ROB BONTA
Attorney General of California
NICKLAS A. AKERS
Senior Assistant Attorney General
MICHAEL E. ELISOFON
Supervising Deputy Attorney General
HUNTER LANDERHOLM (SBN 294698)
LAUREL M. CARNES (SBN 285690)
Deputy Attorneys General
1515 Clay Street, 20th Floor
Oakland, CA 94612-0550
Telephone: (510) 879-0751
E-mail: Hunter.Landerholm@doj.ca.gov
Attorneys for Plaintiff the People of the State of California

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ALAMEDA

THE PEOPLE OF THE STATE OF CALIFORNIA, Plaintiff, **v.** **CREDIT ACCEPTANCE CORPORATION,** Defendant	Case No. **STIPULATION FOR ENTRY OF FINAL JUDGMENT AND PERMANENT INJUNCTION**

Plaintiff, the People of the State of California ("Plaintiff" or the "People") acting by and through Rob Bonta, Attorney General of the State of California, and Defendant Credit Acceptance Corporation ("CAC" or "Defendant," and together with the People, the "Parties") hereby stipulate as follows:

1. The Final Judgment ("Judgment"), a true and correct copy of which is attached to this Stipulation for Entry of Final Judgment ("Stipulation") as Exhibit 1, may be entered in this matter. This Stipulation incorporates the definitions of the terms defined in the proposed Judgment attached hereto.

2. This Court has jurisdiction over the subject matter of this lawsuit and over all parties to this action, and venue is proper in this Court.

3. Concurrently with the filing of this Stipulation and Judgment, Plaintiff has filed its Complaint in this matter pursuant to California Business and Professions Code sections 17200 et seq. and 17500 et seq., alleging that Defendant committed violations of such code sections.

4. The Judgment may be entered by any judge of the Alameda County Superior Court. Plaintiff may submit the Judgment to any judge of the Superior Court for approval and signature, based on the stipulation, during the Court's ex parte calendar or on any other ex parte basis, without notice to or appearance by Defendant; and Defendant hereby waives its notice and right to appear.

5. Defendant will accept service of any Notice of Entry of Judgment entered in this action by delivery of such notice by email to its counsel of record, and agrees that service of the Notice of Entry of Judgment will be deemed personal service upon it for all purposes. Defendant waives any further notice of submission to and filing with the court of the Stipulation and Judgment.

6. The Parties have entered into this Stipulation and Judgment without trial of any issue of fact or law. The Parties hereby waive their right to move for a new trial or otherwise seek to set aside the Stipulation and Judgment through any collateral attack, and further waive their right to appeal from the Judgment, except that the People and Defendant each agree that the Court shall retain jurisdiction of the parties for the purpose of enforcing the Judgment.

7. The People have determined that this Stipulation and Judgment is in the public interest.

8. The terms of this Stipulation and Judgment shall be governed by the laws of the State of California.

9. This Stipulation and Judgment is a settlement of a matter opened by the Office of the Attorney General of California ("California Attorney General") as an investigation to ascertain whether Credit Acceptance Corporation, including its subsidiaries, successors and assigns engaged in violations of the Unfair Competition Law, Business and Professions Code section

17200 et seq., and False Advertising Law, Business and Professions Code section 17500 et seq. ("the Investigation").

10. Defendant and the California Attorney General hereby stipulate and agree that the Order of this Court to be issued pursuant to this Judgment shall act as an injunction under the Unfair Competition Law and False Advertising Law.

11. Credit Acceptance Corporation has a main business address of 25505 West Twelve Mile Road, Southfield, Michigan 48034 and is an indirect finance company that offers financing programs that allow Dealers to sell vehicles and certain ancillary products to consumers by entering into Contracts in California. Defendant, at all relevant times, transacted business in the County of Alameda and elsewhere in the State of California.

12. Based on the Investigation, the California Attorney General among other things, alleges that Defendant committed violations of the Unfair Competition Law and False Advertising Law in connection with offering such financing and servicing Contracts.

13. Defendant denies any and all violations of law alleged by the California Attorney General.

14. Defendant has cooperated with the Multistate Executive Committee and Multistate Working Group during the Investigation and in negotiating this Stipulation and Judgment.

15. The Parties have agreed to resolve the issues resulting from the Covered Conduct by entering into this Judgment.

16. Notwithstanding the expiration of certain terms under this Stipulation and Judgment, Defendant acknowledges its continuing duty to comply with the consumer protection laws prohibiting unfair or deceptive acts or practices in each of the signatory jurisdictions.

17. Each Party and signatory to this Stipulation and Judgment represents that it freely and voluntarily enters into this Stipulation and Judgment without any degree of duress or compulsion.

18. The undersigned counsel for Plaintiff represents and warrants that he is fully authorized to enter this Stipulation and Judgment on behalf of the People of the State of California.

