska, Office of the Attorney General. The payment shall be deposited into the State Settlement Cash Fund and shall be used to defray the costs of the inquiry leading hereto, to enhance the Attorney General's efforts to prevent and prosecute financial fraud, for future consumer protection enforcement and education, or other uses permitted by state law, at the sole discretion of the Nebraska Attorney General.

New Hampshire

The funds received by the New Hampshire Attorney General pursuant to this agreement shall be deposited in the consumer escrow account at the Department of Justice and used in accordance with RSA 7:6-f

New Jersey

New Jersey shall use its allocation of the Settlement Payment in its discretion. Of that amount New Jersey shall set aside $2 million for the New Jersey Division of Consumer Affairs for its attorneys' fees, investigative costs, and to fund other New Jersey Division of Consumer Affairs investigatory or enforcement efforts related to consumer protection.

New Mexico

The settlement shall be expended for litigation fees and costs as approved by a court of competent jurisdiction and to enhance the Office's law enforcement efforts to prevent and prosecute financial fraud or unfair or deceptive acts or practices and to investigate, enforce and prosecute other illegal conduct related to financial services or consumer protection laws.

New York

The settlement payment for the State of New York, as referenced in Appendix A of the Settlement Agreement, shall be paid to the Office of the New York State Attorney General ("NYAG") by electronic funds transfer pursuant to written payment processing instructions to be provided by the NYAG. The funds shall be deposited into an account that may be used for penalties, costs, fees, or any other use permitted under applicable laws and regulations.

Nevada

Pursuant to Paragraphs 37 and 38 and Appendix A and B of this Settlement Agreement the State of Nevada shall receive a total payment of $13,363,512.80. Wells Fargo shall make the payment by electronic funds transfer pursuant to written payment processing instructions to be provided by the State of Nevada, Office of the Attorney General. These funds shall be used, at the sole discretion of the Nevada Attorney General for any use permitted by law as authorized by the Legislature or the Interim Finance Committee, including but not limited to the following: (1) For administration and enforcement of Nevada Revised Statutes chapter 598; (2) To establish or support public or private programs and efforts designed to prevent or ameliorate the impacts of unfair or deceptive trade practices against Nevadans, including but not limited to, education, outreach, and other programs or uses permitted by state law; (3) and for any other lawful purpose.

Ohio

Ohio's payment of $2,974,953.32 shall be distributed and delivered to the Office of the Ohio Attorney General, and shall be placed in the Consumer Protection Enforcement Fund created pursuant to section 1345.51 of the Ohio Revised Code. The funds shall be used for the purposes described in Ohio Revised Code section 1345.51.

Oklahoma

Payment may be used by the Oklahoma Attorney General for attorney's fees and other costs of investigation, or to be placed in, or otherwise applied to, the consumer protection fund to be used for future consumer protection enforcement, consumer education, litigation or local consumer aid fund or revolving fund, in accordance with section 761.1 of the Oklahoma Consumer Protection Act, OKLA. STAT. tit. 15, §§ 751, *et seq.*, or for any other purpose permitted by state law, at the sole discretion of the Oklahoma Attorney General.

Oregon

Wells Fargo shall pay to the State of Oregon $9,766,546.95 pursuant to this Settlement Agreement and the terms of written payment instructions from the State of Oregon, Office of the Attorney General. This payment shall be deposited to the Department of Justice Account established pursuant to ORS 180.095 to be used as provided by law. Payment shall be made by electronic funds transfer within 10 calendar days of receiving written payment processing instructions from the State of Oregon, Office of the Attorney General.

Pennsylvania

Pursuant to, and consistent with, Paragraphs 37 and 38 of this Settlement Agreement, The Attorney General of the Commonwealth of Pennsylvania ("Attorney General") shall receive a total payment of **$16,526,551.91** ("Settlement Amount"), to be allocated and distributed by the Attorney General, at his sole discretion as permitted by State law.

