

IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
Civil Division

DISTRICT OF COLUMBIA

a municipal corporation
441 4th Street, N.W.
Washington, DC 20001,

Plaintiff,

v.

GENERAL MOTORS COMPANY

300 Renaissance Center
Detroit, MI 48243,

Defendant.

Case No. _____

**COMPLAINT FOR INJUNCTIVE AND
OTHER RELIEF**

Plaintiff District of Columbia (“District”), by the Office of the Attorney General, brings this action pursuant to D.C. Code § 28-3909 for injunctive relief and civil penalties against Defendant General Motors Company, for violating the District’s consumer protection laws by engaging in unlawful trade practices in promoting, advertising, offering for sale, selling, and distributing certain motor vehicles to District of Columbia consumers. In support of its claims, the District states as follows:

1. This action arises under the District’s Consumer Protection Procedures Act (“CPPA”), D.C. Code § 28-3904 (prohibiting unlawful trade practices).

Jurisdiction

2. This Court has jurisdiction over the subject matter of this case pursuant to D.C. Code § 11-921 and D.C. Code § 28-3909.

3. This Court has personal jurisdiction over the Defendant pursuant to D.C. Code § 13-423(a).

The Parties

4. Plaintiff, the District, a municipal corporation that is authorized to sue and be sued, is the local government for the territory constituting the seat of the government for the United States of America. The District brings this action, through its Attorney General, pursuant to the CPPA, D.C. Code § 28-3909, which authorizes the Attorney General to bring court actions to enforce the District's consumer protection laws, including the CPPA.

5. Defendant General Motors Company ("GM") is a Delaware corporation with its principal place of business at 300 Renaissance Center, Detroit, MI 48243.

6. At all relevant times, Defendant GM transacted business in the District of Columbia and nationwide by advertising, soliciting, selling, promoting, marketing and distributing motor vehicles, and that business is governed by the CPPA.

Trade and Commerce

7. DC Code § 28-3901(a)(6) defines "trade practice" as:

any act which does or would create, alter, repair, furnish, make available, provide information about, or, directly or indirectly, solicit or offer for or effectuate, a sale, lease or transfer, of consumer goods or services.

8. Defendant GM was at all relevant times engaged in trade practices in the District of Columbia, to wit: promoting, advertising, offering for sale, selling, and distributing consumer goods or services in the District of Columbia.

Background and Statement of Facts

9. GM manufactures, assembles, advertises, markets, promotes, sells, and distributes motor vehicles nationally and in the District of Columbia. 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 its advertisements and public statements that its vehicles are safe and reliable forms of 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 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, Model Year 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

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 the Ignition Switch 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 its 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 changing the part number was General Motors Corporation’s practice.

25. From 2004 to 2011, both prior to and following General Motors Corporation’s 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 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.

27. 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

28. 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.

29. From the spring of 2012 through the spring of 2013, GM did not sell any 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.

30. 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.

31. 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.

Violations of the CPPA

32. The District re-alleges the facts above and incorporates them herein by reference.

33. The CPPA is a remedial statute that is to be broadly construed. It establishes an enforceable right to truthful information from merchants about consumer goods and services that are or would be purchased, leased or received in the District of Columbia.

34. The motor vehicles that the Defendant promoted, advertised, offered for sale, sold, and distributed to District consumers were purchased for personal, household or family purposes and, therefore, were consumer goods.

35. The Defendant, in the ordinary course of business, offers to sell, sells, or supplies consumer goods and, therefore, is a merchant.

36. The CPPA prohibits unlawful trade practices in connection with the offer, sale and distribution of consumer goods and services.

37. The Defendant, in the course of promoting and marketing its motor vehicles, represented that such motor vehicles had approvals, characteristics, uses, and benefits that they did not have and, pursuant to the CPPA, such misrepresentations constitute unfair or deceptive trade practices that are prohibited by D.C. Code § 28-3904(a).

38. The Defendant, in the course of promoting and marketing its motor vehicles, misrepresented, directly or by implication, that its motor vehicles and motor vehicle equipment were safe and reliable, which had the capacity, tendency, or effect of deceiving or misleading consumers. Pursuant to the CPPA, such misrepresentations constitute an unlawful trade practice that violates D.C. Code § 28-3904(e).

39. The Defendant, in the course of promoting and marketing its motor vehicles, failed to disclose to consumers and regulators known safety risks associated with the operation of GM motor vehicles and motor vehicle equipment, which are material facts the omission of which

deceived or tended to deceive consumers. Pursuant to the CPPA, such material omissions constitute an unlawful trade practice that violates D.C. Code § 28-3904(f).

40. The Defendant, in the course of promoting, marketing, selling, and distributing its motor vehicles, sold unsafe motor vehicles and unsafe motor vehicle components, in violation of 49 U.S.C. Section 30120(i). Pursuant to the CPPA, such practices constitute an unlawful trade practice that violates D.C. Code § 28-3904(x).

41. The Defendant, in the course of promoting, marketing, selling, and distributing its motor vehicles, 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 by the District's Lemon Law, which is codified in D.C. Code § 50-501, *et seq.* Pursuant to the CPPA, such failures constitute an unlawful trade practice that violates D.C. Code § 28-3904(bb).

WHEREFORE, the District of Columbia respectfully requests this Court enter a judgment in its favor and grant relief against Defendant, jointly and severally, as follows:

- (a) Permanently enjoin Defendant, pursuant to D.C. Code § 28-3909(a), from engaging in conduct determined by the Court to be in violation of the CPPA;
- (b) Order the payment of statutory civil penalties in the amount of \$1,000 per violation, pursuant to D.C. Code § 28-3909(b), for each and every violation of the CPPA;
- (c) Award the District the costs of this action and reasonable attorney's fees pursuant to D.C. Code § 28-3909(b); and
- (d) Grant such further relief as the Court deems just and proper.

Dated: October 19, 2017

Respectfully submitted,

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