19. The undersigned counsel for Defendant represent and warrant that they are fully authorized to enter this Stipulation and Judgment on behalf of Defendant.

20. This Stipulation may be entered in counterparts, each of which constitutes an original and all of which constitute one and the same Stipulation. A facsimile or .pdf signature shall be deemed to be, and shall have the same force and effect as, an original signature.

SO STIPULATED AND SUBMITTED FOR ENTRY:

FOR PLAINTIFF THE PEOPLE OF THE STATE OF CALIFORNIA

ROB BONTA
Attorney General of California
NICKLAS A. AKERS
Senior Assistant Attorney General
MICHAEL ELISOFON
Supervising Deputy Attorney General

By: ______________________ Date: 9/17/2026

HUNTER LANDERHOLM
Deputy Attorney General
Attorneys for Plaintiff the People of the State of California
1515 Clay Street
Ste. 2000
Oakland, CA 94612

FOR DEFENDANT CREDIT ACCEPTANCE CORPORATION

By: s/ Erin Kerber Date: 9/17/2026

Erin Kerber
Chief Legal Officer
Credit Acceptance Corporation

APPROVED AS TO FORM BY COUNSEL FOR DEFENDANT

By: s/ Zachary Faigen Date: 9/17/2026

Zachary Faigen (CA Bar No. 294716)
Skadden, Arps, Slate, Meagher & Flom LLP
2000 Avenue of the Stars
Los Angeles, CA 90067
zack.faigen@skadden.com

Patrick G. Rideout
Skadden, Arps, Slate, Meagher & Flom LLP
One Manhattan West
New York, NY 10001
patrick.rideout@skadden.com

Anand S. Raman
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, DC 20005
anand.raman@skadden.com

Counsel for Defendant Credit Acceptance Corporation

Exhibit 1

Proposed Final Judgment & Permanent Injunction

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ALAMEDA

THE PEOPLE OF THE STATE OF CALIFORNIA, Plaintiff, **v.** **CREDIT ACCEPTANCE CORPORATION,** Defendant	Case No. **FINAL JUDGMENT AND PERMANENT INJUNCTION**

Plaintiff, the People of the State of California ("Plaintiff' or the "People") has filed a Complaint for a permanent injunction and other relief in this matter, alleging that Defendant Credit Acceptance Corporation ("CAC" or "Defendant") violated California Business and Professions Code sections 17200 et seq. and 17500 et seq. Plaintiff, by its counsel, and CAC, by its counsel, have agreed to the entry of this Final Judgment ("Judgment") by the Court without trial or adjudication of any issue of fact or law, and without finding or admission of wrongdoing or liability of any kind.

This Judgment may be signed by any judge of the Alameda County Superior Court.

The Court having considered the pleadings and the Stipulation for Entry of Final Judgment ("Stipulation") executed by the Plaintiff and Defendant filed herewith, and good cause appearing, IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

I. PARTIES AND JURISDICTION

1. Plaintiff is the People of the State of California

2. Defendant Credit Acceptance Corporation is a Michigan Corporation with its principal place of business in Southfield, Michigan.

3. At all relevant times, Defendant transacted business in the County of Alameda and elsewhere in the State of California.

4. This Court has jurisdiction over the subject matter of this lawsuit and over the Parties, and venue is proper in this Court.

5. This Judgment is entered into pursuant to and subject to California Business and Professions Code sections 17200 et seq. and 17500 et seq.

II. FINDINGS

6. The terms of this Judgment shall be governed by the laws of California.

7. Entry of this Judgment is in the public interest and reflects a negotiated settlement among the Parties.

8. This Judgment shall not be construed or used as a waiver or limitation of any defense otherwise available to Defendant in any other action, or of Defendant's right to defend itself from, or make any arguments in, any private individual, regulatory, governmental, or class claims or suits relating to the subject matter or terms of this Judgment. This Judgment is made without trial or adjudication of any issue of fact or law or finding of liability of any kind. Notwithstanding the foregoing, the California Attorney General may file an action to enforce the terms of this Judgment.

9. It is the intent of the Parties that this Judgment not be admissible in other cases or binding on Defendant in any respect other than in connection with the enforcement of this Judgment.

10. Nothing in this Judgment shall create a private right of action and/or limit any individual's rights or remedies under federal or state law.