Rhode Island

Rhode Island is authorized to receive funds through Rhode Island Gen. Laws § 6-13.1-1, *et seq.*

The Rhode Island Attorney General shall receive all state government designated funds paid under this agreement. Said funds shall be held in separate accounts to be used for such purposes that may include, but are not limited to, attorneys' fees and other costs incurred in pursuing the investigation of Wells Fargo, be placed in a consumer protection law enforcement fund, or used for other purposes, including, future consumer protection, consumer education, a litigation fund or a local consumer aid fund or revolving fund, or for other law enforcement related purposes, notwithstanding any statutory language to the contrary at the sole discretion of the Rhode Island Attorney General.

South Carolina

The money received by the South Carolina Attorney General pursuant to this Settlement may be used for purposes that may include, but are not limited to, attorneys' fees, and other costs of investigation and litigation, or be placed in, or applied to, any consumer protection law enforcement fund, including future consumer protection or privacy enforcement, or for other uses permitted by state law, at the sole discretion of the South Carolina Attorney General.

South Dakota

Wells Fargo shall pay $1,827,596.64 to the Attorney General of South Dakota to be distributed according to written instructions received from the Attorney General of South Dakota. This payment shall be used at the sole and complete discretion of the Attorney General of South Dakota for any use permitted by law or this Settlement Agreement, including but not limited to: (a) public education relating to consumer fraud; (b) the continued funding of enforcement actions under SDCL Chapter 37-24; (c) reimbursement of any costs incurred by the Attorney General of South Dakota in connection with this investigation and settlement; (d) purposes intended to enhance law enforcement efforts to prevent and prosecute financial fraud and other unfair or deceptive acts or practices, including funding for training and staffing of general consumer protection efforts; and (e) any other lawful purpose.

Tennessee

The settlement funds paid to the State of Tennessee pursuant to this settlement shall be considered a payment to the State of Tennessee pursuant to Tennessee Code Annotated § 47-18-107. Such funds shall be distributed at the sole discretion of the Attorney General pursuant to directions from the Attorney General's Office.

Texas

Said payment to the State of Texas in the amount of Forty-Seven Million, Three Hundred Seventy-Eight Thousand, Two Hundred Seventeen Dollars and Sixty-Nine Cents ($47,378,217.69) shall be allocated as follows:

A. Forty-Two Million, Six Hundred Forty Thousand, Three Hundred Ninety-Five Dollars and Ninety-Two Cents ($42,640,395.92) shall be designated for the Supreme Court Judicial Fund, pursuant to Texas Government Code § 402.007, and

B. Four Million, Seven Hundred Thirty-Seven Thousand, Eight Hundred Twenty-One Dollars and Seventy-Seven Cents ($4,737,821.77) shall be designated as attorneys' fees and investigative costs under the Texas Government Code § 402.006(c)

Utah

The monetary allocation paid to the State of Utah shall be deposited into the Consumer Protection Education and Training Fund or used as otherwise allowed by law. Utah Code § 13-2-8.

Vermont

The money received by the Vermont Attorney General's Office pursuant to this agreement may be used, in accordance with Vermont law, to reimburse the Vermont Attorney General's Office for costs incurred during the investigation of this matter, for consumer education or other consumer protection purposes, and/or for any other use permitted by state law, pursuant to the Constitution of the State of Vermont, Ch.II § 27, and 32 V.S.A. § 462.

Virginia

The Virginia portion of the aggregate settlement amount is $11,546,080.48. All funds paid to the Virginia Attorney General pursuant to paragraph 37 of the Settlement Agreement shall be deposited to the Attorney General's Regulatory, Consumer Advocacy, Litigation and Enforcement Revolving Trust Fund (the "Revolving Fund"). Amounts deposited to the Revolving Fund may be used for costs of the Attorney General associated with his consumer protection advocacy and enforcement efforts and other delineated purposes permitted by state law.

