



Defendant regularly conducts substantial business activity in the City of Richmond, and portions of the cause of action arose in the City of Richmond.

3. The Defendant transacted business in Virginia by selling automobiles through dealerships in the Commonwealth, including in the City of Richmond. In addition, the Defendant marketed and advertised goods or services through print and electronic media disseminated throughout Virginia.

4. At all relevant times, the Defendant has purposefully availed itself of this forum.

5. Prior to the commencement of this action, the Plaintiff gave the Defendant (a) written notice, through communications by a multi-state group of attorneys general, that these proceedings were contemplated; and (b) a reasonable opportunity to demonstrate that no violations of the VCPA had occurred, or, in the alternative, the opportunity to execute an appropriate Assurance of Voluntary Compliance, pursuant to § 59.1-203(B). The Defendant agreed to execute an acceptable Agreed Consent Judgment Entry and Order in lieu of an Assurance of Voluntary Compliance.

#### **PARTIES**

6. The Plaintiff is the Commonwealth of Virginia, by, through, and at the relation of Mark R. Herring, Attorney General of Virginia.

7. Defendant is the automotive manufacturer, General Motors Company (“General Motors”) and its present parents, subsidiaries (whether or not wholly owned), and affiliates. General Motors’ headquarters are located in Detroit, Michigan. The Defendant is a corporation organized under the laws of the State of Delaware and was issued a Certificate of Authority to Transact Business in Virginia by the Virginia State Corporation Commission on June 25, 2009.

## FACTS

8. The Plaintiff realleges and incorporates herein by reference the matters set forth in Paragraphs 1 through 7 above.

9. General Motors manufactures, assembles, advertises, markets, promotes, sells, and distributes motor vehicles nationally and in the Commonwealth of Virginia. General Motors came into existence following the June 1, 2009 bankruptcy filing of General Motors Corporation. Prior to this date, General Motors Corporation manufactured and sold the motor vehicles at issue herein. Pursuant to the court-approved bankruptcy sale of substantially all of General Motors Corporation's assets and related transfer of personnel, General Motors Company became the entity manufacturing and selling motor vehicles under the General Motors brand. As a successor entity to General Motors Corporation, General Motors Company has the same knowledge of the defect as General Motors Corporation.

10. General Motors Company, like General Motors Corporation before it, consistently represented in advertising and public statements that its vehicles are safe and reliable transportation.

11. Prior to early 2014, General Motors was fully aware of widespread reports of unintended key rotation-related and/or ignition-switch-related issues in several models and model years of General Motors vehicles.

12. Between February 2014 and September 2014, General Motors issued seven vehicle recalls in response to the unintended key rotation-related and/or ignition-switch-related issues. Those recalls have affected over 9 million vehicles in the United States, including, but not limited to: Model Year 2003-2007 Saturn Ion, Model Year 2005-2010 Chevrolet Cobalt, Model Year 2006-2010 Pontiac Solstice, Model Year 2007-2010 Pontiac G5, Model Year 2007-2010 Saturn

Sky, Model Year 2006-2011 Chevrolet HHR, Model Year 2010-2014 Chevrolet Camaro, Model Year 2005-2009 Buick Lacrosse, Model Year 2006-2011 Buick Lucerne, Model Year 2000-2005 Cadillac Deville, Model Year 2006-2011 Cadillac DTS, Model Year 2006-2014 Chevrolet Impala, Model Year 2006-2007 Chevrolet Monte Carlo, Model Year 2003-2014 Cadillac CTS, Model Year 2004-2006 Cadillac SRX, Model Year 2000-2005 Chevrolet Impala, Model Year 1997-2003 Chevrolet Malibu, Model Year 2004-2005 Chevrolet Malibu Classic, Model Year 2000-2005 Chevrolet Monte Carlo, Model Year 1999-2004 Oldsmobile Alero, Model Year 1998-2002 Oldsmobile Intrigue, Model Year 1999-2005 Pontiac Grand Am, Model Year 2004-2008 Pontiac Grand Prix, Model Year 2002-2004 Saturn VUE, and Model Year 2008-2009 Pontiac G8.

