



## Toyota Litigation Highlights

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Toyota Motor Corp., the world's largest automaker, faces more than 60 lawsuits filed on behalf of customers—seeking a range of damages from loss of cars' value to a return of profits—spurred by multiple recalls by Toyota and its January 26, 2010 decision to stop U.S. production and sales of eight models to fix defective accelerator pedals. The class-action suits demand compensation for flaws linked to the sudden acceleration of certain Toyota vehicles; some cases go beyond the floor mats and pedals disclosed by the company in its recall.

The number of lawsuits increases daily, and the company also faces at least 13 lawsuits brought by individuals claiming deaths or injuries caused by uncontrollable acceleration of the vehicles. Beyond the U.S. cases, class actions also have been filed by Canadian owners of Toyota and Lexus models. It is expected that the suits in the United States eventually will be combined before one federal judge for pretrial evidence-gathering and rulings.

## Bloomberg Law Podcasts

February 2010

"Litigation Explosion" for Toyota

[Mayesh Sees a "Litigation Explosion" for Toyota](#)

In this Bloomberg Law Podcast, Jay Mayesh, co-chairman of the product liability group at Kaye Scholer LLP discusses the legal implications of Toyota Motor Corp.'s mass recall of vehicles related to reports of unintended acceleration.

For more Bloomberg Law Podcasts, click [here](#).

## Dockets

### Toyota Litigation

#### Tracking Table

	DATE	CAPTION	JURISDICTION
78	2/18/10	<a href="#">Early v. Toyota Motor Corp., No. 3:10-CV-00332 (N.D. Tex. Feb. 18, 2010)</a>	U.S. District Court for the Northern District of Texas
77	2/16/10	<a href="#">Kerri Madden v. Toyota Motor Sales, USA, Inc., No. 2:10-CV-01094 (C.D. Cal. Feb. 16, 2010)</a>	U.S. District Court for the Central District of California
76	2/16/10	<a href="#">Katy Boyask v. Toyota Motor Sales, USA, Inc., No. 2:10-CV-01153 (C.D. Cal. Feb. 16, 2010)</a>	U.S. District Court for the Central District of California
75	2/16/10	<a href="#">Guokas v. Toyota Motor Corp., No. 3:10-CV-00778 (D.N.J. Feb. 16, 2010)</a>	U.S. District Court for the District of New Jersey