Washington

Pursuant to Paragraphs 37 and 38 and Appendix A and B of this Settlement Agreement, the Office of the Attorney General, State of Washington shall receive a total payment of $16,147,093.34. Wells Fargo shall make the payment by electronic funds transfer pursuant to written payment processing instructions to be provided by the Office of the Attorney General. The money received by the Office of the Attorney General pursuant to this paragraph may be used for purposes that may include, but are not limited to, attorneys' fees and costs of investigation and litigation, placed in, or applied to, any consumer protection law enforcement fund including future consumer protection or privacy enforcement, consumer education, litigation, local consumer aid or revolving funds, used to defray the costs of the inquiry leading to this Settlement Agreement, or for other uses permitted by state law, and all at the sole discretion of the Attorney General.

West Virginia

At the discretion of the Attorney General, the payment shall be used by the Attorney General for any one or more of the following purposes: direct and indirect administrative, investigative, compliance, enforcement, or litigation costs and services incurred for consumer protection purposes; and/or to be held for appropriation by the Legislature.

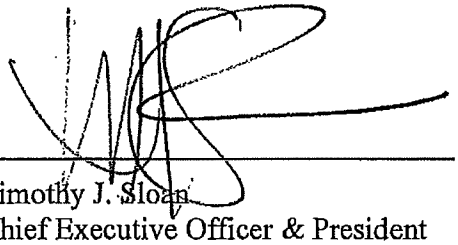
Wisconsin

Wisconsin's payment shall be used as attorneys' fees and other costs of investigation and litigation, or to be placed in, or applied to, consumer protection enforcement funds, including future consumer protection enforcement, consumer education, investigation and/or litigation, or local consumer aid fund or revolving fund, or for any lawful purpose, at the sole discretion of the Attorney General.

Wyoming

The payment distributed to the State of Wyoming shall be used by the Attorney General of the State of Wyoming as trustee to hold and distribute such amount, pursuant to Wyoming Statute § 9-1-639(a)(i), exclusively for the purpose of addressing consumer protection matters in the State of Wyoming, including future consumer protection enforcement, consumer education, litigation, investigation, training, or grants or other aid to agencies and organizations approved by the Attorney General of the State of Wyoming at his sole discretion. Any interest accruing to these funds will remain with the fund. Wyoming's allocated share is not a fine, penalty, or payment in lieu thereof.

For Wells Fargo & Company



12/24/18

Timothy J. Sloan
Chief Executive Officer & President
Wells Fargo & Company

Date

12/26/18

JB Kelly
Cozen O'Connor
1200 19th Street NW
Washington, DC 20036

Date

Counsel for Wells Fargo & Company

12/26/18

Anthony Jannotta
Cooley LLP
1114 Avenue of the Americas
New York, NY 10036-7798

Date

Counsel for Wells Fargo & Company

For Alabama Attorney General Steve Marshall

Tina Coker Hammonds

Tina Coker Hammonds
Assistant Attorney General
Consumer Interest Division
Office of the Alabama Attorney General

20 December 2018

Date

For Alaska Attorney General Kevin G. Clarkson

12/20/2018
Date

Cynthia A. Franklin
Assistant Attorney General
AK Bar No. 0710057
Consumer Protection Unit
Special Litigation Section
Alaska Office of the Attorney General
1031 W. 4th Ave, Ste 200
Anchorage, AK 99501

For Arizona Attorney General Mark Brnovich

Drew C. Ensign

Drew C. Ensign
Senior Litigation Counsel
Civil Division
Phoenix, Arizona

12/20/18

Date

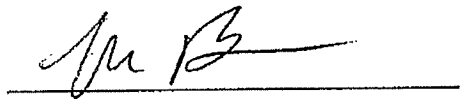
For Arkansas Attorney General Leslie Rutledge:

By: 

12/20/2018
Date

David A.F. McCoy
Assistant Attorney General
Public Protection Department/Consumer Protection Division
Office of the Arkansas Attorney General
323 Center Street, Suite 200
Little Rock, Arkansas 72201
Telephone: (501) 682-7506
Fax: (501) 682-8118
Email: David.McCoy@ArkansasAG.gov

For California Attorney General Xavier Becerra



12/22/2018

Michelle Burkart
Deputy Attorney General
Public Rights Division
Office of the Attorney General, State of California

Date

For Colorado Attorney General, Cynthia H. Coffman

Jennifer M. Dethmers

12.20.18

Jennifer Miner Dethmers
Senior Assistant Attorney General
Colorado Department of Law
Consumer Protection Section

Date

For Connecticut Attorney General George Jepsen

Joseph J. Chambers
Assistant Attorney General
Finance Department Head
Office of the Attorney General, State of Connecticut

December 19, 2018
Date

For Delaware Attorney General Matthew P. Denn

12/21/18

Gillian L. Andrews (DE Bar # 5719)
Assistant Director, Consumer Protection Unit
Division of Fraud & Consumer Protection
Delaware Department of Justice

Date

SO ORDERED this 21ST day of December, 2018.