III. DEFINITIONS

11. As used in this Judgment, the following words or terms shall have the following meanings:

a. "Accountholder" shall mean any consumer who has a Contract with Defendant.

b. "Ancillary Product" shall mean guaranteed asset protection ("GAP") and vehicle service contracts ("VSC") financed by Defendant.

c. "Applicable Consumer Protection Laws" shall mean California Business and Professions Code sections 17200 et seq. and 17500 et seq. and Consumer Financial Protection Act, 15 USC §§ 5481 et seq.

d. "CAPS" shall refer to the Credit Approval Processing System, Defendant's proprietary software used by Dealers to process Contract applications.

e. "Clear and Conspicuous" means a statement, representation, or term differing from other statements, representations, or terms being made so as to be readily noticeable to the person to whom it is being disclosed either by its size, sound, length of time, color, placement in the advertisement, or the like.

f. "Contract" shall mean a retail installment or closed end credit contract for the purchase of a vehicle between a Dealer and consumer that is purchased by, or assigned to and serviced by, Defendant.

g. "Covered Conduct" shall mean any conduct related to the origination, funding, purchasing, and/or obtaining the rights of a Contract, servicing or collecting, the financing of Ancillary Products, or oversight of Dealers.

h. "Credit Acceptance Score" shall mean Defendant's proprietary credit scoring system which considers numerous variables to calculate a composite credit score that corresponds to an expected collection rate.

i. "Credit Invisible Consumers" shall mean a consumer with no Credit Score.

j. "Credit Score" shall refer to a credit risk score or consumer credit score generated by a reputable third-party, with scores generally ranging from 300 to 850, with higher scores reflecting lower estimated credit risk, such as the score generated by the Fair Isaac Corporation, known as a "FICO" score, or provided by VantageScore. If Defendant wishes to change the credit scoring system it uses for purposes of implementing the provisions set forth herein from FICO or VantageScore to some other credit scoring system, that system must be substantially equivalent to FICO or VantageScore. If Defendant intends to change its credit scoring system from FICO or VantageScore for purposes of implementing the provisions set forth herein, Defendant shall provide 60 days' notice to the Multistate Executive Committee prior to implementation of the new scoring system, which notice shall include information concerning the change in credit scoring and any potential impact on the terms of this Judgment, including analysis comparing which account holders are covered under the prior credit score as compared to the new credit score.

k. "Dealer" shall mean any business entity that sells new or used vehicles to a consumer and has a contractual business relationship with Defendant.

l. "Deficiency Balance" shall mean the amount due and owing on the account after the application of vehicle auction sale proceeds.

m. "Early Defaulted Account" shall mean: (1) accounts where accountholders had a Credit Acceptance Score at the time of origination of less than 56 and a PTNI ratio at origination equal to or greater than 13%; (2) the vehicle associated with the account was sold as a result of a voluntary surrender or involuntary repossession that occurred within 18 months of origination; and (3) the account was originated from November 1, 2015, to November 30, 2025.

n. “Effective Date” shall mean November 2, 2026.

o. “Multistate Executive Committee” shall mean the Attorneys General and their staffs representing California, Illinois, Maryland, New Jersey, Arkansas, Minnesota and New York.

p. “Multistate Working Group” shall mean (i) the Multistate Executive Committee, (ii) the Attorneys General and their staffs representing Alabama, Alaska, Arizona, Colorado, Connecticut, Delaware, Florida, Georgia, Indiana, Kentucky, Louisiana, Maine, Michigan, Nevada, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, Wisconsin, and the District of Columbia, and (iii) the Office of Consumer Protection of the State of Hawaii.

q. “Other Identified Early Defaulted Accounts” shall mean: Certain accounts where: (1) Accountholders had a Credit Acceptance Score at the time of origination of less than 56 and a PTNI ratio at origination equal to or greater than 13%; (2) the vehicle associated with the account was not subject to a voluntary or involuntary repossession and sold at auction by Credit Acceptance; and (3) the account was originated from November 1, 2015, to November 30, 2025.

r. “PTNI” shall mean the ratio of the consumer’s contractual monthly payment to the consumer’s monthly income as may be reasonably calculated by Defendant, taking into account adjustment, as applicable, for estimated federal, state, and local taxes on income, social security, or Medicare taxes, but excluding adjustments for optional withholdings for benefits, savings, retirement, or taxes, or amounts owed on other debts or obligations.

s. "Retail Book Value" shall mean the motor vehicle's retail value as assigned by a third party and regularly used in the auto industry, such as Black Book, Kelley Blue Book, or NADA.

t. "Sales Penetration Rate" shall refer to the percentage of Contracts including Ancillary Products indirectly financed by Defendant that are assigned by any given Dealer as compared to the total number of Contracts indirectly financed by Defendant for such Dealer in a twelve-month period.