	DATE	CAPTION	JURISDICTION
74	2/16/10	<a href="#"><i>Leaverton v. Toyota Motor Engineering &amp; Manufacturing North America, Inc.</i>, No. 2:10-CV-00032 (E.D. Ky. Feb. 16, 2010)</a>	U.S. District Court for the Eastern District of Kentucky
73	2/16/10	<a href="#"><i>Moss v. Toyota Motor Corp.</i>, No. 1:10-CV-01175 (S.D.N.Y. Feb. 16, 2010)</a>	U.S. District Court for the Southern District of New York
72	2/16/10	<a href="#"><i>Mitchell v. Toyota Motor North America, Inc.</i>, No. 3:10-CV-00104 (S.D. Miss. Feb. 16, 2010)</a>	U.S. District Court for the Southern District of Mississippi
71	2/16/10	<a href="#"><i>Shah v. Toyota Motor North America, Inc.</i>, No. 1:10-CV-10263 (D. Mass. Feb. 16, 2010)</a>	U.S. District Court for the District of Massachusetts
70	2/16/10	<a href="#"><i>T Leigh Beard v. Toyota Motor Corp.</i>, No. 8:10-CV-00183 (C.D. Cal. Feb. 16, 2010)</a>	U.S. District Court for the Central District of California
69	2/15/10	<a href="#"><i>Fitts v. Toyota Motor Corp.</i>, No. 2:10-CV-00052 (E.D. Tex. Feb. 15, 2010)</a>	U.S. District Court for the Eastern District of Texas
68	2/12/10	<a href="#"><i>Miller v. Toyota Motor Sales, USA, Inc.</i>, No. 2:10-CV-00031 (E.D. Ky. Feb. 12, 2010)</a>	U.S. District Court for the Eastern District of Kentucky
67	2/12/10	<a href="#"><i>Scholten v. Toyota Motor Sales USA Inc.</i>, No. 3:10-CV-00295 (N.D. Tex. Feb. 12, 2010)</a>	U.S. District Court for the Northern District of Texas
66	2/12/10	<a href="#"><i>Cipriani v. Toyota Motor Corp.</i>, No. 8:10-CV-00427 (M.D. Fla. Feb. 12, 2010)</a>	U.S. District Court for the Middle District of Florida
65	2/12/10	<a href="#"><i>Myers v. Toyota Motor North America, Inc.</i>, No. 2:10-CV-01078 (C.D. Cal. Feb. 12, 2010)</a>	U.S. District Court for the Central District of California
64	2/12/10	<a href="#"><i>Alexsandra Del Real v. Toyota Motor Sales USA Inc.</i>, No. 8:10-CV-00173 (C.D. Cal. Feb. 12, 2010)</a>	U.S. District Court for the Central District of California
63	2/12/10	<a href="#"><i>Max L. Lieberman v. Toyota Motor Corp.</i>, No. 2:10-CV-01073 (C.D. Cal. Feb. 2010)</a>	U.S. District Court for the Central District of California
62	2/12/10	<a href="#"><i>Shumaker v. Toyota Motor Engineering</i>, No. 3:10-CV-00061 (S.D. Ohio Feb. 12, 2010)</a>	U.S. District Court for the Southern District of Ohio
61	2/12/10	<a href="#"><i>Haustein v. Toyota Motor Corp.</i>, No. 5:10-CV-00178 (N.D.N.Y. Feb. 12, 2010)</a>	U.S. District Court for the Northern District of New York
60	2/12/10	<a href="#"><i>Stadler v. Toyota Motor North America, Inc.</i>, No. 2:10-CV-00030 (E.D. Ky. Feb. 12, 2010)</a>	U.S. District Court for the Eastern District of Kentucky
59	2/12/10	<a href="#"><i>Gertz v. Toyota Motor Corp.</i>, No. 2:10-CV-01089 (C.D. Cal. Feb. 12, 2010)</a>	U.S. District Court for the Central District of California
58	2/12/10	<a href="#"><i>Jerry Baker Auto Sales, LLC v. Toyota Motor Sales, USA, Inc.</i>, No. 2:10-CV-04025 (W.D. Mo. Feb. 12, 2010)</a>	U.S. District Court for the Western District of Missouri
57	2/12/10	<a href="#"><i>Jacquelyn Donoghue v. Toyota Motor North America, Inc.</i>, No. 2:10-CV-01057 (C.D. Cal. Feb. 12, 2010)</a>	U.S. District Court for the Central District of California
56	2/12/10	<a href="#"><i>Donahue v. Toyota Motors Manufacturing USA Inc.</i>, No. 3:10-CV-00108 (M.D. La. Feb. 12, 2010)</a>	U.S. District Court for the Middle District of Louisiana
55	2/11/10	<a href="#"><i>Rhonda Talbot v. Toyota Motor North America, Inc.</i>, No. 2:10-CV-01039 (C.D. Cal. Feb. 11, 2010)</a>	U.S. District Court for the Central District of California
54	2/11/10	<a href="#"><i>Griffin v. Toyota Motor Corp.</i>, No. 2:10-CV-00114 (M.D. Ala. Feb. 11, 2010)</a>	U.S. District Court for the Alabama Middle District
53	2/11/10	<a href="#"><i>Lacey Laudicina v. Toyota Motor Corp.</i>, No. 2:10-CV-01030 (C.D. Cal. Feb. 11, 2010)</a>	U.S. District Court for the Central District of California
52	2/11/10	<a href="#"><i>Abken v. Toyota Motor North America Inc.</i>, No. 3:10-CV-00763 (D.N.J. Feb. 11, 2010)</a>	U.S. District Court for the District of New Jersey

