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AG BALDERAS ANNOUNCES \$19.2 MILLION MULTISTATE SETTLEMENT WITH FORD MOTOR COMPANY OVER MISLEADING ADVERTISING CLAIMS

ALBUQUERQUE – New Mexico Attorney General Hector Balderas today announced a \$19.2 million multistate settlement with Ford Motor Company regarding claims that Ford falsely advertised the real-world fuel economy of model year 2013–2014 C-Max hybrids and the payload capacity of model year 2011–2014 Super Duty pickup trucks. New Mexico will receive more than \$250,000 from the settlement.

"New Mexico families deserve trustworthy and accurate information when shopping for automobiles, and it is crucial to hold businesses accountable when fuel efficiency and environmental impact is so critical for our nation," said Attorney General Balderas.

2013-2014 C-Max Hybrids

The Attorneys' Generals' investigation revealed that Ford made several misleading representations about 2013–2014 C-Max hybrids including:

- Misrepresenting the distance consumers could drive on one tank of gas;
- Marketing that driving style would not impact real world fuel economy; and,
- Claiming superior real world fuel economy compared to other hybrids.

At one point, Ford ran a series of advertisements called the "Hybrid Games," which were narrated like an Olympic sporting event and depicted the C-Max outperforming the Prius in a series of videos. The Attorneys General allege that the videos deceptively reflected that C-Max vehicles offered superior real-world fuel economy and driving performance. The C-Max hybrid was initially promoted as 47 mpg in the city and highway. Ford had to lower the vehicle's fuel economy rating once in 2013 and again in 2014, to eventually 42 mpg/city, 37 mpg/highway, and 40 mpg/city-highway mixed; impacting the MY 2013 (twice) and MY 2014 C-Max hybrid. This settlement corrects Ford's deceptive advertising practices, and helps ensure that Ford will not make false or misleading advertising claims about the fuel economy of its vehicles.

2011–2014 Super Duty Pick-up Trucks

The Attorneys General also investigated Ford's misleading "Best-in-Class" payload claims on its 2011–2014 Super Duty pick-up trucks, which includes the F-250, F-350, and F-450 models, a line that caters to consumers hauling and towing heavy loads. The

Attorneys General allege that Ford's methodology to calculate maximum payload capacity for advertising purposes was based on a hypothetical truck configuration that omitted standard items such as the spare wheel, tire and jack, center flow console (replacing it with a mini console), and radio. Although advertised as available to all customers, only fleet customers could order the special configuration.

The settlement was led by Oregon, Texas, Illinois, Maryland, Vermont and Arizona, and joined by the Attorneys General of 35 additional states and jurisdictions.

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