IV. MONETARY RELIEF

12. Defendant shall pay a total amount of $15,500,000 to the Multistate Working Group ("Multistate Payment"). The $15,500,000 shall be divided and a portion paid by Defendant directly to each of the members of the Multistate Executive Committee and the members of the Multistate Working Group, and the National Association of Attorneys General for reimbursement for grants, in amounts to be designated by and in the sole discretion of the Multistate Executive Committee. Payment to the California Attorney General shall be in the amount of $574,015.21 and shall be made within ten (10) business days of Defendant's receipt of written payment processing instructions from the California Attorney General's Office. Said payment shall be used by the States/Attorneys General for any lawful purpose, at the sole discretion of each Attorney General of the Multistate Working Group, and to fund any claims administration costs. The payment to the California Attorney General under this paragraph shall be used and allocated in accordance with Section 17206 of the Business and Professions Code to support investigations and prosecutions of California's consumer protection laws. With the exception of any portion of the Multistate Payment used for such purpose, Defendant shall not be responsible for any claims administration costs.

13. Within ten (10) business days of Defendant's receipt of written payment processing instructions from the Multistate Executive Committee, Defendant shall pay a total amount of $60,000,000 (the "Settlement Payment") to a trust account to be used by a settlement administrator selected by the Multistate Executive Committee (the "Settlement Administrator")

for the purpose of remediating alleged consumer losses (the "Settlement Fund"). The Multistate Executive Committee shall have sole discretion concerning the Accountholders entitled to relief and the nature and amounts of such relief. Defendant agrees to provide the Multistate Executive Committee with information the Multistate Executive Committee deems necessary to determine which Accountholders are entitled to relief, the amount of such relief, and how to locate Accountholders entitled to relief including, but not necessarily limited to, providing the Accountholder's name, last known address, last known contact information, and account number. Defendant shall have sixty (60) business days from the date of such a request by the Multistate Executive Committee to provide the information. After the Multistate Executive Committee has completed reasonable efforts at distribution of funds, all uncashed checks may be voided. All unclaimed funds will be sent by the Multistate Executive Committee to the states to be used for any lawful purpose, at the sole discretion of each Attorney General of the Multistate Working Group, or as the law of the relevant state requires. The California Attorney General shall deposit any unclaimed funds remitted to California and any other remaining funds received, including accrued interest, if any, into the fund established by Government Code section 12527.6, subdivision (c), and in no event shall such funds be returned to Defendants. The Multistate Executive Committee shall remit to Defendant the account numbers as to which relief was provided and shall, upon reasonable request from Defendant, if relevant to a lawsuit against Defendant by an account holder, provide information regarding the relief provided; however, no such information shall be made available in any of Defendant's servicing or collections systems, and shall not be used in any servicing or collections-related decisions or activities. The Multistate Executive Committee shall have complete discretion for the use of any funds that are unpaid to Accountholders after reasonable efforts at distribution. With the exception of any portion of the Settlement Payment used for such purpose, Defendant shall not be responsible for any costs associated with the Settlement Fund, including any settlement administration or trust costs. CAC agrees to provide the Multistate Executive Committee, within five (5) days of its request, their tax identification number for purposes of the attorneys general in the Multistate Executive Committee and Multistate Working Group filing a Form 1098-F with the Internal Revenue Service.

14. On or before the Effective Date, Defendant shall provide full debt relief in the form of a waiver of all outstanding balances for Accountholders, who are made up of consumers with open Early Defaulted Accounts as of December 1, 2025, in an amount estimated at $388,000,000. The accounts referred to in this paragraph are the 38,296 accounts identified in a confidential communication from Patrick Rideout to Wilson Meeks dated September 16, 2026.

15. On or before the Effective Date, Defendant shall provide full debt relief for Accountholders, who are made up of consumers with open Other Identified Early Defaulted Accounts as of December 1, 2025, in an amount estimated at $246,000,000. Defendant shall also release to such Accountholders any lien it has on the title to the relevant vehicles associated with the Contracts for such Other Identified Early Defaulted Accounts, and to the extent it has possession of such title, shall provide such title to the Accountholder. The accounts referred to in this paragraph are the 17,810 accounts identified in a confidential communication from Patrick Rideout to Wilson Meeks dated September 16, 2026.

16. Defendant agrees to provide the Multistate Working Group, within 120 days of the Effective Date, with a report confirming that the requirements referred to in paragraphs 14, 15, 17, 18, and 19 have been completed.

17. Defendant shall no longer furnish data on the Accountholders covered by paragraphs 14 and 15 of this Judgment and shall provide notice to the three major credit reporting bureaus requesting deletion of the trade lines associated with all such accounts.

18. Defendant shall refrain from commencing a collection lawsuit as of the Effective Date or engaging in any debt collection activities, and selling or otherwise transferring the accounts covered by paragraphs 14 and 15 of this Judgment.