13. The National Highway Traffic Safety Administration (“NHTSA”) campaign numbers for the seven recalls were: 14V-047000 (“ignition switch may turn off”), 14V-346000 (“knee contact may turn ignition switch off”), 14V-35500 (“ignition switch may turn off”), 14V-394000 (“ignition switch may turn off”), 14V-400000 (“ignition switch may turn off”), 14V-490000 (“ignition key can be removed when in on position”), and 14V-540000 (“knee contact may turn ignition switch off”).

*Low Torque Ignition Switch*

14. In the early 2000s, General Motors Corporation launched a line of motor vehicles that were marketed to the public as affordable, safe, and fuel-efficient. Two of these vehicles, the Saturn Ion and the Chevrolet Cobalt, were equipped with the same Pre-2008 Delta Ignition Switch (hereinafter, the “Ignition Switch”). The Ignition Switch is the ignition switch that may have been installed in the 2005, 2006, and 2007 Chevrolet Cobalt; the 2007 Pontiac G5; the 2003, 2004, 2005, 2006, and 2007 Saturn Ion; the 2006 and 2007 Chevrolet HHR; the 2007

Saturn Sky; and the 2006 and 2007 Pontiac Solstice.

15. This Ignition Switch was defective. The Ignition Switch defect involves a low-torque ignition switch, which, under certain conditions, may move out of the "Run" position to the "Accessory" or "Off" position. If this occurs, the driver experiences a loss of electrical systems, including power steering, power brakes, and a loss of power to the sensing diagnostic module, which controls safety airbag deployment. If a collision occurs while the Ignition Switch is in the "Accessory" or "Off" position, the motor vehicle's safety airbags may fail to deploy, increasing the risk of serious injury or death in certain types of crashes in which the airbag was otherwise designed to deploy.

16. Prior to the Ignition Switch going into production in 2002, certain General Motors Corporation engineers knew that it was prone to movement out of the "Run" position; testing of a prototype showed that the torque return between the Run and Accessory positions fell below General Motors Corporation's own internal specifications. But the engineer in charge of the Ignition Switch nonetheless approved its production.

17. Customers immediately began to report problems with motor vehicles equipped with the Ignition Switch. General Motors Corporation employees also reported stalls while driving such vehicles, which some employees attributed to the easy rotation of the key within the Ignition Switch.

18. In 2004 and 2005, other General Motors Corporation employees and General Motors Corporation customers began to experience sudden stalls and engine shutoffs caused by the Ignition Switch.

19. General Motors Corporation considered fixing the problem, but ultimately rejected a simple improvement to the key head that would have significantly reduced unexpected

shutoffs. Instead, General Motors Corporation chose to leave the switch as it was, while promulgating an advisory to dealerships with tips on how to minimize the risk of unexpected movement out of the "Run" position.

20. General Motors Corporation decided, incorrectly, that the Ignition Switch problem was not a safety concern.

21. In November 2004, General Motors Corporation opened the first of six engineering inquiries that would be initiated in the next five years to consider engineering changes for new motor vehicles being produced with the Ignition Switch. The first inquiry was closed "with no action." Proposed fixes, such as improving torque performance of the Ignition Switch and changing the head of the key to reduce the likelihood of inadvertent movement from the "Run" to "Accessory" position, were rejected.

22. Because General Motors Corporation had determined that the Ignition Switch did not pose a safety concern, General Motors Corporation determined that each proposed solution would cost too much, take too long to implement, or would not fully fix the problem.

23. In 2005 through 2009, General Motors Corporation issued various publications to their dealers to assist them in dealing with the Ignition Switch problem. General Motors Corporation also opened additional inquiries to consider fixes for the Ignition Switch problem. However, General Motors Corporation continued to state publicly that the Ignition Switch problem was not a safety issue.

24. During this time, General Motors Corporation replaced the Ignition Switch with a different one that had significantly greater torque; however, this part change to the Ignition Switch did not include a corresponding part number change, despite the fact that changing the part number was General Motors Corporation's practice.

25. From 2004 to 2011, both prior to and following General Motors Corporations' bankruptcy, numerous vehicles equipped with the defective Ignition Switch were involved in crashes in which the safety airbags did not deploy.