	<b>DATE</b>	<b>CAPTION</b>	<b>JURISDICTION</b>
51	2/11/10	<a href="#"><i>Fred Sander v. Toyota Motor Sales, U.S.A, Inc., No. 1:10-CV-01111</i> (S.D.N.Y. Feb. 11, 2010)</a>	U.S. District Court for the Southern District of New York
50	2/10/10	<a href="#"><i>Ochs v. Toyota Motor Corp., No. 1:10-CV-00918</i> (N.D. Ill. Feb. 10, 2010)</a>	U.S. District Court for the Northern District of Illinois
49	2/10/10	<a href="#"><i>Simmons v. Toyota Motor Corp., No. 3:10-CV-00009</i> (N.D. Miss. Feb. 10, 2010)</a>	U.S. District Court for the Northern District of Mississippi
48	2/10/10	<a href="#"><i>Horn v. Toyota Motor Sales USA Inc., No. 4:10-CV-00090</i> (E.D. Ark. Feb. 10, 2010)</a>	U.S. District Court for the Eastern District of Arkansas
47	2/9/10	<a href="#"><i>Patel v. Toyota Motor North America Inc., No. 3:10-CV-00210</i> (D. Conn. Feb. 09, 2010)</a>	U.S. District Court for the District of Connecticut
46	2/9/10	<a href="#"><i>Whiddon v. Toyota Motor Corp., No. 1:10-CV-00080</i> (E.D. Tex. Feb. 09, 2010)</a>	U.S. District Court for the Eastern District of Texas
45	2/8/10	<a href="#"><i>Gaspard, No. 1:10-CV-00179</i> (W.D. La. Feb. 8, 2010)</a>	U.S. District Court for the Western District of Louisiana
44	2/8/10	<a href="#"><i>Lee v. Toyota Motor North America, Inc., No. 3:10-CV-00280</i> (N.D. Ohio Feb. 8, 2010)</a>	U.S. District Court for the Northern District of Ohio
43	2/8/10	<a href="#"><i>Peter Wisner v. Toyota Motor Corp., No. 2:10-CV-00942</i> (C.D. Cal Feb. 8, 2010)</a>	U.S. District Court for the Central District of California
42	2/8/10	<a href="#"><i>Lisa Creighton and Miriam Ramirez v. Toyota Motor Corp., No. 2:10-CV-00946</i> (C.D. Cal. Feb. 8, 2010)</a>	U.S. District Court for the Central District of California
41	2/8/10	<a href="#"><i>Harry Stackhouse v. Toyota Motor Corp., No. 2:10-CV-00922</i> (C.D. Cal. Feb. 8, 2010)</a>	U.S. District Court for the Central District of California
40	2/8/10	<a href="#"><i>Iglesias v. Toyota Motor Corp., No. 1:10-CV-01014</i> (S.D.N.Y. Feb. 8, 2010)</a>	U.S. District Court for the Southern District of New York
39	2/8/10	<a href="#"><i>Elaine Byrnes v. Toyota Motor North America, Inc., No. 2:10-CV-00947</i> (C.D. Cal Feb. 8, 2010)</a>	U.S. District Court for the Central District of California
38	2/8/10	<a href="#"><i>Greisiger v. Toyota Motor North America, Inc., No. 5:10-CV-00554</i> (E.D. Pa. Feb. 8, 2010)</a>	U.S. District Court for the Eastern District of Pennsylvania
37	2/8/10	<a href="#"><i>Viviano v. Toyota Motor Engineering and Manufacturing North America, Inc., No. 2:10-CV-00024</i> (E.D. Ky. Feb. 8, 2010)</a>	U.S. District Court for the Eastern District of Kentucky
36	2/8/10	<a href="#"><i>Michael Choi v. Toyota Motor Sales, USA, Inc., No. 8:10-CV-00154</i> (C.D. Cal. Feb. 8, 2010)</a>	U.S. District Court for the Central District of California
35	2/7/10	<a href="#"><i>Colaberdino v. Toyota North America, Inc., No. 3:10-CV-00672</i> (D.N.J. Feb. 7, 2010)</a>	U.S. District Court for the District of New Jersey
34	2/5/10	<a href="#"><i>Fogarty v. Toyota Motor North America, Inc., No. 1:10-CV-00542</i> (E.D.N.Y. Feb. 05, 2010)</a>	U.S. District Court for the Eastern District of New York
33	2/5/10	<a href="#"><i>Rivas-Vigil v. Toyota Motor North America, Inc., No. 0:10-CV-60183</i> (S.D. Fla. Feb. 5, 2010)</a>	U.S. District Court for the Southern District of Florida
32	2/5/10	<a href="#"><i>Firgon v. Toyota Motor Corp., No. 2:10-CV-02075</i> (D. Kan. Feb. 5, 2010)</a>	U.S. District Court for the District of Kansas
31	2/5/10	<a href="#"><i>Johnson v. Toyota Motor Corp., No. 5:10-CV-00026</i> (N.D. Fla. Feb. 5, 2010)</a>	U.S. District Court for the Northern District of Florida
30	2/5/10	<a href="#"><i>Roberts v. Toyota Motor Corp., No. 7:10-CV-00281</i> (D.S.C. Feb. 5, 2010)</a>	U.S. District Court for the District of South Carolina
29	2/5/10	<a href="#"><i>Deborah v. Toyota Motor North America, Inc., No. 2:10-CV-10525</i> (E.D. Mich. Feb. 5, 2010)</a>	U.S. District Court for the Eastern District of Michigan
28	2/5/10	<a href="#"><i>Harding v. Toyota Motor Corp., No. 2:10-CV-00100</i> (M.D. Ala. Feb. 5, 2010)</a>	U.S. District Court for the Middle District of Alabama

