KING & SPALDING LLP

1185 Avenue of the Americas New York, New York 10036 Telephone: (212) 556-2100

Facsimile: (212) 556-2222

Arthur Steinberg Scott Davidson

KIRKLAND & ELLIS LLP

300 North LaSalle Chicago, IL 60654

Telephone: (312) 862-2000 Facsimile: (312) 862-2200

Richard C. Godfrey, P.C. (admitted *pro hac vice*) Andrew B. Bloomer, P.C. (admitted *pro hac vice*)

Attorneys for General Motors LLC

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

-----X
In re : Chapter 11

MOTORS LIQUIDATION COMPANY, et al., : Case No.: 09-50026 (REG)

f/k/a General Motors Corp., et al.

Debtors. : (Jointly Administered)

-----X

RESPONSE BY GENERAL MOTORS LLC TO BLEDSOE PLAINTIFFS' NO STAY PLEADING

TABLE OF CONTENTS

| Cases | <u>Page</u> |
|-----------|---|
| PRELIM | INARY STATEMENT1 |
| BACKG | ROUND RELEVANT TO RESPONSE5 |
| A. | The Elliott Case, the Scheduling Orders, The Phaneuf Case, and the Tag-Along Procedures |
| В. | The Two Additional Motions to Enforce, The August Conference, and the Court's Reiteration that the Sale Order And Injunction Applies to the Actions in the First Instance10 |
| С. | MDL 2543, the Initial Case Conference and the Consolidated Complaints12 |
| D. | The Bledsoe Lawsuit |
| RESPON | ISE14 |
| | LIEF REQUESTED IN THE DE NO STAY PLEADING SHOULD BE DENIED14 |
| A. | The Bledsoe Plaintiffs Are Subject To The Injunction Contained In The Sale Order And Injunction15 |
| В. | A Preliminary Injunction Is Not Needed In Connection With The Bledsoe Lawsuit |
| C. | The Bledsoe Plaintiffs' Claims Clearly Implicate the Sale Order and Injunction |
| D. | The Bledsoe Plaintiffs' Arguments Are Subsumed In Three Of The Four Threshold Issues, Which Should Be Decided Pursuant To The Court-Approved Procedures Regarding Same19 |

TABLE OF AUTHORITIES

| Cases | Page(s) |
|---|---------|
| Celotex Corp. v. Edwards, | |
| 514 U.S. 300 (1995) | |
| In re Ritchie Risk-Linked Strategies Trading (Ireland), Ltd., | |
| 471 B.R. 331 (Bankr. S.D.N.Y. 2012) | 16 |
| In re WorldCorp., Inc., | |
| 252 B.R. 890 (Bankr. D. Del 2000) | 16 |
| Stewart v. General Motors Corp., | |
| 756 F.2d 1285 (7th Cir. 1985 | |

General Motors LLC ("New GM"), by its undersigned counsel, respectfully submits this response ("Response") to the *Bledsoe Plaintiff's No Stay Pleading* ("Bledsoe No Stay Pleading") filed by Plaintiffs Sharon Bledsoe, *et al.* ("Bledsoe Plaintiffs") with respect to their lawsuit against New GM ("Bledsoe Lawsuit"), which implicates New GM's Ignition Switch Motion to Enforce, Monetary Relief Motion to Enforce, and Pre-Closing Accident Motion to Enforce (collectively, the "Motions to Enforce"), and represents as follows:

PRELIMINARY STATEMENT

- 1. The Bledsoe Plaintiffs are represented by the same counsel as the Elliott Plaintiffs and Sesay Plaintiffs, each of whom has previously filed a No Stay Pleading and raised the same arguments contained in the Bledsoe No Stay Pleading. These arguments are, thus, not new, and have previously been rejected by this Court. Indeed, *the Elliott Plaintiffs are two of the named plaintiffs in the Bledsoe Lawsuit*. Thus, this is now the second time that counsel for the Elliott Plaintiffs is making the same arguments in this Court on behalf of the same plaintiffs.
- 2. In connection with counsel's request for an extension of time to file the Sesay No Stay Pleading (which is *sub judice* before the Court), the Court stated that the Sesay Plaintiffs "may file a No Stay Pleading if they think, consistent with the Court's earlier ruling, that such a pleading would meet FRBP 9011 standards." Endorsed Order, dated August 12, 2014 [Dkt. No.