Christian Douglas Wright
Director, Consumer Protection Unit

For District of Columbia Attorney General Karl A. Racine

12/14/18

Gary M. Tan
Assistant Attorney General
Office of Consumer Protection
District of Columbia Attorney General's Office

Date

For Florida Attorney General Pamela Jo Bondi

PATRICIA A. CONNERS
Chief Deputy Attorney General
Office of the Florida Attorney General
Capitol - Plaza Level - Room PL-01
Tallahassee, FL 32399
Tel: 850-245-0140
Fax: 850-487-2564

Accepted this 20th day of December, 2018.

VICTORIA A. BUTLER
Director, Consumer Protection Division
Office of the Florida Attorney General
3507 E. Frontage Road, Suite 325
Tampa, FL 33607
Tel: 813-287-7950
Fax: 813-281-5515

Accepted this 20th day of December, 2018.

ANTHONY S. BRADLOW
Assistant Attorney General
Consumer Protection Division
Office of the Florida Attorney General
3507 E. Frontage Road, Suite 325
Tampa, FL 33607
Tel: 813-287-7950
Fax: 813-281-5515

Accepted this 20th day of December, 2018.

For Georgia Attorney General Christopher M. Carr

Lauren Villnow

Lauren A. Villnow
Assistant Attorney General
Consumer Protection Division
Office of the Georgia Attorney General

12/21/2018

Date

STEPHEN H. LEVINS
EXECUTIVE DIRECTOR
STATE OF HAWAII OFICE OF CONSUMER PROTECTION

By: Lisa P. Tong
Lisa P. Tong
Enforcement Attorney

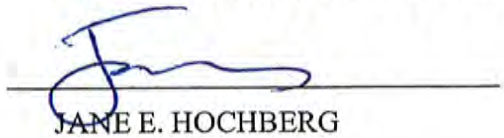
12/19/18
Date

RUSSELL A. SUZUKI
ATTORNEY GENERAL OF HAWAII

By: Bryan C Yee
Bryan C. Yee
Deputy Attorney General

Date

For Idaho Attorney General Lawrence G. Wasden



12-17-18

JANE E. HOCHBERG
Deputy Attorney General
Consumer Protection Division
Idaho Office of Attorney General

Date

For Illinois Attorney General Lisa Madigan

12/21/18

Susan Ellis
Acting Chief
Consumer Protection Division
Illinois Attorney General's Office
100 W. Randolph, 12th Floor
Chicago, IL, 60601
Tel.: (312) 814-6351
Email: sellis@atg.state.il.us

Date

For Indiana Attorney General Curtis T. Hill

Michelle Alyea

Michelle Alyea
Deputy Attorney General
Consumer Protection Division
Office of the Indiana Attorney General

12/21/18
Date

For Iowa Attorney General Tom Miller

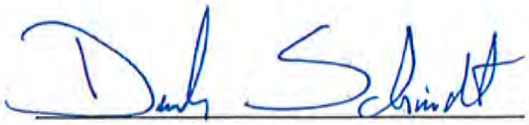
Patrick Madigan

12/21/18

Patrick Madigan
Assistant Attorney General
Consumer Protection Division
Iowa Attorney General's Office

Date

For Kansas Attorney General Derek Schmidt



12/14/2018

Derek Schmidt, #17781
Attorney General
Office of the Kansas Attorney General
120 S.W. 10th Avenue
Topeka, Kansas 66612

