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State of Hawai'i Files Lawsuit Against Toyota, Nissan, and Ford Relating to Vehicles with Faulty Takata Airbags

HONOLULU–The Department of Commerce and Consumer Affairs Office of Consumer Protection, on behalf of the State of Hawai'i, today filed a lawsuit against three automakers—Toyota, Nissan, and Ford—for unlawful practices in connection with the marketing and sales of vehicles with dangerous Takata airbags to Hawai'i consumers.

Hawai'i asserts claims against the automakers under the State's consumer protection laws for unfair and deceptive conduct. The complaint seeks declaratory and injunctive relief, restitution for car buyers, disgorgement of the companies' profits from these vehicles, and the maximum civil penalties allowed by law of \$10,000 per violation.

The State's complaint alleges that Toyota, Nissan, and Ford knew or should have known for more than a decade that the airbags installed in their cars could explode, posing grave, sometimes fatal, dangers to the cars' occupants. The complaint further alleges that the automakers used ammonium nitrate propelled airbags because they were cheaper, despite publicly available information that ammonium nitrate, a chemical principally used to propel rockets and for mining and demolition, was volatile and unpredictable. This is especially true in hot and humid climates like Hawai'i, where temperature changes and moisture can accelerate the breakdown of the chemical propellant and cause it to explode. For that reason, the National Highway Transportation Safety Administration (NHTSA) has required automakers to prioritize the recall of affected vehicles in Hawai'i, along with a small number of other jurisdictions.

Last May, Hawai'i was the first state to file a separate lawsuit against Takata and Honda for their roles in causing millions of cars to be sold with the dangerous airbags. In October 2016, the state court rejected an effort by Takata to dismiss the State's case. That litigation is ongoing. The Complaint that has now been filed brings claims against additional automakers believed to have violated Hawai'i law by using Takata airbags.

The use of Takata's airbags has led to the largest recall in automotive history, involving 42 million vehicles in the United States, and resulted in a \$1 billion criminal plea agreement with Takata.

Said Stephen Levins, Executive Director of the State Office of Consumer Protection, "Every company that markets and supplies goods to Hawai'i consumers has a responsibility to be honest with consumers about the safety and the risks of their products. This is especially true where the goods they are selling are supposed to protect—not injure. Our complaint alleges that Toyota, Nissan, and Ford misled Hawai'i consumers and concealed from them critical safety and risk information about the airbags in their vehicles and, as a result, put Hawai'i consumers and their families in grave danger every time they went to drive their cars."

The longer these vehicles stay on the road, the more dangerous they become. Last summer, NHTSA found that some older vehicles contain airbags with a 50 percent chance of rupture in the event of a crash. Yet, as of last month, NHTSA reports that Toyota, Nissan, and Ford have repaired less than a third of affected airbags.

The Office of Consumer Protection strongly encourages consumers to check <u>https://www.safercar.gov/</u> or to contact their car dealer to determine whether their car has been recalled. If it has, consumers should contact their dealer as soon as possible to make an appointment to get their car fixed for <u>free</u>.

The State of Hawai'i is also being assisted in this action by the Honolulu law firm of Cronin Fried Sekiya Kekina & Fairbanks and the Washington, DC office of the law firm of Motley Rice.

Frequently asked questions (FAQ) and a copy of Hawaii's complaint is available at <u>http://cca.hawaii.gov/ocp/takata-recall-faqs/</u>.

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