

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

State of Alaska,)
))
Plaintiff,)
))
v.)
))
Mercedes-Benz USA, LLC and)
Mercedes-Benz Group AG)
))
Defendants.) Case No. 3AN-25-_____ CI

CONSENT JUDGMENT AND ORDER

WHEREAS, the Plaintiff, State of Alaska (the “Plaintiff or “State”), brought this action pursuant to the Unfair Trade Practices Act, AS 45.50.471 et seq. (“UTPA”) alleging that Mercedes-Benz USA, LLC and Mercedes-Benz Group AG (f/k/a Daimler Aktiengesellschaft) (hereinafter collectively, the “Defendants”) willfully manufactured, marketed, advertised, and/or engaged in the wholesale distribution of certain model year 2009-2016 vehicles equipped with “BlueTEC” Diesel Technology (the “Subject Vehicles,” as specifically defined below), including more than 211,000 Subject Vehicles in the states, commonwealths, and territories that comprise the Multistate Working Group (at least 537 of which were retailed in Alaska); and that the Subject Vehicles contained undisclosed software allegedly intended to circumvent federal or state emission standards and concealed this software from the public and state and federal regulators;

WHEREAS, the Plaintiff, along with the Attorneys General of 48 other States or Commonwealths and the District of Columbia, and territories, as well as state
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environmental enforcement agencies, formed the Multistate Working Group to investigate the Defendants in connection with the emission control systems of the Subject Vehicles and the design, manufacture, import, marketing, offer, sale, or lease of those vehicles;

WHEREAS, the Plaintiff and the Defendants (collectively, the “Parties”) have agreed to resolve the Environmental and UDAP Claims raised by the Covered Conduct by entering into this Consent Judgment (hereinafter, the “Judgment”);

WHEREAS, each member of the Multistate Working Group and the Defendants are entering into agreements memorializing or implementing a settlement, and as part of the relief provided in these settlements, the Defendants will pay One Hundred Twenty Million Dollars (\$120,000,000) to the Multistate Working Group in aggregate (the “Initial Multistate Working Group Settlement Amount”);

WHEREAS, as more fully set forth in the US-CA Consent Decree (*United States, et al., v. Daimler AG, et al.*, No. 1:20-cv-02564 (D.D.C.)) and the California Partial Consent Decree (*People of the State of California v.*

Daimler AG, et al., No. 1:20- cv 02565 (D.D.C.)), the Defendants have agreed to offer to owners and lessees of Subject Vehicles an Approved Emission Modification that is expected to ensure the vehicles comply with Clean Air Act and California Health and Safety Code emissions requirements and to offer an Emission Control System Extended Modification Warranty for Subject Vehicles that receive the Approved Emission Modification; and the Defendants have agreed to engage in Environmental Mitigation

Projects to fully mitigate any lifetime excess emissions of oxides of nitrogen (“NOx”) from Subject Vehicles in the United States;

WHEREAS, the Defendants agreed to fund settlement payments to current and former owners and lessees of the Subject Vehicles in Alaska and throughout the United States as more fully set forth in the Class Action Settlement Agreement and Release (*In re Mercedes-Benz Emissions Litigation*, Case No. 2:16-cv-881 (D.N.J.)) pursuant to which eligible class member owners and lessees whose Subject Vehicles received an Approved Emission Modification have received up to \$3,290 per vehicle and eligible class member lessees and former owners and former lessees have received up to \$822.50 per vehicle, in addition to other potential payments;

WHEREAS, the Defendants deny the material factual allegations and legal claims the Plaintiff may assert, including, but not limited to, any and all charges of wrongdoing or liability arising out of any of the conduct, statements, acts or omissions that could have been alleged in this action related to the Covered Conduct, and the Parties agree that nothing in this Judgment shall constitute an admission of any wrongdoing or admission of any violations of law by any Party; and

WHEREAS, for the reasons set forth in the contemporaneously filed Consented-To Motion for Entry of Judgment in Accordance with Consent Judgment, and for the purpose of avoiding prolonged and costly litigation, and in furtherance of the public interest, the Plaintiff and the Defendants consent to the entry of this Judgment;

NOW, THEREFORE, IT IS ADJUDGED, ORDERED AND DECREED:

I. JURISDICTION AND VENUE

1. Defendants consent to this Court’s continuing subject matter and personal jurisdiction solely for the purposes of entry, enforcement, and modification of this Judgment and without waiving or in any way affecting their right to contest this Court’s jurisdiction in other matters. This Court retains jurisdiction of this action solely for the purposes of enforcing or modifying the terms of this Judgment or granting such further relief as the Court deems just and proper.

2. Defendants consent to venue in this Court solely for the purposes of entry, enforcement, and modification of this Judgment and do not waive or in any way affect their right to contest this Court’s venue in other matters.

3. Defendants hereby accept and expressly waive any defect in connection with service of process in this action issued to each Defendant by the Plaintiff and further consent to service upon the below-named counsel via email of all process in this action only. Defendants do not require issuance or service of Summons for purposes of this action only.

