

IN THE DISTRICT COURT OF OKLAHOMA COUNTY

STATE OF OKLAHOMA

FILED IN DISTRICT COURT
OKLAHOMA COUNTY

STATE OF OKLAHOMA, *ex rel.*, MIKE
HUNTER, ATTORNEY GENERAL OF
OKLAHOMA,

Plaintiff,

v.

GENERAL MOTORS COMPANY,

Defendant.

OCT 19 2017

RICK WARREN
COURT CLERK

32 _____

Case No:

CJ-2017-5993

PETITION

1. Plaintiff, the people of the State of Oklahoma, by and through Mike Hunter, Attorney General of the State of Oklahoma, brings this action against Defendant General Motors Company ("Defendant" or "GM"), for violations of the Oklahoma Consumer Protection Act, 15 O.S. § 751 *et seq.*, as follows:

JURISDICTION AND VENUE

2. This action is brought for and on behalf of the people of Oklahoma, by Mike Hunter, Attorney General of the State of Oklahoma, pursuant to the provisions of the 15 O.S. § 756.1.

3. This Court has jurisdiction over the Defendant pursuant to 12 O.S. § 2004 because Defendant has transacted business within the State of Oklahoma at all times relevant to this complaint.

4. Venue for this action properly lies in Oklahoma County pursuant to 12 O.S. § 133 because Defendant transacts business in Oklahoma County, the transactions out of which this action arose occurred in Oklahoma County, and this action is brought by the Attorney General, on behalf of the people of the State of Oklahoma, for the benefit thereof.

5. Defendant agrees to waive notice as required by 15 O.S. § 759.

PARTIES

6. Plaintiff, the people of the State of Oklahoma (hereinafter “the People”), by Mike Hunter, Attorney General of the State of Oklahoma, is charged, inter alia, with the enforcement of the Oklahoma Consumer Protection Act, 15 O.S. § 751 *et seq.*

7. 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.

COMMERCE/CONSUMER TRANSACTION

8. Subsection 15 O.S. § 752(2) of the Oklahoma Consumer Protection Act, defines “consumer transaction” as follows:

”Consumer Transaction’ means the advertising, offering for sale or purchase, sale, purchase, or distribution of any services or any property, tangible or intangible, real, personal, or mixed, or any other article, commodity, or thing of value wherever located, for purposes that are personal, household, or business oriented.”

15 O.S. § 752(2).

9. Defendant was at all times relative hereto, engaged in consumer transactions in the State of Oklahoma, to wit: manufacturing, assembling, advertising, marketing, promoting, selling, and distributing motor vehicles.

BACKGROUND AND STATEMENT OF FACTS

10. GM manufactures, assembles, advertises, markets, promotes, sells, and distributes motor vehicles nationally and in the State of Oklahoma. 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.

11. GM, like General Motors Corporation before it, consistently represented in advertising and public statements that its vehicles are safe and reliable transportation.

12. 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.

13. Between February 2014 and September 2014, GM issued seven vehicle recalls in response to the ignition switch problem. 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.

14. 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

15. 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 ignition switch (hereinafter, the “Ignition Switch”). That Ignition Switch would later be installed in additional models in 2004 through late 2006.

16. This Ignition Switch was defective. The 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.

17. 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, but the production was approved regardless.

18. General Motors Corporation customers immediately began to report problems with motor vehicles equipped with the Ignition Switch.

19. 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.

20. 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.

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

22. 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 coming off the production line. 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.

23. 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.

24. 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.

25. 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, as was General Motors Corporations' practice.

26. 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.

27. GM 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.

28. From early 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

29. 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.

30. 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, assuring the consumer

purchaser that the motor vehicles' components, which would include their ignition systems and keys, met all safety standards.

31. GM first notified NHTSA and the public of the known connection between the Ignition Switch and fatal airbag non-deployment on February 7, 2014. Up to and including this time, GM was aware of at least 15 individuals who had died as a result of the ignition switch. In fact, GM 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.

32. Between February 2014 and September 2014, GM issued seven vehicle recalls in response to the ignition switch problem. Those recalls have affected over 9 million vehicles in the United States.

FIRST CAUSE OF ACTION

Violations of the OCPA (15 O.S. §§ 751 *et seq.*)

33. The State incorporates by reference and re-alleges each allegation contained in paragraphs 1-32.

34. 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 Oklahoma, which are declared unlawful by 15 O.S. § 753. 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.

35. Each and every unfair or deceptive act or practice engaged in by Defendant, as recited above constitutes a separate knowing violations of the Oklahoma Consumer Protection Act as provided by 15 O.S. § 753.

36. Because Defendant persistently and knowingly failed to reveal material facts regarding the motor vehicles sold to consumers nationwide, the Defendant has violated 15 O.S. § 753 with each representation or omission.

REMEDIES

1. Section 756.1 of the Oklahoma Consumer Protection Act, 15 O.S. § 751 *et seq*, states in relevant part as follows:

A. The Attorney General or a district attorney may bring an action:

1. To obtain a declaratory judgment that an act or practice violates the Consumer Protection Act;

2. To enjoin, or to obtain a restraining order against a person who has violated, is violating or is likely to violate the Consumer Protection Act;

3. To recover actual damages and, in the case of unconscionable conduct, penalties as provided by this act, on behalf of an aggrieved consumer, in an individual action only, for violation of the Consumer Protection Act; or

4. To recover reasonable expenses and investigation fees.

B. In lieu of instigating or continuing an action on proceeding, the Attorney General or a district attorney may accept a consent judgment with respect to any act or practice declared to be a violation of the Consumer Protection Act . . .
15 O.S. § 756.1.

PRAYER FOR RELIEF

WHEREFORE, the People of the State of Oklahoma respectfully request 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 \$10,000 for each violation of 15 O.S. § 753, as provided by 15 O.S. § 761.1;

C. Ordering Defendant to pay all costs for the prosecution and investigation of this action, as provided by 15 O.S. § 756.1; and

D. Granting such other and further relief as the Court deems equitable and proper.

Dated October _____, 2017.

MIKE HUNTER
ATTORNEY GENERAL

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