Date

12/17/18

Sarah M. Dietz, #27457
Assistant Attorney General
Office of the Kansas Attorney General
120 S.W. 10th Avenue, 2nd Floor
Topeka, Kansas 66612
785-296-3751
Fax: 785-291-3699
sarah.dietz@ag.ks.gov

Date

For Kentucky Attorney General Andy Beshear

December 19, 2018

Don W. Rodgers

Date

Assistant Attorney General

Consumer Protection Division

Office of the Attorney General of Kentucky

For Louisiana Attorney General Jeff Landry

Cathryn E. Gits

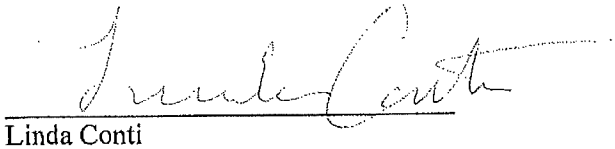
December 21, 2018

Cathryn E. Gits
Assistant Attorney General
Public Protection Division
Office of the Attorney General of Louisiana

December 21, 2018

L. Christopher Styron
Assistant Attorney General
Public Protection Division
Office of the Attorney General of Louisiana

For MAINE Attorney General JANET T. MILLS



12/19/2018
Date

Linda Conti
Assistant Attorney General
Consumer Protection Chief
Maine Attorney General's Office
111 Sewall Street, Cross Office Building 6th Floor
Augusta, ME 04330
linda.conti@maine.gov
207-626-8591

Maryland Attorney General Brian Frosh
Consumer Protection Division

By: _____ 12/21/2018
William D. Gruhn Date
W. Thomas Lawrie
Elizabeth J. Stern
Assistant Attorneys General
Office of the Attorney General
Consumer Protection Division, 16th Floor
Baltimore, MD 21202
410-576-7226

For Massachusetts Attorney General Maura Healey

Diana Hooley

12-19-2018

Diana Hooley
Assistant Attorney General
Insurance & Financial Services Division
Office of the Massachusetts Attorney General

Date

For Michigan Attorney General Bill Schuette

Kathy Fitzgerald
Assistant Attorney General
Corporate Oversight Division
Michigan Department of Attorney General

12/20/2018
Date

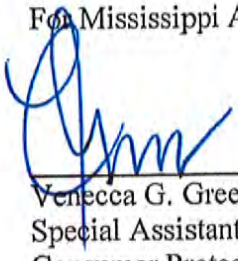
For Minnesota Attorney General Lori Swanson

12/21/18

December 21, 2018

Adam Welle
Assistant Attorney General
Civil Division
Minnesota Attorney General's Office
Bremer Tower, Suite 1200
445 Minnesota Street
St. Paul, Minnesota 55101-2128

For Mississippi Attorney General Jim Hood

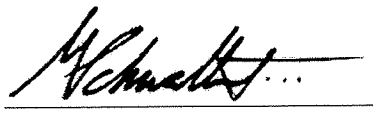


Venecca G. Green
Special Assistant Attorney General
Consumer Protection Division
Post Office Box 22947
Jackson, Mississippi 39205
vgree@ago.state.ms.us
(601) 359-3440

12/20/2018
Date

For the State of Missouri

JOSHUA D. HAWLEY
Attorney General



Date: 12/21/18

Michael Schwalbert, MO Bar #63229
Assistant Attorney General
Consumer Protection Section
Missouri Attorney General's Office
815 Olive Street | Suite 200
Saint Louis, Missouri 63101
michael.schwalbert@ago.mo.gov
Phone: 314-340-7888
Fax: 314-340-7957

For Montana Attorney General Timothy C. Fox

Chuck Munson

Dec 18, 2018

Chuck Munson
Assistant Attorney General
MONTANA DEPARTMENT OF JUSTICE
OFFICE OF CONSUMER PROTECTION
555 Fuller Avenue
Helena, MT 59601
(406) 444-4500
cmunson@mt.gov

Date

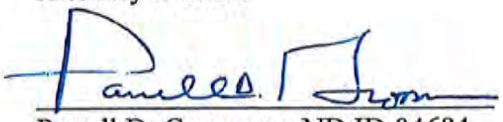
For North Carolina Attorney General Josh Stein