II. DEFINITIONS

4. As used herein, the below terms shall have the following meanings (in alphabetical order):

a. “Affiliates” means the following United States-based subsidiaries of Mercedes-Benz USA, LLC or Mercedes-Benz Group AG: Daimler Vans

USA, LLC; Mercedes-Benz Manhattan, Inc.; Mercedes-Benz Research &

Development North America, Inc.; Mercedes-Benz U.S. International, Inc.; and Mercedes-Benz Vans, LLC.

b. “AEM Installation Incentive Payment” means the \$2,000 payment Defendants shall pay Eligible Owners and Eligible Lessees who have submitted Valid Claims under the AEM Installation Incentive Program.

c. AEM Installation Incentive Program has the meaning set forth in Section IV.B herein.

d. “Approved Emission Modification” or “AEM” has the meaning set forth in the US-CA Consent Decree.

e. “Attorney General” means the Alaska Department of Law.

f. “Auxiliary Emission Control Device” or “AECD” means “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.” 40 C.F.R. § 86.1803-01.

g. “BlueTEC Diesel Technology” means selective catalytic reduction technology used in diesel vehicles.

h. “Business Day” means a calendar day that does not fall on a Saturday, Sunday, or federal holiday. In computing any period of time under this Judgment, where the last Day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next Business Day.

i. “CARB” means the California Air Resources Board.

j. “Claim Submission Deadline” means September 30, 2026.

k. “Class Action” means the class action litigation styled as *In re: Mercedes-Benz Emissions Litigation*, Case No. 2:16-cv-881 (D.N.J.).

l. “Covered Conduct” means any and all acts or omissions, including all communications, occurring up to and including the Effective Date of this Judgment, relating to: (i) the design, installation, presence, or failure to disclose any Defeat Device or Undisclosed AECD in any Subject Vehicle; (ii) the marketing or advertisement of any Subject Vehicle as green, clean, environmentally friendly (or similar such terms), and/or compliant with state or federal emissions regulations and/or standards, including the marketing or advertisement of any Subject Vehicle without disclosing the design, installation, or presence of a Defeat Device or Undisclosed AECD; (iii) any emissions-related conduct in connection with the distribution to, offering for sale, delivery for sale, sale, lease, updating, maintaining, or warranting of any Subject Vehicle in any State; (iv) statements or omissions concerning the Subject Vehicles’ emissions and/or the Subject Vehicles’ compliance with applicable emissions regulations and/or standards, including, but not limited to, certifications of compliance or other similar documents or submissions; (v) conduct alleged, or any related conduct that could have been alleged, in any complaint, notice of violation, executive order or notice of penalty filed or issued, or that could have been filed or issued, by any State or State agency, that the Subject Vehicles contain

prohibited Undisclosed AECDs or Defeat Devices that cause the Subject

Vehicles to emit emissions in excess of applicable legal standards, or that as a result of or in connection with any such conduct, Defendants falsely reported the Subject Vehicles' emissions, Defendants tampered with any emissions control device or element of design related to emissions controls installed in the Subject Vehicles, Defendants affixed labels related to emissions to the Subject Vehicles that were false, invalid or misleading and/or Defendants breached their emissions warranties relating to the Subject Vehicles; and (vi) the effect of the conduct described in subparts (i) and (ii) giving rise to violations of laws or regulations governing air pollution, including, without limitation, emission standards, emission control system standards, on-board diagnostics standards, and certification and disclosure requirements.

m. "Day" means a calendar day, unless expressly stated to be a Business Day. In computing any period of time under this Judgment, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next Business Day.

n. "Dealers" means entities authorized by Mercedes-Benz USA, LLC or Daimler Vans USA LLC, subject to a written dealer agreement, to sell and/or service Subject Vehicles in the United States.

o. "Defeat Device" means an 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 go beyond the requirements of engine starting; or (4) The AECD applies only for emergency vehicles,”

40 C.F.R. § 86.1803-01. A Defeat Device includes “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).

p. “DEC” means the Alaska Department of Environmental Conservation.

q. “Effective Date” means the date on which this Judgment has been signed by the Parties and entered as an order by the Court.

r. “Eligible Lessee” means the lessee or lessees of an Eligible Vehicle with an active lease as of the date the Eligible Vehicle receives the AEM.

s. “Eligible Owner” means the owner or owners of an Eligible Vehicle on the day that the Eligible Vehicle receives the AEM.

t. “Eligible Vehicle” means any vehicle in an Emission Modification Category identified in Appendix B, Attachment I to the US-CA Consent Decree

that is (1) registered with a state Department of Motor Vehicles or equivalent

agency or held by a Dealer or unaffiliated dealer and located in the United States or its territories; and (2) Operable as of the date the vehicle is brought in for the AEM.

u. “Emission Control System Modification Warranty” has the meaning set forth in the US-CA Consent Decree.

v. “Environmental Claims” means claims or potential claims, arising from or relating to the Covered Conduct, including for emissions mitigation or NOx mitigation, or for any emissions-related payments, that were brought or could be brought under Environmental Laws by the Plaintiff, including in its sovereign enforcement capacity or as *parens patriae* on behalf of its citizens or by DEC.

w. “Environmental Laws” means any potentially applicable federal, state and/or local laws, rules, regulations and/or common law or equitable principles or doctrines under which the Environmental Claims may arise including, without limitation, laws, rules and/or regulations regarding air pollution control from motor vehicles, mobile source emissions, certification, reporting of information, inspection and maintenance of vehicles and/or anti-tampering provisions, together with related common law and equitable claims.

x. “Environmental Mitigation Projects” has the meaning set forth in the US-CA Consent Decree.

y. “EPA” means the United States Environmental Protection Agency.

z. “Final Subject Vehicle Report” means the report due by October 31, 2026 pursuant to Paragraph 24.

aa. “Final Suspended Settlement Amount” means the settlement amount due to the Multistate Working Group following completion of the AEM Installation Incentive Program.

bb. “Initial Multistate Working Group Settlement Amount” means the settlement amount due, in aggregate, to the Multistate Working Group following entry of this Consent Judgment and pursuant to Paragraph 9 totaling One Hundred and Twenty Million Dollars (\$120,000,000).

