



Attorney General Doug Peterson

News Release

FOR IMMEDIATE RELEASE

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Attorney General Doug Peterson Reaches Settlement with General Motors Company Over Defective Ignition Switch

October 19, 2017 - Attorney General Douglas Peterson announced today a \$120 million settlement with General Motors Company ("GM") over allegations GM concealed safety issues related to ignition-switch-related defects in GM vehicles.

The settlement, reached between the attorneys general of 49 states and the District of Columbia and General Motors Company ("GM"), concludes a multistate investigation into the auto manufacturer's failure to timely disclose known safety defects associated with unintended key-rotation-related and/or ignition-switch-related issues in several models and model years of GM vehicles.

"Today's settlement sends a clear message to companies entrusted with the safety of American consumers." Attorney General Douglas Peterson said. "Product defects must be immediately reported and addressed. Failure to do so will not be tolerated."

In 2014, GM issued seven vehicle recalls in response to unintended key-rotation-related and/or ignition-switch-related issues, which have affected over 9 million vehicles in the U.S. The recalls involved a defective ignition switch which, under certain conditions, could 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 and power brakes. If a collision occurs while the ignition switch is in the "Accessory" or "Off" position, the vehicle's safety airbags may also 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.

As the states alleged, certain employees of GM and General Motors Corporation (which went through bankruptcy in 2009), knew as early as 2004 that the ignition switch posed a safety defect because it could cause airbag non-deployment. However, despite this knowledge, GM personnel decided it wasn't a safety concern and delayed making recalls. GM continued to market the reliability and safety of its motor vehicles which were equipped with this defective ignition switch.

The states alleged that these actions were unfair and deceptive and that the automaker's actions violated state consumer protection laws, including Nebraska's Uniform Deceptive Trade Practices Act.

Under a consent judgment, which will be presented to the District Court of Lancaster County, Nebraska, GM shall:

- Not represent that a motor vehicle is “safe” unless they have complied with the Federal Motor Vehicle Safety standards applicable to the motor vehicle at issue.
- Not represent that certified pre-owned vehicles that GM advertises are safe, have been repaired for safety issues, or have been subject to rigorous inspection, unless such vehicles are not subject to any open recalls relating to safety or have been repaired pursuant to such a recall.
- Instruct its dealers that all applicable recall repairs must be completed before any GM motor vehicle sold in the U.S. and included in a recall is eligible for certification and, if there is a recall on any certified pre-owned vehicle sold in the U.S., the required repair must be completed before the vehicle is delivered to a customer.

GM also agreed to pay the participating attorneys general a total of \$120 Million, of which Nebraska’s share is \$1,285,471.72.

In addition to Nebraska, the multistate group – led by Ohio, South Carolina, Connecticut, Florida, Maryland, Michigan, New Jersey, Pennsylvania, and Texas - includes Alabama, Alaska, Arkansas, California, Colorado, Delaware, District of Columbia, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, Wisconsin, and Wyoming.

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