	<b>DATE</b>	<b>CAPTION</b>	<b>JURISDICTION</b>
27	2/5/10	<a href="#"><i>Gumble v. Toyota Motor Corp.</i>, No. 5:10-CV-00521 (E.D. Pa. Feb. 5, 2010)</a>	U.S. District Court for the Eastern District of Pennsylvania
26	2/5/10	<a href="#"><i>Sill v. Toyota Motor Sales USA Inc.</i>, No. 5:10-CV-00117 (W.D. Okla. Feb. 5, 2010)</a>	U.S. District Court for the Western District of Oklahoma
25	2/4/10	<a href="#"><i>Menssen v. Toyota Motor Sales, U.S.A., Inc.</i>, No. 1:10-CV-00260 (N.D. Ohio Feb. 4, 2010)</a>	U.S. District Court for the Northern District of Ohio
24	2/4/10	<a href="#"><i>Hulsen v. Toyota Motor Corp.</i>, No. 4:10-CV-00103 (W.D. Mo. Feb. 4, 2010)</a>	U.S. District Court for the Western District of Missouri (Kansas City)
23	2/4/10	<a href="#"><i>Davis v. Toyota Motor Sales, U.S.A., Inc.</i>, No. 1:10-CV-00900 (S.D.N.Y. Feb. 4, 2010)</a>	U.S. District Court for the Southern District of New York
22	2/4/10	<a href="#"><i>Ani Gazaryan et al v. Toyota Motor Sales U.S.A., Inc.</i>, No. 2:10-CV-00849 (C.D. Cal. Feb. 4, 2010)</a>	U.S. District Court for the Central District of California
21	2/4/10	<a href="#"><i>Crespo Bithorn et al v. Toyota Motor North America, Inc.</i>, No. 3:10-CV-01083 (D.P.R. Feb. 4, 2010)</a>	U.S. District Court for the District of Puerto Rico (San Juan)
20	2/3/10	<a href="#"><i>Poynter v. Toyota Motor North America Inc.</i>, No. 2:10-CV-00021 (E.D. Ky. Feb. 3, 2010)</a>	U.S. District Court for the Eastern District of Kentucky (Covington)
19	2/3/10	<a href="#"><i>Phaneuf v. Toyota Motor Sales, U.S.A., Inc.</i>, No. 2:10-CV-00487 (E.D.N.Y. Feb. 3, 2010)</a>	U.S. District Court for the Eastern District of New York (Central Islip)
18	2/3/10	<a href="#"><i>Matthew Marr et al v. Toyota Motor Sales, U.S.A., Inc.</i>, No. 2:10-CV-00799 (C.D. Cal. Feb. 3, 2010)</a>	U.S. District Court for the Central District of California (Western Division – Los Angeles)
17	2/3/10	<a href="#"><i>Heilbrunn v. Toyota Motor Corp.</i>, No. 9:10-CV-80208 (S.D. Fla. Feb. 3, 2010)</a>	U.S. District Court for the Southern District of Florida (West Palm Beach)
16	2/3/10	<a href="#"><i>Gonzalez v. Toyota Motor Sales USA</i>, No. 3:10-CV-00595 (D.N.J. Feb 3, 2010)</a>	U.S. District Court for the District of New Jersey (Trenton)
15	2/3/10	<a href="#"><i>Enderle v. Toyota Motor North America, Inc.</i>, No. 1:10-CV-00142 (S.D. Ind. Feb. 3, 2010)</a>	U.S. District Court for the Southern District of Indiana (Indianapolis)
14	2/3/10	<a href="#"><i>Tran v. Toyota Motor North America, Inc.</i>, No. 150034/2010 (N.Y. Sup Ct. Feb. 3, 2010)</a>	Supreme Court of the State of New York, County of New York
13	2/2/10	<a href="#"><i>Scharrel v. Toyota Motor North America, Inc.</i>, No. 1:10-CV-00227 (D. Colo. Feb. 2, 2010)</a>	U.S. District Court for the District of Colorado (Denver)
12	2/1/10	<a href="#"><i>Roz Schwartz v. Toyota Motor Sales USA Inc.</i>, No. 2:10-CV-00710 (C.D. Cal. Feb. 1, 2010)</a>	U.S. District Court for the Central District of California (Western Division – Los Angeles)
11	2/1/10	<a href="#"><i>Mehta v. Toyota Motor North America Inc.</i>, No. 4:10-CV-00035 (N.D. Fla. Feb. 1, 2010)</a>	U.S. District Court for the Northern District of Florida (Tallahassee)
10	2/1/10	<a href="#"><i>Adilia Aviles v. Toyota Motor Corp.</i>, No. 2:10-CV-00706 (C.D. Cal. Feb. 1, 2010)</a>	U.S. District Court for the Central District of California (Western Division – Los Angeles)
9	1/29/10	<a href="#"><i>Wooten v. Toyota Motor North America Inc.</i>, No. 3:10-CV-00229 (D.S.C. Jan. 29, 2010)</a>	U.S. District Court for the District of South Carolina (Columbia)
8	1/29/10	<a href="#"><i>Weimer et al v. Toyota Motor North America, Inc.</i>, No. 2:10-CV-00219 (E.D. La. Jan 29, 2010)</a>	U.S. District Court for the Eastern District of Louisiana (New Orleans)
7	1/29/10	<a href="#"><i>Pena v. Toyota Motor Corp.</i>, No. 10-CV-00037 (S.D. Tex. Jan. 29, 2010)</a>	U.S. District Court for the Southern District of Texas (Corpus Christi)
6	1/29/10	<a href="#"><i>Maillho v. Toyota Motor North America, Inc.</i>, No. 2:10-CV-00279 (E.D. La. Jan. 29, 2010)</a>	U.S. District Court for the Eastern District of Louisiana (New Orleans)
5	1/29/10	<a href="#"><i>Lynch v. Toyota Motor Corp.</i>, No. 8:10-CV-00326 (M.D. Fla. Jan. 29, 2010)</a>	U.S. District Court for the Middle District of Florida (Tampa)
4	1/29/10	<a href="#"><i>Brock v. Toyota Motor North America, Inc.</i>, No. 2:10-xc-00280 (E.D. La. Jan. 29, 2010)</a>	U.S. District Court for the Eastern District of Louisiana (New Orleans)