19. Defendant shall notify each Accountholder covered by paragraphs 14 and 15 of this Judgment by letter, email, or text of the fact the account has been closed and no further payments are owed; and any lien held by Defendant has been released and that the certificate of title has been sent to each Accountholder covered by paragraph 15 of this Judgment to the extent Defendant possessed the certificate of title. Defendant acknowledges and shall notify Accountholders that the debt related to the Contracts in the accounts covered by paragraphs 14

and 15 of this Judgment are the subject of a bona fide dispute and that the debt relief provided in paragraphs 14 and 15 above was a compromise of disputed debt.

20. Except as otherwise indicated, all requirements in this Section IV shall be effectuated within 90 days of the Effective Date.

V. INJUNCTIVE RELIEF

21. For all Eligible Accounts, as defined in subparagraphs (a)-(d) of this paragraph 21, whose Contracts are originated after December 1, 2025, Defendant shall: (1) waive 95% of any Deficiency Balance; (2) refrain from either commencing a collection lawsuit involving that Accountholder at any time or selling or otherwise transferring the contract; (3) comply with existing laws pertaining to communication frequency regarding the collection of a debt and, after the 90th day following the 95% Deficiency Balance waiver, refrain from making more than four total communications with the Accountholder regarding collection of the outstanding Deficiency Balance; and (4) consider in good faith any request by the Accountholder to delete their tradeline associated with such account, to the extent the debt is disputed and extinguished as part of the remediation specified under Section V. Eligible Accounts shall be defined as:

a. Accountholders who had a Credit Score equal to or greater than 475 and less than 500 and a PTNI greater than or equal to 13%, in each case, at the time of origination, and the account experienced an involuntary repossession and sale within 12 months of origination.

b. Accountholders who had no Credit Score, and a PTNI greater than or equal to 25% and less than 28%, in each case, at the time of origination, and the account experienced an involuntary repossession and sale within 12 months of origination.

c. Accountholders who had a Credit Score of less than 475 and a PTNI greater than or equal to 13%, in each case, at the time of origination, and the account experienced an involuntary repossession and sale within 18 months of origination.

d. Accountholders who had no Credit Score, and a PTNI greater than or equal to 28%, in each case, at the time of origination, and the account experienced an involuntary repossession and sale within 18 months of origination.

22. For consumers with a Credit Score of less than 600 and for Credit Invisible Consumers, Defendant shall, or shall continue to, as applicable:

a. Clearly and Conspicuously inform consumers whose contracts are originated using CAPS of the percentage of subprime and deep subprime consumers with similar Credit Scores who have experienced delinquency (e.g., 30 and 60 days delinquent) on auto financing obligations, as well as the potential consequences of non-payment, to help consumers understand the material risks, costs or conditions associated with financing their vehicle purchase. The foregoing shall be based on publicly available data. To the extent such data becomes available for Credit Invisible Consumers, Defendant shall include data with respect to such consumers on the disclosure.

b. Maintain or establish and implement procedures for Contracts originated by consumers with a Credit Score of less than 600 and Credit Invisible Consumers, reasonably designed to:

i. Offer to Accountholders debt relief, which may include, for example, payment deferral or favorable settlement offers;

ii. Provide consumers with access to financial literacy materials consistent with those then available on the websites of the FTC, CFPB, or state consumer protection agencies addressing vehicle financing, affordability and budgeting;

iii. Only accept assignment of Contracts financing used vehicles if the monthly term is no longer than the greater of (i) 75 months or (ii) the average monthly term in the industry plus twelve months;

iv. Verify income of consumers and keep a record of all verification documentation for no less than 25 months or the contract term, whichever is longer; and

v. Assess consumer payment patterns, in terms of days past due and/or days since last payment, prior to recommending involuntary repossession of a vehicle.

vi. Nothing in this Section affects any obligation to refund a surplus to any consumer after a final repossession.

c. This Paragraph 22 does not apply to accountholders who are returning customers of Defendant whose prior contracts did not result in repossession of the vehicle and who now qualify for higher tier programs (i.e., the Gold Program) based on successful performance with their prior Contracts.

23. In connection with Contracts assigned or to be assigned to Defendant, Defendant shall take reasonable steps to prevent Dealers from unlawfully increasing the selling price because the consumer chooses to finance the transaction or engaging in purchase price discrimination based on credit status.