cc. “Initial Suspended Settlement Amount” means the Multistate Working Group settlement amount suspended until completion of the AEM Installation Incentive Program, totaling Twenty-Nine Million Six Hundred and Seventy-Three Thousand Seven Hundred and Fifty Dollars (\$29,673,750).

dd. “Initial State of Alaska Settlement Amount” means the amount due to the State of Alaska following entry of this Consent Judgment and pursuant to Paragraph 10.

ee. “Interim Subject Vehicle Report” means the report due by January 31, 2026 pursuant to Paragraph 24.

ff. “Multistate Executive Committee” means the Executive Committee of the Multistate Working Group consisting of the following states: Alabama, Connecticut, Delaware, Georgia, Maryland, New Jersey, New York, South Carolina, and Texas.

gg. “Multistate Working Group” or “MWG” means the Attorneys General of Alabama, Alaska, Arkansas, Colorado, Connecticut, Delaware, the 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, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

hh. “MWG Member” means any state, commonwealth, or territory that is a member of the Multistate Working Group.

ii. “Operable” means that a vehicle so described can be driven under its own engine power.

jj. “Subject Vehicle” means a “Subject Vehicle” as defined in the US-CA Consent Decree, which includes the BlueTEC II diesel vehicles listed in the table below.

BlueTEC II Diesel Vehicles	
Model	Model Year(s)
E250	2014-2016
E350	2011-2013
GL320	2009
GL350	2010-2016
GLE300d	2016
GLE350d	2016
GLK250	2013-2015
ML250	2015
ML320	2009
ML350	2010-2014
R320	2009
R350	2010-2012
S350	2012-2013
Mercedes-Benz or Freightliner Sprinter (4-cylinder)	2014-2016
Mercedes-Benz or Freightliner Sprinter (6-cylinder)	2010-2016

kk. “UDAP Claims” means claims or potential claims arising from or related to the Covered Conduct the State asserted or could assert in its sovereign enforcement capacity or as parens patriae on behalf of its citizens under UDAP Laws, as well as common law and equitable claims, including claims or potential claims that could be brought for injunctive relief and/or restitution or other monetary payments to consumers under UDAP Laws.

ll. “UDAP Laws” means all potentially applicable consumer protection and unfair trade and deceptive acts and practices laws, rules and/or regulations, including, without limitation, the UTPA, as well as under federal, state and/or local laws, rules, regulations and/or common law or equitable principles or doctrines.

mm. “Undisclosed AECD” means an AECD that was not disclosed to federal or state regulators in the course of applying to such regulators for certification of emission compliance or Executive Order.

nn. “US-CA Consent Decree” means the Consent Decree lodged with the United States District Court for the District of Columbia on or about September 14, 2020 and entered on or about March 9, 2021, in *United States v. Daimler AG, et al.*, No. 1:20-cv-02564, as agreed by (1) the United States on behalf of the EPA; (2) the People of the State of California, by and through the Attorney General of California, and CARB; and (3) Defendants, resolving disputes between those parties on the terms described therein.

oo. “Valid Claim” means an AEM Installation Incentive Program claim that is accurate, truthful, complete, executed by an Eligible Owner or Eligible Lessee or authorized representative, and submitted to Defendants or a claims administrator designated by Defendants by the Claim Submission Deadline. A Valid Claim must include all required documentation, including proof that the AEM has been installed in the Eligible Vehicle between

August 1, 2023 and August 31, 2026. The claim must be submitted by an
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Eligible Owner or Eligible Lessee or their representative via the methods described in the notice of the AEM Installation Incentive Program, attached as Exhibit 1 to this Judgment.

III. EFFECT OF JUDGMENT

5. This Judgment fully and finally resolves and disposes of the Environmental Claims and UDAP Claims that were alleged in the Complaint in this matter or that could be brought by the State, in its sovereign enforcement capacity or as parens patriae on behalf of the citizens of the State or by DEC.

6. The Judgment will, upon its Effective Date, constitute a fully binding and enforceable agreement between the Parties, and the Parties consent to its entry as a final judgment by the Court.

7. 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 Judgment is intended to alter in any way the obligations assumed, or rights obtained, by Defendants under those other settlements, consent decrees, consent judgments, or agreements.

IV. RELIEF

8. Without admitting any of the factual or legal allegations in the Complaint, the Defendants have agreed to the following relief.

A. MONETARY RELIEF

9. Defendants shall pay the Multistate Working Group the Initial Settlement Amount of One Hundred and Twenty Million Dollars (\$120,000,000) to be disbursed

and allocated among the Multistate Working Group as it, in its sole discretion, determines.

10. Based on an agreement among the Multistate Working Group, Defendants shall pay Plaintiff State of Alaska Two Hundred and Fifty Thousand Dollars (\$250,000) within sixty (60) Days of receipt by Defendants of (i) a signed certification on State of Alaska, Department of Law letterhead that the Judgment is final under the laws of the State of Alaska; (ii) a copy of the Judgment entered by the Court and any other documents evidencing the finality of the Parties' settlement; and (iii) wire instructions on State of Alaska, Department of Law letterhead (collectively, the "Settlement Documents"), Defendants shall pay the State of Alaska in accordance with the Settlement Documents. If the State of Alaska seeks two or more separate payments, Defendants shall pay the State of Alaska in accordance with the Settlement Documents within ninety (90) Days of receipt by Defendants of the Settlement Documents. Said payment shall be deposited into the State of Alaska General Fund. In the event the State of Alaska does not sign this Judgment or this Judgment is not entered as an order by the Court, the Initial State of Alaska Settlement Amount shall not be paid or owed by Defendants.