The Bledsoe Lawsuit contains allegations concerning five separate accidents, two that allegedly occurred (with respect to the same Plaintiff) prior to the closing of the 363 Sale, and three that allegedly occurred after the closing of the 363 Sale. The two accidents that occurred prior to the closing of the 363 Sale implicate the Pre-Closing Accident Motion to Enforce.

The full titles of the Motions to Enforce are: (i) Motion of General Motors LLC Pursuant to 11 U.S.C. §§ 105 and 363 to Enforce the Court's July 5, 2009 Sale Order and Injunction, dated April 21, 2014 [Dkt. No. 12620] ("Ignition Switch Motion to Enforce"), (ii) Motion of General Motors LLC Pursuant to 11 U.S.C. §§ 105 and 363 to Enforce the Courts July 5, 2009 Sale Order and Injunction Against Plaintiffs in Pre-Closing Accident Lawsuits, dated August 1, 2014 [Dkt. No. 12807] ("Pre-Closing Accident Motion to Enforce"), and (iii) Motion of General Motors LLC Pursuant to 11 U.S.C. §§ 105 and 363 to Enforce the Courts July 5, 2009 Sale Order and Injunction (Monetary Relief Actions, Other Than Ignition Switch Actions), dated August 1, 2014 [Dkt. No. 12808] ("Monetary Relief Motion to Enforce"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motions to Enforce.

09-50026-reg Doc 12961 Filed 10/23/14 Entered 10/23/14 14:27:54 Main Document Pg 5 of 24

12835]. In response, New GM asserted that the Sesay No Stay Pleading was essentially a rehash of the arguments already rejected by the Court with respect to the Elliott No Stay Pleading. The Bledsoe No Stay Pleading follows the same pattern of recirculating already rejected arguments, notwithstanding the Court's admonition not to reiterate arguments that it previously deemed "frivolous."

- 3. The only difference between the Bledsoe Lawsuit, and the Elliott and Sesay Ignition Switch Actions, is that the Bledsoe Lawsuit implicates *all three* Motions to Enforce, not just one. But this just makes the case against the Bledsoe Plaintiffs more compelling. The Bledsoe Plaintiffs (like Plaintiffs in other Ignition Switch Actions, Monetary Relief Actions, and Pre-Closing Accident Lawsuits, collectively, the "<u>Actions</u>") allege claims based on Old GM vehicles, Old GM parts, Old GM conduct and/or accidents that occurred prior to the closing of the 363 Sale. Such claims clearly implicate the Sale Order and Injunction and are subject to the injunction therein. The Bledsoe Plaintiffs may contend otherwise, but that just means this Court will ultimately need to determine the relevant issues; and that determination should be made by this Court in conjunction with the Four Threshold Issues.³
- 4. Based on the arguments previously made to the Court, the Bledsoe No Stay Pleading should be denied on the following grounds:
- 5. <u>Subject Matter Jurisdiction</u>: The Bledsoe Plaintiffs make the same subject matter jurisdiction argument already rejected in connection with the Elliott No Stay Pleading. There, the Court ruled that the "no subject matter jurisdiction" argument was *frivolous*, disregarding controlling decisions issued by not only this Court, but by the United States Supreme Court, the Second Circuit and District Courts within this District. *See Decision with*

The term "Four Threshold Issues" is defined in the Court's July 11, 2014 Supplemental Scheduling Order ("Supplemental Scheduling Order"), as further supplemented by the Court's Endorsed Order, dated August 22, 2014 ("August 22 Order").

09-50026-reg Doc 12961 Filed 10/23/14 Entered 10/23/14 14:27:54 Main Document Pg 6 of 24

Respect to No Stay Pleading and Related Motion to Dismiss for Lack of Subject Matter Jurisdiction (Elliott Plaintiffs), dated August 6, 2014 [Dkt. No. 12815] ("Elliott Written Decision"), at 1-2.