24. Consistent with the foregoing Paragraph 23, Defendant shall begin to, or shall continue to, as applicable:

a. Require Dealers originating contracts in CAPS to provide consumers a Clear and Conspicuous disclosure prior to execution of the retail installment sales contract based on available information regarding: (1) the trim level of the vehicle if identifiable through the VIN; and (2) Retail Book Value(s) of the vehicle that the consumer is seeking to finance, which shall allow the consumer to assess the selling price of the vehicle in comparison to its estimated retail value(s).

b. Cap the selling price of the vehicle that Dealers and consumers can agree to when financing the purchase of a vehicle by consumers with a Credit Score of less than 600 indirectly through Defendant and maintain records related to same for a period of two or more years. The cap shall be no more than 109% of the highest Retail Book Value.

c. Systematically prevent Dealers from increasing the actual vehicle selling price after associating a vehicle with an application or applicant for financing through Defendant in CAPS.

d. Maintain, and encourage Dealers to use, the Dealer inventory functionality in CAPS that interfaces with the Dealer's inventory in its dealer management system. When a Dealer enrolls in the CAPS inventory functionality, information input by the Dealer shall be checked against available advertised vehicle prices for consistency.

e. For Dealers not using the inventory interface functionality in CAPS, Defendant shall perform randomized audits for alignment between vehicle selling prices listed in CAPS and available advertised vehicle prices. Such randomized audits shall include at least 35 of such Defendant Dealers originating deals in CAPS without using the dealer inventory functionality per quarter.

f. Track and address complaints, concerns, and inquiries from consumers raising concerns that a Dealer increased the selling price on a purchase financed through Defendant (collectively, "Consumer Pricing Complaints"). Defendant shall escalate Consumer Pricing Complaints to a team member trained to investigate such allegations. Consumers do not need to allege why the Dealer increased a selling price for the complaint to be escalated. The purpose of escalating complaints is to identify Dealers who may be increasing the selling price because the customer chose to finance the transaction. Defendant shall retain for two years all recorded phone calls with consumers concerning Consumer Pricing Complaints.

g. Investigate a Dealer's conduct further if Defendant receives 5 or more Consumer Pricing Complaints during a 12-month period (as covered in Paragraph 24, subparagraph f). The 5-complaint trigger for investigation shall be assessed on a rolling basis every six months. Such investigations shall include holistically reviewing information/evidence submitted by consumers.

h. Take reasonable corrective action involving Dealers Defendant identifies through the processes described in subparagraphs e through g. This includes ceasing to do business with Dealers that Defendant determines have improperly raised selling prices in connection with financing and are unwilling to, or fail to, take adequate corrective action to prevent such conduct in the future.

25. Defendant shall not require Dealers to sell any Ancillary Product as a condition of financing through Defendant. Defendant shall take reasonable steps to (1) prevent Ancillary Products from being financed through Defendant without a consumer's written consent; (2) ensure that consumers are informed in writing, post-origination, of any Ancillary Products they have financed and the optional nature of such Ancillary Products; and (3) where available to Defendant, provide electronic access to such VSCs or GAP addendums. Defendant will maintain policies and procedures reasonably designed to detect the imposition by Dealers of Ancillary Products without a consumer's consent.

26. Consistent with the general principles set forth in Paragraph 25, with respect to Ancillary Products offered by a provider with whom Defendant has a contractual relationship related to the sale of such Ancillary Products, Defendant shall, or shall continue to, as applicable:

a. Require Dealers using CAPS to provide consumers seeking to finance an Ancillary Product a Clear and Conspicuous consent form informing them: (i) of all Ancillary Products the consumer has agreed to finance in the transaction; (ii) that Ancillary Products are optional and not required when financing the purchase of a vehicle indirectly through Defendant; (iii) that the consumer can purchase the vehicle on credit without the Ancillary Product for the vehicle's stated price; and (iv) the monthly payment amount and total payment amount for the vehicle both with and without the purchase of the Ancillary Products. Consumers shall sign to acknowledge receipt of this form prior to the execution of any retail installment sales contract.

b. Within 10 days of accepting assignment of the Contract, notify and remind consumers in writing through text message, email, letter or app notification (as dictated by the consumers' consent to certain communication channels) of: (i) the Ancillary Products they purchased; (ii) the purchase price of those Ancillary Products and the monthly payment amount and total payment amount with and without the purchase of the Ancillary Products; (iii) that the Ancillary Products are cancelable and information regarding the cancellation of the Ancillary Product is located in the VSC or GAP addendum, as applicable, and (iv) the methods to contact Defendant to obtain information, cancel, or ask questions related to any Ancillary Products financed or the cancellation process.

c. Require Dealers using CAPS to acknowledge that they have informed consumers that Ancillary Products are optional and are not required when financing the purchase of a vehicle indirectly through Defendant.

d. Train existing and new consumer-facing employees on the following topics: (i) the voluntary nature of Ancillary Products; (ii) cancelling Ancillary Products; and (iii) the complaint escalation process.

e. Maintain consumer complaints regarding Dealers who may be requiring the purchase of Ancillary Products (collectively, "Consumer Ancillary Product Complaints") and Ancillary Products cancellation data and retain phone calls related to the same for a five-year period.