11. The Initial Suspended Settlement Amount shall be Twenty-Nine Million, Six Hundred and Seventy-Three Thousand Seven Hundred and Fifty Dollars (\$29,673,750). The Initial Suspended Settlement Amount shall be reduced by Seven Hundred and Fifty Dollars (\$750) for: (1) every Subject Vehicle that has received or receives the AEM between August 1, 2023 and August 31, 2026; (2) every Subject *SOA v. Mercedes-Benz USA, LLC et al.*

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Vehicle that has been or is permanently removed from commerce between August 1, 2023 and August 31, 2026; and (3) every Subject Vehicle that Defendants have purchased or purchase between August 1, 2023 and August 31, 2026.¹ However, in no case shall the Initial Suspended Settlement Amount be reduced by more than Seven Hundred and Fifty Dollars (\$750) for any single Subject Vehicle. The Initial Suspended Settlement Amount less any reductions pursuant to this paragraph shall be the Final Suspended Settlement Amount. If the Multistate Executive Committee reviews and accepts the Final Subject Vehicle Report, the total amount of reductions for purposes of determining the Final Suspended Settlement Amount shall be based on the information provided in the Final Subject Vehicle Report.

12. By November 30, 2026, the Multistate Executive Committee shall provide to Defendants: (i) a signed certification on behalf of the Multistate Working Group stating the Final Suspended Settlement Amount due to the Multistate Working Group and the portion thereof due to each MWG Member; and (ii) written payment instructions identifying by MWG Member the official payee, the particular payment amount and any other information necessary to effectuate payment of the amounts due and owing under this Paragraph (the “Final Suspended Settlement Amount Documents”). Notwithstanding the foregoing, neither the Multistate Working Group nor the State of Alaska shall require additional state-specific information to determine the

¹ Subject Vehicles that Defendants have purchased or purchase between August 1 2023 and August 31, 2026 shall not be sold, leased, or reintroduced into commerce in the United States without an AEM.

portion of the Final Suspended Settlement Amount due to each MWG Member, including, but not limited to, AEM installation information or vehicle registration information.

13. If Defendants dispute the Final Suspended Settlement Amount as determined by the Multistate Executive Committee, Defendants shall provide notice to the Multistate Executive Committee within thirty (30) Days of receipt of the Final Suspended Settlement Amount Documents. The Multistate Executive Committee shall provide such response within thirty (30) Days of receipt of notice of the dispute. Within the thirty (30) Day period, the Parties may request a meeting to discuss the dispute. If a Party makes such a request, the meeting may occur either remotely or in person, within ten (10) Business Days from the date of the request or at a later time if mutually agreed. The Multistate Executive Committee shall provide a written response in advance of any meeting, unless Defendants agree to waive this requirement. The request for, or occurrence of, a meeting does not enlarge the period of time for the Multistate Executive Committee to provide its written response, although Defendants may agree to provide more than thirty (30) Days to respond. In the event the Parties do not resolve the dispute within thirty (30) Days of Defendants' receipt of the Multistate Executive Committee's written response, the dispute shall, upon written notice by the Defendants to the Multistate Executive Committee, be resolved through binding mediation in accordance with the following rules. The Parties agree that the mediator shall determine the Final Suspended Settlement Amount and that this determination shall be binding upon the Parties and that the sole purpose of the mediation shall be to resolve a dispute *SOA v. Mercedes-Benz USA, LLC et al.*

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related to the Final Suspended Settlement Amount.

a. Mediator Selection.

i. The Multistate Executive Committee shall select a mediator.

Defendants shall select a mediator. If either Party agrees to the other Party's choice of mediator, the agreed-to mediator shall mediate the dispute. If neither Party agrees to the other Party's choice of mediator, the mediator selected by the Multistate Executive Committee and the mediator selected by Defendants shall jointly select a third mediator who shall mediate the dispute.

ii. All mediators selected pursuant to Paragraph 13.a shall disclose to the Parties whether he or she has any financial or personal interest in the outcome of the mediation or whether there exists any fact or circumstance reasonably likely to create a presumption of bias. If either Party objects to a mediator jointly selected by the mediator selected by the Multistate Executive Committee and the mediator selected by Defendants due to financial or personal interest or bias, the mediator selected by the Multistate Executive Committee and the mediator selected by Defendants shall continue to jointly select mediators until neither Party objects.

b. Initiation of Mediation. Following selection of the mediator, Defendants shall submit to the mediator the notice provided to the Multistate

Executive Committee shall submit to the mediator the response provided to Defendants pursuant to Paragraph 13. Both Parties shall submit the contact information of all Parties to the dispute and the counsel, if any, who will represent them in the mediation. Either Party may submit an additional brief statement of the nature of the dispute.

- c. Representation. Any party may be represented by persons of the Party's choice. Representation by counsel is not required.
- d. Date, Time and Place of the Mediation. The mediator will fix the date and the time of each mediation session. The mediation will be held at a location agreed to by the Parties and the mediator and may also be held remotely.
- e. Conduct of the Mediation and Authority of the Mediator. The mediator may conduct the mediation in such a manner as he or she considers appropriate, taking into account the circumstances of the case, the wishes of the Parties and the need for a speedy resolution of the dispute. The mediator is authorized to conduct both joint and separate meetings with the parties. The mediator has authority to determine the Final Suspended Settlement Amount and impose that decision on the Parties.
- f. Privacy and Confidentiality.
 - i. Mediation sessions are private. Persons other than the Parties and their representatives may attend only with the permission of all

Parties and with the consent of the mediator.