26. General Motors Corporation employees responsible for dealing with the Ignition Switch and who had knowledge of the true nature of the problem, had transferred to General Motors Company as part of the bankruptcy sale. Thus by early 2011, if not earlier, General Motors knew or should have known that these non-deployment cases involved an "anomaly" with the Ignition Switch.

27. From about the spring of 2012, certain General Motors employees knew the Ignition Switch posed a safety defect because it could cause airbag non-deployment.

*Failure to Initiate a Safety Recall*

28. Despite this knowledge, General Motors personnel responsible for General Motors' internal safety recall process delayed making any recalls, and instead, took affirmative steps to keep the Ignition Switch problem outside the normal General Motors recall process.

29. From the spring of 2012 through the spring of 2013, General Motors sold no new motor vehicles that were equipped with the Ignition Switch. However, General Motors dealers continued to sell pre-owned Chevrolet, Pontiac, and Saturn brand motor vehicles that would later become the subject of the February 2014 recalls. These sales included certifications from General Motors, stating that the certification process involved testing of over a hundred components, including, specifically, the ignition system.

30. General Motors first notified NHTSA and the public of the known connection between the Ignition Switch and fatal airbag non-deployment on February 7, 2014. General Motors acknowledged 15 deaths occurring in crashes in which the Ignition Switch may have

caused or contributed to airbag non-deployment. Up to and including this time, General Motors was aware of at least 15 individuals who had died as a result of the ignition switch. In fact, General Motors Corporation was aware of some of these deaths as early as 2004, yet continued to market the reliability and safety of its motor vehicles which were equipped with the Ignition Switch.

31. Between February 2014 and September 2014, General Motors issued seven vehicle recalls in response to the unintended key rotation-related and/or ignition-switch-related issues. Those recalls have affected over 9 million vehicles in the United States.

### CAUSE OF ACTION

32. The Plaintiff realleges and incorporates herein by reference the matters set forth in Paragraphs 1 through 31 above.

33. The Defendant is or was during all relevant times a “supplier” of “goods” and/or “services” in connection with “consumer transactions” as those terms are defined in § 59.1-198 of the VCPA.

34. The acts and practices engaged in and employed by the Defendant as alleged herein, constitute violations of §§ 59.1-200(A)(5), (6), and (14) of the VCPA. Specifically, Defendant:

- a. Failed to warn of a known danger: Defendant failed to disclose to consumers and regulators known safety risks associated with operation of General Motors motor vehicles and motor vehicle equipment, which are material facts it knowingly and deliberately decided not to disclose to consumers;
- b. Misrepresented safety and reliability: Defendant misrepresented, directly or by implication, General Motors motor vehicles and motor vehicle equipment as safe



and reliable;

- c. Failed to perform consistent with contract obligations imposed by express and implied warranties: Defendant failed to timely diagnose and repair motor vehicles and motor vehicle equipment that were the subject of consumer complaints related to the defective ignition switch as required pursuant to express and implied warranty representations and terms and as required by state warranty and Lemon Laws; and
- d. Failed to communicate critical safety related information and decision making: Defendant withheld safety related decision making authority and critical safety data, information, engineering/design changes and safety repairs from appropriate members of General Motors management.

35. Each and every deceptive act or practice engaged in by Defendant, as recited above constitutes a separate willful violation of the VCPA as provided by § 59.1-206(A).

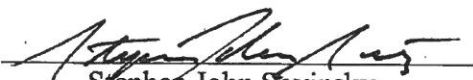
36. Individual consumers have suffered losses as a result of the aforesaid violations of the VCPA.

**PRAYER FOR RELIEF**

WHEREFORE, the Commonwealth of Virginia respectfully requests that this honorable Court enter the Agreed Consent Judgment Entry and Order filed herewith.

COMMONWEALTH OF VIRGINIA,  
*EX REL.* MARK R. HERRING,  
ATTORNEY GENERAL

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**CERTIFICATE OF SERVICE**

I, Stephen John Sovinsky, certify that on October 19, 2017, a true copy of the foregoing

Complaint was mailed via first class mail to:

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