f. Monitor Dealers to identify and take appropriate corrective action involving Dealers who may be requiring the purchase of Ancillary Products. Such monitoring shall include data-driven analyses considering a combination of Sales Penetration Rates, cancellation rates and communications to consumers. Dealer monitoring shall include, but is not limited to, investigating where there are two or more accounts originated by a single Dealer in a 12-month period with cancellations or Consumer Ancillary Product Complaints, in each case, alleging that consumers were told that the same products were not optional or were required in order to finance the vehicle. If monitoring leads Defendant to verify that a Dealer required consumers to finance an Ancillary Product and the product was never desired by the Accountholder, it shall backdate the cancellation date of the Ancillary Product to the date of origination for each consumer who cancelled or cancels without using the product. If an allegation is found to be without merit, the cancellation or Consumer Ancillary Product Complaint count shall be reset before a new investigation is triggered.

g. Provide Accountholders a simple, clear, and easy-to-access method to exercise Ancillary Product cancellation rights. Defendant will record the reason provided by the Accountholder for cancellation if the Accountholder states that they were told that such products were not optional or required in order to finance the vehicle.

h. Allow Accountholders to coordinate the cancellation of Ancillary Products through Defendant, including issuing, or facilitating the issuance of, rebates and/or refunds to Accountholders arising from the cancellation.

i. When an Accountholder cancels an Ancillary Product financed indirectly through Defendant, the cancellation shall be promptly applied to their account. If the Accountholder is current at the time of the request, or if the Accountholder cancels the Ancillary Product within the first 30 days after origination, the remaining balance on their account shall be re-amortized and their monthly payment recalculated. This process may result in the account being paid ahead, which would allow the Accountholder to reduce the next payment by the paid ahead amount, or if the Accountholder is paid ahead by more than a full standard monthly payment, it would advance the Accountholder's next payment due date. If it becomes possible to re-amortize for non-current Accountholders without increasing their monthly payments, Defendant agrees to work in good faith to afford such relief to such non-current Accountholders who cancel an Ancillary Product financed indirectly through Defendant.

j. Confirm Accountholder-requested Ancillary Product cancellations with Accountholders and explain any payment changes and/or rebates and refunds arising from the cancellation.

27. Defendant may allow Dealers to finance third-party ancillary products that meet standards set forth in Defendant's policies and procedures even if the providers do not have a contractual relationship related to the sale of such products with Defendant. Although Dealers may sell such ancillary products, Defendant shall not be required to finance any products it has not approved.

28. Defendant shall continue its policy of not disabling defaulted borrowers' vehicles through a starter interruption device. Defendant shall also continue to prohibit Dealers from independently using starter interruption devices or GPS technology to track vehicles on contracts assigned to Defendant. For avoidance of doubt, nothing in this provision shall prohibit consumers from voluntarily financing anti-theft devices.

29. Defendant shall comply with applicable state law regarding passing along vehicle repair expenses to consumers in connection with preparing a vehicle for sale at auction. If not prohibited by state law, Defendant may pass along such repair expenses to consumers as long as Defendant reasonably believes such repairs will result in a net benefit to the consumer.

30. Unless otherwise specified, any documentation required by this Judgment must be retained for a minimum of five (5) years, or if related to a contract financed by Defendant, the term of the contract, whichever is longer.

31. Defendant shall not distribute misleading marketing materials to consumers.

32. Defendant shall undertake reasonable best efforts to implement the requirements of this Section V as soon as reasonably practicable and, in any event, within six (6) months of entry of this Judgment. Until implemented, Defendant shall provide monthly updates regarding the implementation of the requirements of this Section V.

33. Defendant shall not engage in any unfair or deceptive acts or practices in the conduct of their business in California and shall comply with all applicable state and/or federal laws, rules and regulations as now constituted or as may hereafter be amended including, but not limited to,

California Business and Professions Code sections 17200 et seq. and 17500 et seq. Future alleged violations of law that do not constitute Covered Conduct shall not constitute a violation of this Judgment.

VI. RELEASE

34. By execution of this Judgment and following a full and complete payment of the sums provided by Section IV (Monetary Relief) herein, the Attorney General releases and discharges, to the fullest extent permitted by law, Defendant and its officers, employees, agents authorized to act on its behalf, successors, assignees, merged or acquired entities, and subsidiaries (collectively, the "Released Persons") from any and all civil causes of action, claims, damages, costs, remedies (whether at law, in equity or by statute), attorneys' fees, fines or penalties arising from the Covered Conduct occurring before or as of the Effective Date that the California Attorney General has asserted or could have asserted against any of the Released Persons under Applicable Consumer Protection Laws (the "Released Claims"). Notwithstanding the foregoing or any term of this Judgment, the following do not comprise Released Claims:

a. private rights of action;
b. claims of environmental or tax liability;
c. criminal liability;
d. claims for property damage;
e. claims alleging violations of state, local, or federal securities laws;
f. claims alleging violations of state, local, or federal antitrust laws; and
g. any obligations created under this Judgment.