- ii. All information, records, reports or other documents received by a mediator while serving in that capacity will be confidential. The mediator will not be compelled to divulge such records or to testify or give evidence in regard to the mediation in any adversary proceeding or judicial forum. The Parties will maintain the confidentiality of the mediation and will not rely upon or introduce as evidence in any arbitral, judicial or other proceeding:
 - 1. Views expressed or suggestions or offers made by another Party or the mediator in the course of the mediation proceedings;
 - 2. Admissions made by another Party in the course of the mediation proceedings relating to the merits of the dispute; or
 - 3. The fact that another Party had or had not indicated a willingness to accept a proposal for settlement made by another Party or by the mediator. Facts, documents or other things otherwise admissible in evidence in any arbitral, judicial or other proceeding will not be rendered inadmissible by reason of their use in the mediation.

- g. Fees and Expenses. Defendants shall be responsible for all mediation fees

and expenses including, without limitation, the fees and expenses of the

mediator.

- h. **Role of Mediator in Other Proceedings.** Unless all Parties agree in writing, the mediator may not act as an arbitrator or as a representative of, or counsel to, a Party in any arbitral or judicial proceedings relating to the dispute that was the subject of the mediation.
- i. **Governing Law.** The mediation shall be governed by, construed and take effect in accordance with the laws where the mediation takes place. The State of Alaska specifically agrees that such laws shall apply, even if the State of Alaska is not the location of the mediation.
- j. **Termination.** The mediation shall terminate when the mediator resolves the dispute by determining the Final Suspended Settlement Amount. The decision of the mediator shall be binding on the Parties.

14. If Defendants do not dispute the Final Suspended Settlement Amount set forth in Paragraph 12, Defendants shall pay the Final Suspended Settlement Amount within thirty (30) Days of receipt of the Final Suspended Settlement Amount Documents. If Defendants dispute the Final Suspended Settlement Amount as set forth in Paragraph 13, Defendants shall pay the Final Suspended Settlement Amount within thirty (30) Days of the mediator's determination of the amount of the Final Suspended Settlement Amount. If the State of Alaska seeks two or more separate payments, Defendants shall pay the State of Alaska within sixty (60) Days of receipt by Defendants of the Settlement Documents or within sixty (60) Days of the mediator's determination of the Final Suspended Settlement Amount, as applicable. Defendants

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shall pay the Final Suspended Settlement Amount due to the State of Alaska in accordance with the Final Suspended Settlement Amount Documents.

15. The Final Suspended Settlement Amount shall be deposited into the State of Alaska General Fund.

B. AEM INSTALLATION INCENTIVE PROGRAM

16. Defendants shall establish and maintain an AEM Installation Incentive Program pursuant to this Section IV.B.

17. Eligible Owners and Eligible Lessees whose Eligible Vehicle has received an AEM or receives an AEM between August 1, 2023 and August 31, 2026, and who submit a Valid Claim are entitled to an AEM Installation Incentive Payment. The AEM Installation Incentive Payment will be \$2,000 per Eligible Vehicle. To obtain an AEM Installation Incentive Payment, Eligible Owners and Eligible Lessees must submit a Valid Claim by the Claim Submission Deadline.

18. The AEM Installation Incentive Payment is a maximum of \$2,000 per Eligible Vehicle that receives the AEM between August 1, 2023 and August 31, 2026. Therefore, any Eligible Owner or Eligible Lessee whose Eligible Vehicle has received an AEM since August 1, 2023 and who has already received a payment of \$2,000 per vehicle from Defendants through any prior AEM installation incentive program is not eligible to receive the AEM Installation Incentive Payment.

19. AEM Installation Incentive Program Notice.

a. Defendants or a third-party retained by Defendants shall provide

notice of the AEM Installation Incentive Program via first-class, postage paid

U.S. mail to: (1) as known to Defendants, Eligible Owners and Eligible Lessees of Eligible Vehicles that received the AEM between August 1, 2023 and June 5, 2025; and (2) as known to Defendants, owners and lessees of Subject Vehicles that have not received the AEM as of June 5, 2025 (together, “Notice Recipients”). If necessary to determine accurate information, Defendants may obtain contact information for Notice Recipients from a third-party aggregator of motor vehicle registration data.

b. Notice of the AEM Installation Incentive Program shall follow the format and content of Exhibit 1 to this Judgment.

c. Defendants shall provide notice of the AEM Installation Incentive Program pursuant to Paragraph 19.a as follows.

i. No later than thirty (30) Business Days following the Effective Date, MWG Members that choose to do so may send Defendants, via the processes set forth in Paragraph 27, a letter template to be used to provide notice of the AEM Installation Incentive Program to Notice Recipients. Such template may include the State of Alaska, Department of Law letterhead, seal, or other identifying information. If the State of Alaska chooses to send a letter template to Defendants, the State of Alaska hereby consents to receipt by Defendants and a third-party retained by Defendants of such template, and use by a third-party retained by Defendants of such template for the purpose of issuing notice of the

the event the State of Alaska does not provide a letter template to Defendants by the date set forth in this Paragraph 19.c.i, Defendants may issue the notice on a template of their choice.

ii. In no event shall Defendants be required to provide notice of the AEM Installation Incentive Program to Notice Recipients with addresses in any state, commonwealth, or territory 1) before the Effective Date of the applicable Judgment; and 2) if required under law or by applicable agreement, before the relevant state, commonwealth, or territory agency or department has provided permission for Defendants or a third-party retained by Defendants to use contact information for Notice Recipients obtained from that agency or department. The date on which the relevant agency or department provides such permission shall be referred to as the “Use of Contact Information Approval Date.”

iii. If both the Effective Date and, as applicable, the Use of Contact Information Approval Date are December 31, 2025 or earlier for every state, commonwealth, or territory, Defendants shall provide notice of the AEM Installation Incentive Program within thirty (30) Business Days after the latest date by which a MWG Member must provide a letter template pursuant to Paragraph 19.c.i.

iv. If both the Effective Date and, as applicable, the Use of Contact Information Approval Date are not December 31, 2025 or earlier for every state, commonwealth, or territory:

1. For those states, commonwealths, or territories for which both the Effective Date and, as applicable, the Use of Contact Information Approval Date are December 31, 2025 or earlier, Defendants shall provide notice of the AEM Installation Incentive Program to Notice Recipients with addresses in those states, commonwealths, and territories by February 16, 2026.