	DATE	CAPTION	JURISDICTION
3	1/29/10	<a href="#"><i>Brock v. Toyota Motor North America, Inc.</i>, No. 2:10-CV-00281 (E.D. La. Jan. 29, 2010)</a>	U.S. District Court for the Eastern District of Louisiana (New Orleans)
2	1/29/10	<a href="#"><i>Brock v. Toyota Motor North America, Inc.</i>, No. 2:10-CV-00280 (E.D. La. Jan. 29, 2010)</a>	U.S. District Court for the Eastern District of Louisiana (New Orleans)
1	1/22/10	<a href="#"><i>Joseph Hauter v. Toyota Motor Sales USA Inc.</i>, No. 8:10-CV-00105 (C.D. Cal. Jan. 22, 2010)</a>	U.S. District Court for the Central District of California (Southern Division – Santa Ana)

## Congressional Calendar

### Calendar of House Committee Hearings

Week of February 22

Tuesday	
February 23	
Committee on Energy and Commerce	11am-Subcommittee on Oversight and Investigations: Response by Toyota and NHTSA to Incidents of Sudden Unintended Acceleration
Wednesday	
February 24	
Committee on Oversight and Government Reform	10am-Toyota Gas Pedals: Is the Public at Risk? (Rescheduled from February 10)

## Bloomberg News

### Week of February 15, 2010

#### Toyota's Acceleration Complaints Cite 34 Deaths

By Jeff Plungis and Kiyori Ueno

[Feb. 16 \(Bloomberg\)](#) — Toyota Motor Corp. vehicles have been linked to 34 deaths by consumers filing complaints with the U.S. government over unexpected acceleration, according to the Transportation Department.

