

**IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO**

STATE OF OHIO, *ex rel.*
MICHAEL DEWINE
ATTORNEY GENERAL OF OHIO
30 E. Broad St., 14th Floor
Columbus, Ohio 43215

Plaintiff,

v.

General Motors Company
300 Renaissance Center
Detroit, Michigan 48265

Defendant.

Case No.

Judge

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

1. Plaintiff, State of Ohio, by and through Attorney General Michael DeWine, brings this action complaining of Defendant General Motors Company (“Defendant” or “GM”), for violating the Ohio Consumer Sales Practices Act (“CSPA”), R.C. 1345.01 et seq. as follows:

JURISDICTION AND VENUE

2. This action is brought on behalf of the State of Ohio, by Michael DeWine, Attorney General of the State of Ohio, pursuant to the provisions of the CSPA, R.C. 1345.01 et seq.

3. This Court has jurisdiction over the Defendant pursuant to R.C. 1345.04 because Defendant has transacted business within the State of Ohio at all times relevant to this complaint.

4. Venue for this action properly lies in Franklin County Common Pleas Court, pursuant to Ohio Civ. R. 3(B)(3), because Defendant transacts business in Ohio, the transactions out of which this action arose occurred in Ohio, and this action is brought by the Attorney General, on behalf of the State of Ohio, for the benefit thereof.

PARTIES

5. Plaintiff, the State of Ohio (hereinafter “the State”), by Michael DeWine, Attorney General of the State of Ohio, is charged, inter alia, with the enforcement of the CSPA, R.C. 1345.01 et seq.

6. Defendant is the automotive manufacturer General Motors Company (“GM”) and its present parents, subsidiaries (whether or not wholly owned), and affiliates. GM’s headquarters are located in Detroit, Michigan.

CONSUMER TRANSACTION

7. Subsection R.C. 1345.01(A) of the CSPA, defines “consumer transaction” as follows:

“Consumer transaction” means a sale, lease, assignment, award by chance, or other transfer of an item of goods, a service, a franchise, or an intangible to an individual for purposes that are primarily personal, family, or household, or solicitation to supply any of these things.

R.C. 1345.01(A).

8. Defendant was a “supplier” as that term is defined in R.C. 1345.01(C), since Defendant, at all times relative hereto, was engaged in the business of effecting consumer transactions in the State of Ohio, to wit: manufacturing, assembling, advertising, marketing, promoting, selling, and distributing motor vehicles.

BACKGROUND AND STATEMENT OF FACTS

9. GM manufactures, assembles, advertises, markets, promotes, sells, and distributes motor vehicles nationally and in the State of Ohio. GM 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, GM became the entity manufacturing and selling motor vehicles under the

General Motors brand. As a successor entity to General Motors Corporation, GM has the same knowledge of the defect as General Motors Corporation.

10. GM, 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, GM was fully aware of widespread reports of unintended key rotation-related and/or ignition-switch-related issues in several models and model years of GM vehicles.

12. Between February 2014 and September 2014, GM issued seven vehicle recalls in response to 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 (“MY”) 2003-2007 Saturn Ion, MY 2005-2010 Chevrolet Cobalt, MY 2006-2010 Pontiac Solstice, MY 2007-2010 Pontiac G5, MY 2007-2010 Saturn Sky, MY 2006-2011 Chevrolet HHR, MY 2010-2014 Chevrolet Camaro, MY 2005-2009 Buick Lacrosse, MY 2006-2011 Buick Lucerne, MY 2000-2005 Cadillac Deville, MY 2006-2011 Cadillac DTS, MY 2006-2014 Chevrolet Impala, MY 2006-2007 Chevrolet Monte Carlo, MY 2003-2014 Cadillac CTS, MY 2004-2006 Cadillac SRX, MY 2000-2005 Chevrolet Impala, MY 1997-2003 Chevrolet Malibu, MY 2004-2005 Chevrolet Malibu Classic, MY 2000-2005 Chevrolet Monte Carlo, MY 1999-2004 Oldsmobile Alero, MY 1998-2002 Oldsmobile Intrigue, MY 1999-2005 Pontiac Grand Am, MY 2004-2008 Pontiac Grand Prix, MY 2002-2004 Saturn VUE, MY 2008-2009 Pontiac G8.

13. 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

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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

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

20. 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 also rejected.

21. 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.

22. 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.

23. 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 Corporations' practice.

24. 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.

25. 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 GM as part of the bankruptcy sale. Thus by early 2011, if not earlier, GM knew or should have known that these non-deployment cases involved an "anomaly" with the Ignition Switch.

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

FAILURE TO INITIATE A SAFETY RECALL

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

28. From the spring of 2012 through the spring of 2013, GM sold no new motor vehicles that were equipped with the Ignition Switch. However, GM 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 GM, stating that the certification process involved testing of over a hundred components, including, specifically, the ignition system.

29. GM first notified NHTSA and the public of the known connection between the Ignition Switch and fatal airbag non-deployment on February 7, 2014. GM acknowledged 15 deaths occurring in crashes in which the Ignition Switch may have caused or contributed to airbag non-deployment. 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.

30. Between February 2014 and September 2014, GM 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.

PLAINTIFF'S CAUSE OF ACTION

UNFAIR AND DECEPTIVE ACTS AND PRACTICES

31. The State incorporates by reference and re-alleges each allegation contained in paragraphs 1-30.

32. All of the acts and practices engaged in and employed by the Defendant as alleged herein, are unfair or deceptive acts or practices affecting the conduct of any trade or commerce in Ohio, which are declared unlawful by R.C. 1345.02(A), R.C. 1345.02(B)(1), and R.C. 1345.02(B)(2). 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 GM motor vehicles and motor vehicle equipment;
- b. **Misrepresented safety and reliability:** Defendant misrepresented, directly or by implication, GM motor vehicles and motor vehicle equipment as safe and reliable;
- c. **Sold unsafe Motor Vehicles:** Defendant sold unsafe motor vehicles and unsafe motor vehicle components, in violation of 49 U.S.C. Section 30120(i).
- d. **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
- e. **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 GM management.

33. Such acts and practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendant committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

PRAYER FOR RELIEF

WHEREFORE, the State of Ohio respectfully requests that this honorable Court enter an order:

- A. Issuing a permanent injunction prohibiting Defendant, their agents, employees, and all other persons and entities, corporate or otherwise, in active concert or participation with any of them, from engaging in unfair, unconscionable, deceptive, or misleading conduct;
- B. Ordering Defendant to pay civil penalties of up to \$25,000 for each violation of the CSPA, R.C. 1345.01 et seq., as provided by R.C. 1345.07(D);
- C. Ordering Defendant to pay all costs for the prosecution and investigation of this action; and
- D. Granting such other and further relief as the Court deems equitable and proper.

Respectfully submitted,

/s/ Melissa Wright

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