2. For those states, commonwealths, and territories for which either the Effective Date or, as applicable, the Use of Contact Information Approval Date is not December 31, 2025 or earlier, Defendants shall provide notice of the AEM Installation Incentive Program to Notice Recipients with addresses in such states, commonwealths, and territories within thirty (30) Business Days after the date by which the MWG Member must provide a letter template pursuant to Paragraph 19.c.i, or the Use of Contact Information Approval Date, whichever is later.

C. INJUNCTIVE RELIEF

20. Except as otherwise stated herein, Defendants and their officers and employees are hereby enjoined as follows:

a. The Defendants and their Affiliates shall not engage in future unfair or deceptive acts or practices under Alaska law in connection with their dealings with consumers and state regulators, directly or indirectly, by:

i. Advertising, marketing, offering for sale, selling, offering for lease, leasing, or distributing in Alaska any diesel vehicle that contains a Defeat Device;

ii. Misrepresenting to consumers, or knowingly assisting Dealers in misrepresenting to consumers, that a diesel vehicle complies with United States, State or local emissions standards set forth in 40 C.F.R. § 86.1811-17, 40 C.F.R. 86.1816-18, 13 Cal. Code Regs § 1961.2, or state or local adoption thereof, as amended from time to time;

iii. Making a materially misleading statement or omission to consumers regarding the compliance of a diesel vehicle with United States or State emissions standards set forth in 40 C.F.R. § 86.1811-17, 40 C.F.R. 86.1816-18, 13 Cal. Code Regs § 1961.2, or state or local adoption thereof, as amended from time to time;

iv. Misrepresenting to consumers the level of emissions that a diesel vehicle emits, including that it has lower emissions than other vehicles, or a specific level(s) of emissions.

21. The Defendants and their Affiliates shall not engage in any act or practice prohibited by the US-CA Consent Decree attached hereto as Exhibit 2, to the extent enjoined by Section VI (Subject Vehicle Compliance), Section VII (Corporate Compliance), and Section VIII (Mitigation) therein, or by the Class Action settlement agreement attached hereto as Exhibit 3.

22. The Defendants shall comply with the Payments to Eligible Class Members and Contingency Payments provisions (Secs. 5.2-5.3) including the Owner/Lessee Payment, the Former Owner/Lessee Payment, and the Post-Announcement Owner/Lessee Payment of the Class Action settlement agreement.

23. Notwithstanding Paragraphs 21 and 22, the making of any determination of whether Defendants have materially violated the terms of the US-CA Consent Decree or the Class Action settlement agreement shall continue to be governed exclusively by the processes, procedures, and mechanisms described in the US-CA Consent Decree and Class Action settlement agreement, as applicable.

V. REPORTING AND NOTICES

24. Defendants shall submit to the Multistate Working Group an Interim Subject Vehicle Report and a Final Subject Vehicle Report containing a list in an Excel data spreadsheet, by Vehicle Identification Number (“VIN”), of: (1) every Subject Vehicle that Defendants assert has received an AEM from August 1, 2023 through August 31, 2026 and the state of the Dealer that installed the AEM; (2) every Subject Vehicle that Defendants assert has been permanently removed from commerce from August 1, 2023 through August 31, 2026 and the state of the Dealer last visited by the Subject Vehicle; and (3) every Subject Vehicle that Defendants assert has been purchased by Defendants from August 1, 2023 through August 31, 2026 and the state of the Dealer last visited by the Subject Vehicle. Defendants shall submit the Interim Subject Vehicle Report by January 31, 2026 and it shall include VINs of Subject Vehicles that Defendants have identified as having received the AEM, been

permanently removed from commerce, or been purchased by Defendants. Defendants shall submit the Final Subject Vehicle Report by October 31, 2026, which shall include VINs of all Subject Vehicles that Defendants assert have received the AEM, been permanently removed from commerce, or been purchased by Defendants during the period August 1, 2023 through August 31, 2026, and the state of the Dealer that installed the AEM or that was last visited by the Subject Vehicle, as applicable. All such reports and information shall be submitted by e-mail to the Connecticut, Delaware, and Maryland Attorney General's Offices to the addresses provided below in Paragraph 27. The Connecticut, Delaware, and Maryland Attorney General's Offices may provide a copy of the reports or information received from the Defendants to the Plaintiff upon request.

25. The Final Subject Vehicle Report shall be signed by an officer or director of either Defendant and shall include the following certification:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, correct, and complete. I have no personal knowledge that the information submitted is other than true, correct, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

26. Defendants shall promptly respond to the Plaintiff's reasonable inquiries about the status of its consumers' claims submitted under the Class Action settlement agreement. Defendants shall provide the State with contact information for a representative of the Defendants for purposes of such inquiries.