The total jumped by 13 fatalities since Jan. 27 as nine more filings were added to a database the department's National Highway Traffic Safety Administration uses to track deaths, injuries and consumer complaints.

"It is normal for NHTSA to receive an increase in consumer complaints after a recall is announced and the public learns of a safety defect," Olivia Alair, a spokeswoman for the department, said in an e-mail yesterday. "The agency is quickly gathering more data on all of these additional complaints to help guide our examination of sudden acceleration, the Prius braking system, as well as other safety issues."

The Toyota City, Japan-based company, the world's biggest automaker, has recalled almost 8 million vehicles on five continents to repair defects linked to unintended acceleration. At least three U.S. congressional committees

plan hearings into how Toyota and NHTSA have handled complaints.

The automaker also announced a recall Feb. 9 involving braking in 437,000 Toyota hybrids, including the Prius, the top-selling vehicle in Japan. On the same day, U.S. safety officials said they were reviewing Toyota's Corolla, the world's best-selling car, after complaints about how it steered.

#### *Mounting Complaints*

The number of complaints about Prius braking grew from 124 on Feb. 3, when NHTSA opened its investigation, to 1,120 on Feb. 11, according to the agency's database.

Toyota President Akio Toyoda is scheduled to hold a press conference in Tokyo tomorrow to speak on quality and the progress of the Prius recall, the company said yesterday.

Toyota shares rose 0.3 percent, or 10 yen, to 3,365 yen as of the 11 a.m. trading break in Tokyo.

"We take all customer complaints seriously," Toyota spokeswoman Martha Voss said yesterday in a statement. "That's why we are taking steps to implement more stringent quality controls, investigate customer complaints more aggressively, keep open lines of communication with safety agencies and respond more quickly to safety issues we identify."

Toyota dealers have repaired 225,000 recalled vehicles for gasoline-pedal problems and are performing 50,000 repairs on a day, Bob Carter, group vice president for the company's U.S. sales unit, said Feb. 10.

Safety Research & Strategies Inc., a Rehoboth, Massachusetts, group that provides data to plaintiffs' attorneys and consumers, says there have been 2,262 documented incidents in the U.S. of unintended acceleration involving Toyota vehicles from 1999 through Jan. 29, 2010. The group found at least 19 deaths linked to sudden acceleration of Toyota vehicles.

—Editors: *Larry Liebert, Joe Winski*

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## U.S. Regulators Seek Records on Toyota-Recall Timing

By *Angela Greiling Keane*

**Feb. 16 (Bloomberg)** — Toyota Motor Corp. must provide documents showing whether its recalls of millions of vehicles for unintended acceleration were carried out in a “timely manner” as required by law, U.S. regulators said.

Automakers have to notify the U.S. National Highway Traffic Safety Administration within five days of determining a safety defect exists, the agency said in a statement today. Toyota has recalled about 8 million vehicles worldwide for pedal- and floor mat-related defects that may cause cars and trucks to speed up.

NHTSA, which is under pressure along with Toyota from lawmakers and safety advocates for not moving faster on the issue, said it's using its legal authority to obtain documents on three of the automaker's recent recalls. Officials from the agency and Toyota are scheduled to testify next week at two congressional hearings.

“NHTSA's going to be on the hot seat every bit as much as Toyota,” said Michelle Krebs, senior analyst at auto research firm Edmunds.com, based in Santa Monica, California. “We're going to see a lot of this kind of wrangling as we lead up to these hearings. There are so many unanswered questions.”

The agency said its inquiry will look at how the automaker learned of the defects, such as through consumer complaints or factory testing, and whether it found the defects before or after production of the vehicles. Toyota City, Japan-based Toyota is the world's largest automaker.

## Top Priority

“Our top priority is safety, and we expect that all manufacturers address automotive safety issues quickly and in a forthright manner,” NHTSA Administrator David Strickland said in the statement.

Cindy Knight, a Toyota spokeswoman, said the company is reviewing NHTSA's request “and will cooperate to provide all the information they have requested.”

