



## PRESS RELEASE

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### **Attorney General Frosh Announces Settlement with General Motors Company over Defective Ignition Switch**

#### ***General Motors Will Pay \$120 Million to Resolve Allegations of Consumer Protection Law Violations***

**Baltimore, MD (October 19, 2017)** – Maryland Attorney General Brian E. Frosh announced today that his office has reached a settlement with General Motors Company (“GM”), resolving claims that the company concealed safety issues related to ignition-switch-related defects in GM vehicles. The settlement between the attorneys general of 49 states and the District of Columbia and the company, 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.

“GM’s defective ignition switches put its customers’ lives at risk,” said Attorney General Frosh. “Even worse, we believe that after the defect was identified, GM delayed notifying owners of GM vehicles, jeopardizing the safety of its customers.”

In 2014, GM issued seven vehicle recalls concerning 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 and cause the driver to experience 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.

Attorney General Frosh, along with the 49 other attorneys general, alleged that certain employees of GM’s predecessor, General Motors Corporation (which went through bankruptcy in 2009), knew as early as 2004 that the ignition switch was defective. However, despite that knowledge, GM personnel did not inform the public and delayed making recalls until 2014. The attorneys general also alleged that GM continued to market the reliability and safety of its motor vehicles which were equipped with this defective ignition switch.

Under the settlement, filed today in the Circuit Court for Baltimore City, 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.

In addition, GM must pay \$120 million.

GM previously has performed, and continues to perform, free repairs on the affected vehicles to fix the safety defect. Consumers who have received recall notices but not yet taken their vehicles in for the repair, are urged to take their vehicles to a dealer for the free repair. If consumers are uncertain about the recall status of their vehicles, they should visit [www.safercar.gov](http://www.safercar.gov) and input the vehicle’s vehicle identification number (VIN).

Attorney General Frosh was part of the nine state leadership team that included attorneys general from Connecticut, Florida, Michigan, New Jersey, Ohio, Pennsylvania, South Carolina and Texas. In making today’s announcement, Attorney General Frosh thanked Assistant Attorney General Elizabeth Stern for her work on this case.