Defendants have known since 2002 that their vehicles' acceleration controls were adversely affected by radio waves. During those years, Defendants became aware of numerous customers who were injured and killed in accidents where SUA caused their vehicles to speed out of control and crash. In 2004, Defendants met with National Highway Transportation Safety officials in an effort to minimize the investigation of SUA incidents, to minimize the publicity adverse to them, and to avoid substantial costly recalls of millions of their automobiles. Upon information and belief, as part of the scheme to defraud consumers, Defendants replaced experienced automobile workers with less expensive temporary workers at TMMK, causing manufacturing quality to suffer, at the same time as they publicly represented to consumers the excellent engineering and reliability of their vehicles. Upon information and belief, during this time period, Defendants quietly repaired vehicles brought to them by customers who experienced SUA, but intentionally and recklessly failed to warn customers driving similar vehicles. Instead, they intentionally misrepresented to consumers, including Plaintiffs and the proposed class, that their vehicles were suited for their intended purpose, were well-engineered, were safe to drive, and were reliable in order to avoid the substantial costs of recall programs involving millions of vehicles.

3. Upon information and belief, during 2008, Defendants were aware that the Toyota organization engaged in a repair campaign for European vehicles suffering from SUA, yet Defendants intentionally and recklessly failed to warn American consumers of the defect. During 2009, when the SUA problems became more frequent and the subject of substantial publicity, Defendants issued public statements designed to minimize public knowledge of the SUA defect and to misrepresent to current and prospective purchasers and lessees the true cause of the defect as part of their continuing scheme to defraud Plaintiffs and the proposed class in an effort to minimize any recall and its effect on profits. Initially, in the fall of 2009, Defendants falsely alleged that the

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