



News Release

Office of the Attorney General

FOR IMMEDIATE RELEASE
October 19, 2017
#17-15

CONTACT: Harlow Sumerford
(615) 741-5860
Harlow.Sumerford@ag.tn.gov

Attorney General Slatery Announces \$120 Million Settlement with General Motors *Multistate Settlement concludes Investigation into Defective Ignition Switch in Vehicles*

Attorney General Herbert H. Slatery III today announced 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 GM and the attorneys general of 49 states and the District of Columbia, concludes a multistate investigation into the auto manufacturer’s failure to timely disclose known safety defects in several models and model years of GM vehicles.

“It is unacceptable for a company to knowingly hide significant safety concerns from the public,” General Slatery said. “This settlement holds GM accountable for their dishonesty and ensures a change in company behavior that will better protect consumers.”

In 2014, GM issued seven vehicle recalls in response to ignition switch and/or unintended key rotation related issues, which have affected over 9 million vehicles in the United States. The recalls involved a defective ignition switch that, 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.

According to the settlement, 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 Tennessee's share is \$2,095,522

In addition to Tennessee, the multi-state 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, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Rhode Island, South Dakota, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.