27. Any notices required to be sent to the Plaintiff or the Defendants under this Judgment shall be sent by: (1) U.S. 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 document; or if mutually agreed, by (2) email, to the email addresses listed below. Communications enclosing or regarding the Settlement Documents, as set forth in Paragraphs 10 and 12 or any dispute therein, as set forth in Paragraph 13, may be sent by e-mail to the addresses provided below. The notices or documents shall be sent to the following addresses:

For the State of Alaska:

Ian Engelbeck
Helen Mendolia
Assistant Attorney General
Alaska Department of Law
Consumer Protection Unit
1031 West 4th Ave., Suite 200
Anchorage, AK 99501
Phone: 907-269-5100
Fax: 907-276-3697
ian.engelbeck@alaska.gov
Helen.Mendolia@alaska.gov
Consumerprotection@alaska.gov

For the Multistate Working Group Executive Committee:

Brendan T. Flynn
Rebecca Quinn
Assistant Attorney General
Michael C. Wertheimer

Department of Law, Civil Division

1031 W. 4th Avenue, Suite 200

Anchorage, AK 99501

Phone: (907) 269-5190 Fax: (907) 276-3697

Deputy Associate Attorney General / Chief of the Consumer Protection
Section

Office of the Attorney General
Consumer Protection Section
165 Capitol Ave.
Hartford, Connecticut 06105
Phone: 860-808-5400
Fax: 860-808-5593
Brendan.Flynn@ct.gov
Rebecca.Quinn@ct.gov
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And

Scott Koschwitz
Assistant Attorney General
Matthew Levine
Deputy Associate Attorney General / Chief of the Environment Section
Office of the Attorney General
Environment Section
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Marion Quirk
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Delaware Department of Justice
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Wilmington, DE 19801
marion.quirk@delaware.gov

Hanna Abrams
Assistant Attorney General
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Baltimore, MD 21202
habrams@oag.state.md.us

and

Chief
Consumer Protection Division
200 St. Paul Place, 16th Floor
Baltimore, MD 21202

For the Defendants:

Daniel W. Nelson
Stacie B. Fletcher
Gibson, Dunn & Crutcher LLP
1700 M Street, N.W.,
Washington, D.C. 20036-4504
Phone : 202-955-8500
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dnelson@gibsondunn.com
sfletcher@gibsondunn.com

Dirk Lindemann
Mercedes-Benz Group AG
Mercedestraße 120
Building 120, Floor 8
(HPC 096-- F 387)
70327 Stuttgart

Office of General Counsel
Mercedes-Benz USA, LLC
One Mercedes-Benz Drive
Sandy Springs, GA 30328-4312

VI. RELEASE

28. Subject to Paragraph 29 below, in consideration of the monetary and non-monetary relief described in Section IV, including the Final Suspended Settlement Amount, and the undertakings to which the Defendants have agreed in the Class Action settlement agreement and the US-CA Consent Decree, and upon the Defendants' payment of the amount contemplated in Paragraph 10:

a. Except as provided in Paragraph 29 below, the State releases 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, the "Released Parties"), from all further UDAP Claims arising from or related to the Covered Conduct, including without limitation (i) restitution or other monetary payments or injunctive relief to consumers; and (ii) penalties, fines, restitution or other monetary payments or injunctive relief to the State.

b. Except as provided in Paragraph 29 below, the State releases the Released Parties from all Environmental Claims arising from or related to the Covered Conduct, including, without limitation, injunctive relief, penalties, fines, restitution, or other monetary payments.

29. The State of Alaska reserves, and this Judgment is without prejudice to, all claims, rights, and remedies against Defendants, and Defendants reserve, and this Judgment is without prejudice to, all defenses with respect to all matters not expressly released in Paragraph 28, including, without limitation:

- a. any claims arising under state tax laws;
 - b. any claims for the violation of securities laws;
 - c. any criminal liability;
 - d. any civil claims unrelated to the Covered Conduct;
 - e. any action to enforce this Judgment and subsequent, related orders
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or judgments; and

f. any claims alleging violations of state or federal antitrust laws.

VII. DISPUTE RESOLUTION

30. If either the State of Alaska, Department of Law or DEC (the “Relevant State Agency”) believes that the Defendants have failed to comply with any provision of this Judgment, and if in the Relevant State Agency’s sole discretion, the failure to comply does not threaten the health or safety of the citizens of the State of Alaska and/or does not create an emergency requiring immediate action, the Relevant State Agency shall provide notice to the Defendants of such alleged failure to comply as well as notice to the other state agency. The Defendants shall have thirty (30) Days from receipt of such notice to provide a good faith written response, including either: (1) a statement that the Defendants believe they are in full compliance with the relevant provision; or (2) a statement explaining the violation’s likely cause, how the violation has been addressed or how it will be addressed, and what the Defendants will do to prevent the violation from occurring again. Within the thirty (30) Day period, the Defendants may request a meeting to discuss the alleged violation. If the Defendants make such a request, the Relevant State Agency may meet with the Defendants, either by phone or in person, within ten (10) Business Days from the date of Defendant’s request or at a later time if mutually agreed. The Defendants shall provide their written response in advance of any meeting with the Relevant State Agency, unless the Relevant State Agency agrees to waive this requirement. The request for, or occurrence of, a meeting does not enlarge the period of time for Defendants to provide their written

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response, although the Relevant State Agency may agree to provide the Defendants with more than thirty (30) Days to respond. The Relevant State Agency shall receive and consider the response from the Defendants prior to initiating any proceeding for any alleged failure to comply with this Judgment.

31. Nothing in this Section shall be construed to limit the authority of either the State of Alaska, Department of Law or DEC under Alaska law including its authority provided under the consumer protection and environmental protection laws and to issue investigative subpoenas.