“Toyota takes its responsibility to advance vehicle safety seriously and to alert government officials of any safety issue in a timely manner,” she said in an e-mailed statement.

When asked about the recalls, Transportation Secretary Ray LaHood told WGN Radio in Chicago Jan. 27 that Toyota took the steps “because we asked them to.”

The following day, when asked by a reporter whether Toyota did the recall at the government's request, LaHood said the company acted because it was following the law. “I have no criticism of Toyota on this,” LaHood said. “They did what they're supposed to do.”

On Feb. 2, he told the Associated Press that Toyota was “a little safety deaf” and federal officials had to “wake them up” to the seriousness of safety issues.

Toyota's American depository receipts, each representing two ordinary shares, fell \$1.04, or 1.4 percent, to \$76.01 at 4:03 p.m. in New York Stock Exchange composite trading.

—Editors: *Joe Richter, Steve Walsh*

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## Toyota May Recall Corolla after U.S. Investigation

By *Angela Greiling Keane and Kiyori Ueno*

**Feb. 18 (Bloomberg)** — Toyota Motor Corp. may add the Corolla, the world's top-selling car, to a record recall list as U.S. regulators begin investigating the vehicle on reports of 11 injuries tied to a suspected power-steering flaw.

A National Highway Traffic Safety Administration inquiry opened today will cover about 500,000 vehicles from model years 2009 and 2010. Toyota is reviewing the Corolla's steering and will recall the car if there is a safety issue, Executive Vice President Shinichi Sasaki said yesterday.

Toyota is already recalling more than 8 million vehicles on five continents spanning models from the Camry sedan to the Prius hybrid for brakes and accelerator pedals. The world's largest carmaker has lost more than \$31 billion in market value since announcing fixes for the pedal defects on Jan. 21.

"Toyota's troubles are going to continue for a while," said Mamoru Kato, an analyst at Tokai Tokyo Research Center in Nagoya, Japan. "Customer complaints will just snowball because they are related to driver perceptions."

Toyota fell 0.6 percent to close at 3,360 yen in Tokyo. The company's American depository receipts, each representing two ordinary shares, declined 71 cents to \$73.44 at 4:15 p.m. in New York Stock Exchange composite trading.

NHTSA, which regulates auto safety, said in a posting on its Web site that it has received 168 complaints from Corolla owners about steering "becoming unresponsive or loose while driving at highway speeds." The agency said it had reports of eight crashes and 11 injuries, and is opening the preliminary evaluation to assess the alleged defect.

#### *"Cooperate Fully"*

"We are aware of complaints regarding 2009 and 2010 Corolla steering systems, are investigating the issue and will cooperate fully," with NHTSA's investigation, Cindy Knight, a Toyota spokeswoman, said in an e-mail.

President Akio Toyoda said yesterday the company is making progress addressing the recalls, and that dealers in Japan will have fixed as much of 80 percent of Priuses by the end of February.

Toyoda said he plans to skip testifying before the U.S. Congress about the company's recalls and hasn't decided on his schedule for a U.S. visit. North American President Yoshimi Inaba will attend hearings in Washington next week, Toyoda said. Toyota's U.S. sales unit president Jim Lentz will testify at the first U.S. house hearing on the recalls, according to the company.

#### *"Dangerous Situation"*

White House press secretary Robert Gibbs, asked whether Toyota's president should testify before Congress, said the Obama administration hopes Toyota will do all it can to rectify this "dangerous situation."

"Everybody I think is rightly concerned about the recalls that have happened," Gibbs told reporters aboard Air Force One as Obama traveled to a political event in Colorado.

The U.S. is traditionally the automaker's most profitable market. Toyota placed advertisements in Japanese newspapers yesterday apologizing and promising to complete repairs as soon as possible.

The automaker has set up a global quality committee, headed by Toyoda, and will appoint a chief quality officer for each of the company's regions, Toyoda said yesterday. The committee will have its first meeting on March 30, he said. The company will appoint a third party to test its electronic throttle system.