M. Lynne Weaver

M. Lynne Weaver
Special Deputy Attorney General
Consumer Protection Division
North Carolina Department of Justice

12/20/2018
Date

For
STATE OF NORTH DAKOTA
Wayne Stenehjem
Attorney General

By:  Date: 12-17-2018

Parrell D. Grossman, ND ID 04684
Assistant Attorney General
Director, Consumer Protection & Antitrust Division
Office of Attorney General
Gateway Professional Center
1050 E Interstate Ave, Ste 200
Bismarck, ND 58503--5574
Telephone (701) 328-5570
Facsimile (701) 328-5568
pgrossman@nd.gov

STATE OF NEBRASKA, ex rel.
DOUGLAS J. PETERSON, Attorney General

12-20-2018

Date

Meghan E. Stoppel
Assistant Attorney General
Chief, Consumer Protection Division
Nebraska Attorney General's Office
2115 State Capitol Building
Lincoln, Nebraska 68509
meghan.stoppel@nebraska.gov

For New Hampshire Attorney General Gordon J. MacDonald:

Lisa M. English

12/21/2018

Date:

Lisa M. English, NH Bar #20166
Senior Assistant Attorney General
Consumer Protection and Antitrust Bureau
New Hampshire Attorney General's Office
33 Capitol Street
Concord, New Hampshire 03301
Tel. (603) 271-1248
Lisa.English@doj.nh.gov

For New Jersey Attorney General Gurbir S. Grewal

Jeffrey Koziar
Deputy Attorney General
Division of Law
New Jersey Office of the Attorney General

12/21/18
Date

For New Mexico Attorney General,
Hector Balderas

P. Cholla Khoury
Director,
Consumer and Environmental Protection Division
Office of the New Mexico Attorney General

12/27/18
Date

For New York State Attorney General Barbara D. Underwood

Jane M. Azia

December 18, 2018

JANE M. AZIA
Bureau Chief
Bureau of Consumer Frauds and Protection
Office of the New York State Attorney General
28 Liberty Street
New York, NY 10005

Date

For the Nevada Attorney General Adam Paul Laxalt

Sheri Ann Forbes

December 20, 2018

Sheri Ann Forbes
Date

Senior Deputy Attorney General
Bureau of Consumer Protection
Office of the Nevada Attorney General

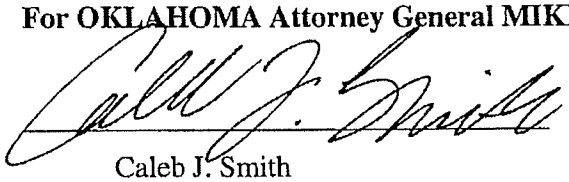
For Ohio Attorney General Mike DeWine

12/19/2018

Jeffrey Loeser
Senior Assistant Attorney General
Consumer Protection Section
Office of Ohio Attorney General Mike DeWine

Date

For OKLAHOMA Attorney General MIKE HUNTER



12/21/18

Caleb J. Smith

Date

Assistant Attorney General

Consumer Protection Unit

Oklahoma Office of the Attorney General

For Oregon Attorney General Ellen F. Rosenblum

D. Althea Cullen

12-20-18

D. Althea Cullen, OSB#064901
Sr. Assistant Attorney General
Financial Fraud/Consumer Protection Section
Oregon Department of Justice

Date

For Commonwealth of Pennsylvania
Attorney General Josh Shapiro

By: _____ **Date:** 12/21/2018

James A. Donahue III
Executive Deputy Attorney General
Commonwealth of Pennsylvania
Office of Attorney General
Public Protection Division

For Rhode Island Attorney General Peter F. Kilmartin

12-21-2018

Date

David Marzilli
Special Assistant Attorney General
Civil Division
Rhode Island Department of Attorney General
150 South Main Street
Providence, Rhode Island 02903
(401) 274-4400 ext. 2030
dmarzilli@riag.ri.gov

For South Carolina Attorney General Alan Wilson

Kristin M. Simons

Kristin M. Simons
Assistant Attorney General
Office of the Attorney General
State of South Carolina