VIII. MISCELLANEOUS

32. The provisions of this Judgment shall be construed in accordance with the laws of the State of Alaska.

33. This Judgment is made without (i) trial or adjudication of any issue of fact or law; (ii) admission of any issue of fact or law; or (iii) finding of wrongdoing or liability of any kind.

34. The Plaintiff acknowledges that Defendants have provided sufficient information to resolve the Covered Conduct and the State agrees not to initiate or pursue any additional discovery from Defendants related to the Covered Conduct; provided, however, nothing in this Judgment shall limit the Plaintiff's right to obtain information, documents, or testimony from the Defendants pursuant to any state or federal law, regulation, or rule concerning the claims reserved in Paragraph 29, or to evaluate the Defendants' compliance with the obligations set forth in this Judgment.

35. Defendants agree not to deduct the State of Alaska Settlement Amounts in calculating their state or local income taxes in Alaska.

36. Nothing in this Judgment releases any private rights of action asserted by entities or persons not releasing claims under this Judgment, nor does this Judgment limit any defense available to the Defendants in any such action.

37. The Parties agree that this Judgment does not enforce the laws of other countries, including the emissions laws or regulations of any jurisdiction outside the United States. Nothing in this Judgment is intended to apply to, or affect, 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 Defendants' obligations under this Judgment.

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

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

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

41. Nothing in this Judgment shall constitute an admission or finding of fact or an admission or finding that Defendants have engaged in or are engaged in a violation of law.

42. This Judgment, which constitutes a continuing obligation, is binding upon the Plaintiffs and Defendants, and any of Defendants' respective successors, assigns, or other entities or persons otherwise bound by law.

43. Aside from any action stemming from compliance with this Judgment and except in the event of a Court's material modification of this Judgment, the Parties waive all rights of appeal or to re-argue or re-hear any judicial proceedings upon this Judgment, any right they may possess to a jury trial, and any and all challenges in law or equity to the entry of this Judgment. The Parties will not challenge or appeal (i) the entry of the Judgment, unless the Court modifies the substantive terms of the Judgment, or (ii) the Court's jurisdiction to enter and enforce the Judgment.

44. The terms of this Judgment may be modified only by a subsequent written agreement signed by all Parties. Where the modification constitutes a material change to any term of this Judgment, it will be effective only by written approval of all Parties and the approval of the Court.

45. Consent to this Judgment does not constitute approval by the Attorney General of the Defendants' business acts and practices, and Defendants shall not represent this Judgment as such an approval.

46. In entering into this Judgment, the Defendants have made no admission of law or fact. The Defendants shall not take any action or make any statement denying the *SOA v. Mercedes-Benz USA, LLC et al.*

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legitimacy of this Judgment. Nothing in this paragraph affects the Defendants' right to take legal or factual positions in defense of litigation or other legal, administrative or regulatory proceedings, or any person's testimonial obligations.

47. Nothing in this Judgment shall create or give rise to a private right of action of any kind or create any right in a non-party to enforce any aspect of this Judgment or claim any legal or equitable injury for a violation of this Judgment. The exclusive right to enforce any violation or breach of this Judgment shall be with the parties to this Judgment and the Court.

48. Nothing in this Judgment shall relieve the Defendants of their obligation to comply with all federal, state or local law and regulations.

49. If any portion of this Judgment is held by a court of competent jurisdiction to be invalid by operation of law, the remaining terms of this Judgment shall not be affected and shall remain in full force and effect, unless the portion found to be invalid is of such material effect that this Judgment cannot be performed in accordance with the intent of the Parties in the absence of any such provision.

50. This Judgment supersedes all prior communications, discussions or understandings, if any, of the Parties, whether oral or in writing.

51. Any filing or related court costs imposed shall be paid by the Defendants. Each of the persons who signs his/her name below affirms that he/she has the authority to execute this Judgment on behalf of the Party whose name appears next to his/her signature and that this Judgment is a binding obligation enforceable against said Party

under Alaska law. The signatory from the Alaska Department of Law represents that he
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has the authority to execute this Judgment on behalf of the State and that this Judgment is a binding obligation enforceable against the State under Alaska law.

IX. TERMINATION

52. Termination of Paragraphs 21, 22, 23, and 26 shall occur upon termination of the US-CA Consent Decree and the Class Action settlement agreement, as applicable. Termination of Section IV.B (the AEM Installation Incentive Program) shall occur on October 31, 2026. Termination of Paragraphs 24 and 25 (Subject Vehicle Reporting) shall occur upon payment of the Final Suspended Settlement Amount provided pursuant to Paragraph 14.

Department of Law, Civil Division

1031 W. 4th Avenue, Suite 200

Anchorage, AK 99501

Phone: (907) 269-5190 Fax: (907) 276-3697

IT IS SO ORDERED. JUDGMENT is hereby entered in accordance with the foregoing.

By the Court:

Judge

Dated:

Department of Law, Civil Division

1031 W. 4th Avenue, Suite 200

Anchorage, AK 99501

Phone: (907) 269-5190 Fax: (907) 276-3697

The Undersigned Parties enter into this Consent Judgment in the matter of *State of Alaska v. Mercedes-Benz USA, LLC, and Mercedes-Benz Group AG*.

DATED: Dec. 22, 2025

PLAINTIFF,
STATE OF ALASKA,

STEPHEN J. COX
ATTORNEY GENERAL

By: /s/ Ian Engelbeck
Ian R. Engelbeck
Assistant Attorney General
Alaska Bar No. 2010094

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Attorneys for Defendants

Date: December 12, 2025

By: /s/ Stacie B. Fletcher

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By: /s/ John S. Poulos

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