—*With assistance from Kate Andersen Brower in Washington, Tetsuya Komatsu in Tokyo and Jeff Plungis in Washington. Editors: Joe Richter, Steve Walsh*

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## Toyota's Chief to Testify to U.S. Congress on Recalls

*By Jeff Plungis and Alan Ohnsman*

[Feb. 19 \(Bloomberg\)](#) – Toyota Motor Corp. President Akio Toyoda will testify at a U.S. congressional hearing on the automaker's record recalls, after an initial decision to send another executive raised criticism of his handling of the crisis.

Toyoda will appear Feb. 24, after accepting an invitation from Representative Edolphus Towns, a New York Democrat, the company said in statement. North American President Yoshimi Inaba had been scheduled to testify instead of Toyoda.

"This is a PR mess on a scale Toyota has never had in its history, and certainly the more you have the person at the top responding, the better," said Ed Kim, an industry analyst at AutoPacific Inc. in Tustin, California. "A lot of the moves Toyota has made up to now seem erratic and confused because they've never had to deal with anything like this before."

Toyoda appeared in public today for the fourth time in two weeks in Japan as he goes on a PR offensive to counter criticism he avoided the press when the company first announced recalls. The world's biggest carmaker is fixing more than 8 million vehicles globally for problems including unintended acceleration, and faces an investigation on a possible steering flaw on its Corolla sedan, the world's top-selling car.

"I will willingly accept criticism of our handling" of the recalls, Toyoda told reporters today in Nagoya after accepting the invitation to testify. "I would like to promote understanding of our feelings toward customers and toward the U.S."

*Market Value*

Toyota City, Japan-based Toyota, the world's largest automaker, has lost more than \$31 billion in market value since announcing fixes for accelerator-pedal defects on Jan. 21. It announced a recall of 437,000 hybrids, including the Prius, on Feb. 9.

"He's doing what he should have done from the beginning," said Jon Harmon, a Chicago-based corporate crisis consultant and former spokesman for Ford Motor Co. and Navistar International. "It's a necessary first step for him to come to Washington, but there are a lot of questions to be answered." Harmon is also author of "Feeding Frenzy: Inside the Ford-Firestone Crisis."

Japan's Transport Minister Seiji Maehara said today he would "urge Toyota to take appropriate action" on the U.S. recalls. Foreign Minister Katsuya Okada said the problems aren't limited to one company.

"This is an issue for Japan as a whole," Okada told reporters in Tokyo. "There may be an effect on trust in Japanese technology and products."

*"Pleased" With Toyota*

Towns, the oversight committee's chairman, and Representative Darrell Issa, the panel's senior Republican, said in a statement they are "pleased Mr. Toyoda accepted the invitation to testify before the committee. We believe his testimony will be helpful in understanding the actions Toyota is taking to ensure the safety of American drivers."

Toyota's U.S. sales unit president Jim Lentz is scheduled to appear at the first House of Representatives hearing on the Japanese automaker's recalls, a Feb. 23 meeting of the House Energy and Commerce Committee.

Cindy Knight, a spokeswoman for Toyota based in Washington, said she wasn't immediately aware of any change in plan for Inaba to also attend the Feb. 24 hearing.

—With reporting by Makiko Kitamura, Kiyori Ueno and Tetsuya Komatsu in Tokyo. Editors: Joe Richter, Patrick Harrington.

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## Toyota's "Hiding" to Be Probed in Hearing, Issa Says

By Jeff Plungis and Lizzie O'Leary

[Feb. 19 \(Bloomberg\)](#) – Toyota Motor Corp.'s "pattern of hiding" will be examined at a congressional hearing next week on safety recalls by the world's largest automaker, U.S. Representative Darrell Issa said today.

Toyota said yesterday that President Akio Toyoda will testify at the Feb. 24 hearing of the House Oversight and Government Reform Committee. That's important because "he's the only person that can speak for a global enterprise" about "getting those problems addressed quickly," Issa, the panel's senior Republican, said in a Bloomberg Television interview.

The panel will also examine the failure of the National Highway Traffic Safety Administration to use its legal authority to force recalls, said Issa. Regulators should be looking more globally for potential defects, the California lawmaker said.

Issa said he hoped the hearings wouldn't lead to new auto-safety legislation. "I want them to use the power they have," Issa said of NHTSA.

Toyota, the world's biggest automaker, is fixing more than 8 million vehicles worldwide for defects including unintended acceleration, and faces an investigation on a possible steering flaw on its Corolla sedan, the world's top-selling car.

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## Bloomberg Law

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