12/14/2018
Date

For South Dakota Attorney General Marty J. Jackley

12/21/2018

Date

Phillip D. Carlson
Assistant Attorney General
Consumer Protection Division
South Dakota Attorney General's Office

FOR THE STATE OF TENNESSEE:

HERBERT H. SLATERY III
Attorney General and Reporter

TRAVIS BROWN, B.P.R. No. 034164
Assistant Attorney General
Consumer Protection Division
Public Protection Section
UBS Tower, 20th Floor
315 Deaderick Street
Nashville, Tennessee 374243
P: (615) 741-3533
F: (615) 532-2590
Travis.Brown@ag.tn.gov

Attorneys for the State of Tennessee

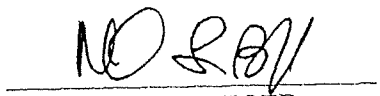
For TEXAS Attorney General KEN PAXTON

JEFFREY C. MATEER
First Assistant Attorney General

BRANTLEY STARR
Deputy First Assistant Attorney General

DARREN L. MCCARTY
Deputy Attorney General for Civil Litigation

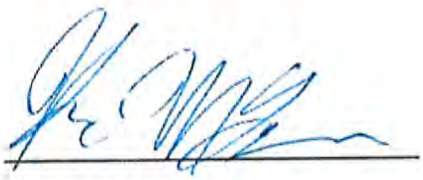
PAUL SINGER
Division Chief, Consumer Protection



2018/12/21
Date

RICHARD BISCHOFF
Assistant Attorney General
State Bar No. 02343200
Consumer Protection Division
Texas Office of the Attorney General
401 E. Franklin, Suite 530
El Paso, Texas 79901
Phone: (915) 834-5801
Facsimile: (915) 542-1546
Email: Richard.Bischoff@oag.texas.gov

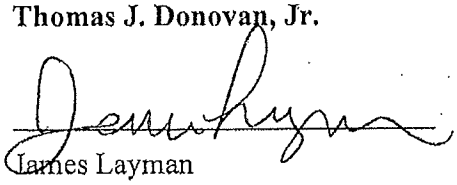
For Utah Attorney General Sean D. Reyes



12/21/2018

Kevin McLean
Assistant Attorney General
Counsel for the Utah Division of Consumer Protection
Utah Attorney General's Office

For Vermont Attorney General
Thomas J. Donovan, Jr.



12/21/2018

James Layman
Assistant Attorney General
Public Protection Division
Vermont Office of the Attorney General

Date

For Commonwealth of Virginia,
Attorney General Mark R. Herring

David B. Irvin
Senior Assistant Attorney General
Consumer Protection Section
Office of Virginia Attorney General

December 19, 2018
Date

For Washington State:

ROBERT W. FERGUSON
Attorney General

MARC WORTHY, WSBA #29750
AMY TENG, WSBA #50003
Assistant Attorneys General
Consumer Protection Division

12-20-18
DATE

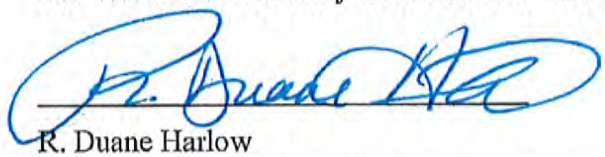
For West Virginia Attorney General Patrick Morrisey

R. Stephen Jarrell — 12/21/18

R. Stephen Jarrell
Assistant Attorney General
Consumer Protection & Antitrust Division
West Virginia Attorney General's Office

Date

For Wisconsin Attorney General Brad D. Schimel

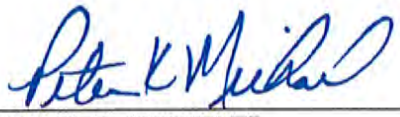


12/21/18

R. Duane Harlow
Assistant Attorney General
Consumer Protection and Antitrust Unit
Wisconsin Department of Justice

Date

Wyoming Attorney General



12/19/18

PETER K. MICHAEL
Attorney General
State of Wyoming

Date