The California Attorney General executes this release in its official capacity and releases only claims, referenced above, that the California Attorney General has the authority to bring and release.

VII. RECORDKEEPING

35. Defendant shall create and maintain, for a period of at least three (3) years (unless a shorter time is specified for specific records elsewhere in this Judgment), all records necessary to

demonstrate Defendant's compliance with obligations under the Judgment. Defendant shall, with a reasonable period of time not to exceed 60 days after the end of each calendar year during the five years after the Effective Date, provide a report addressing Defendant's compliance with this Judgment to a monitoring committee designated by the Multistate Executive Committee (the "Monitoring Committee"). Should the report demonstrate that Defendant is not in compliance with the obligations under the Judgment, Defendant shall submit a remediation plan to the Monitoring Committee demonstrating its plan to comply with the Judgment. Defendant shall cooperate with reasonable written requests for information relating to a Dealer or Dealers from a designated representative of the Multistate Executive Committee or the California Attorney General's office.

VIII. GENERAL PROVISIONS

36. This Judgment does not constitute an approval by the California Attorney General of Defendant's business practices, and Defendant shall make no representation or claim to the contrary.

37. By entering this agreement Defendant makes no admission of wrongdoing or liability.

38. Any failure of the California Attorney General or Defendant to exercise its rights under this Judgment shall not constitute a waiver of its rights.

39. Defendant admits to the jurisdiction of the Court and consents to the entry of this Judgment and to the rights of the California Attorney General to enforce the terms and conditions of this Judgment.

40. If any portion of the Judgment is held to be invalid, unenforceable, or void for any reason whatsoever, then such portion shall be severed from the remainder and shall not affect the validity and enforceability of the remaining portions of the Judgment.

41. 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, and such Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of the Judgment.

42. Defendant shall notify its officers and directors and use reasonable efforts to notify its employees, agents, and contractors responsible for carrying out and effecting the terms of this Judgment of the obligations, duties, and responsibilities imposed on Defendant by this Judgment.

43. This Judgment is not intended for use by any third party in any other proceeding. Nothing contained herein shall be construed to create any rights for any third party or to deprive any person of any private right under the law. This Judgment is governed by the laws of California.

44. This Court shall retain jurisdiction to enforce the terms of this Judgment. Paragraph 21 shall be in effect for a period of five years from the Effective Date. All consumers who originate contracts within those five years are eligible for the relief provided in Paragraph 21. Paragraphs 22, 24, 26(a), (c)-(g), (i), and 28 shall be in effect for a period of seven (7) years from when the term is implemented. Defendant shall inform the States when relevant terms are implemented. The expiration of any term is contingent upon Defendant not having been adjudged by a court of competent jurisdiction in any Multistate Working Group state to have violated any such provision. This paragraph is in addition to all other remedies available to the People of the State of California in law and equity.

45. Notwithstanding the expiration of certain terms under this Judgment, Defendant acknowledges its continuing duty to comply with the consumer protection laws prohibiting unfair or deceptive acts or practices in each of the signatory jurisdictions.

46. For the purposes of construing the Judgment, this Judgment shall be deemed to have been drafted by all Parties and shall not, therefore, be construed against any Party for that reason in any dispute.

47. This Judgment constitutes the complete Judgment between the Parties. This Judgment may be amended by order of the court, including pursuant to a stipulation of the Parties.

48. Nothing in this Judgment shall be construed as relieving Defendant of its obligations to comply with all state and federal laws, regulations, or rules, or granting Defendant permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

49. This court retains jurisdiction over the Judgment and the Parties for purpose of enforcing and modifying the Judgment and for the purpose of granting such additional relief as may be necessary and appropriate.

50. Any notices required to be sent to the California Attorney General or to Defendant under this Judgment shall be sent by certified mail, return-receipt requested, or other tracked mail delivery service. The documents shall be sent to the following addresses:

For the People of the State of California:

Deputy Attorney General Hunter Landerholm
Consumer Protection Section
Office of the California Attorney General
1515 Clay Street, Ste. 2000
Oakland, CA 94612
Hunter.Landerholm@doj.ca.gov

Deputy Attorney General Laurel Carnes
Consumer Protection Section
Office of the California Attorney General
600 West Broadway, Suite 1800
San Diego, CA 92101
Laurel.Carnes@doj.ca.gov

For Credit Acceptance:

Patrick G. Rideout
Skadden, Arps, Slate, Meagher & Flom LLP
One Manhattan West
New York, NY 10001
patrick.rideout@skadden.com

Anand S. Raman
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, DC 20005
anand.raman@skadden.com

51. The Clerk is ordered to enter this Judgment forthwith.

Dated: ________________________ ____

JUDGE OF THE SUPERIOR COURT