- 6. In the Bledsoe No Stay Pleading (just like in the Elliott and Sesay No Stay Pleadings), counsel argues that this Court lacks "related to" jurisdiction over this controversy. Counsel refers to inapposite cases involving post-confirmation jurisdiction over a reorganized debtor. This argument, in the Court's words, "misses the point." Elliott Written Decision, p. 4. The question is not one of "related to" jurisdiction, but one of "arising in" jurisdiction, which this Court clearly possesses given that it is being called upon to enforce its prior Order (*i.e.*, the Sale Order and Injunction). *See* Elliott Written Decision, at 4-7.
- 7. The Bledsoe Plaintiffs concede that they have not raised any new arguments with respect to this issue. The Bledsoe No Stay Pleading (just like the Sesay No Stay Pleading) admits that the Bledsoe Lawsuit "is not distinguishable from the *Elliott v. GM* matter that the Court has already considered," and contends that "[t]he Court misapplied the law in that ruling and mistakenly thought it had 'arising in' jurisdiction over such claims" Bledsoe No Stay Pleading, at 16 (citing Dkt. No. 12815).
- 8. Thus, the law of this case is that this Court has subject matter jurisdiction over this controversy. Substantially all of the other Plaintiffs have acknowledged that uncontroversial fact. Counsel for the Bledsoe Plaintiffs stands virtually alone on this point. Having raised the same frivolous argument for now the third time, it should again be summarily rejected.
- 9. <u>The Bledsoe No Stay Pleading Implicates Three of the Four Threshold</u>

 <u>Issues</u>: At least three of the Four Threshold Issues are identical to the issues raised by the Bledsoe No Stay Pleading, namely the Due Process Threshold Issue, the Remedies Threshold

Issue and the Old GM Claim Threshold Issue (each as defined in the Supplemental Scheduling Order). The Court already ruled that it would exercise its jurisdiction to decide, among other things, the Four Threshold Issues. A briefing schedule has been established by the Court for that purpose. This is (a) the orderly process the Court set forth in its May 16, 2014 Scheduling Order ("Scheduling Order"), as supplemented by the Supplemental Scheduling Order and August 22 Order, (b) the process recommended by Designated Counsel (as defined in the Scheduling Order) at the conferences held on May 2, 2014 ("May Conference"), July 2, 2014 ("July Conference") and August 18, 2014, and (c) the process agreed to by all but five other groups of Plaintiffs in the over 100 pending Actions that are subject to the Motions to Enforce. Service of the Motions to Enforce.

10. Additionally, on September 15, 2014, in the interest of efficiency and conserving resources, this Court ordered that the schedule governing the briefing of the Four Threshold Issues in the Ignition Switch Motion to Enforce be applied to the Pre-Closing Accident Motion to Enforce⁶ and the Monetary Relief Motion to Enforce ("September Orders"). Thus, briefing of the Four Threshold Issues, and the conclusions reached on those issues, will apply to all Actions subject to the Motions to Enforce, including the Bledsoe Lawsuit. There is no reason to deal with these issues separately in the Bledsoe No Stay Pleading. Other Plaintiffs who have

New GM's opening brief will be filed on November 5, 2014, and the Four Threshold Issues will be fully briefed by mid-January 2015 (in approximately 3 months).

The six other groups of Plaintiffs that have filed No Stay Pleadings with the Court are (i) the Elliott Plaintiffs, (ii) the Phaneuf Plaintiffs, (iii) the Orange County Plaintiff (on a self-described "limited" basis), (iv) the Sesay Plaintiffs, (v) the Alers Plaintiff, and (vi) the Bloom Plaintiff. The Court has previously denied the No Stay Pleadings filed by the Elliott Plaintiffs and the Phaneuf Plaintiffs. The limited No Stay Pleading filed by the Orange County Plaintiff is essentially moot as the sole basis for that pleading was to have the California District Court hear the Orange County Plaintiff's remand motion. The California District Court previously stayed the Orange County Ignition Switch Action, and the remand motion is currently pending before the District Court in Multi-District Litigation ("MDL") 2543. The Orange County Plaintiff has agreed to stay its Action (in whichever court it ends up in) after the remand motion is decided. The Sesay No Stay Pleading and Alers No Stay Pleading are currently *sub judice* before the Court. The Bloom No Stay Pleading was filed on October 20, 2014; New GM will be filing a response thereto on or before October 30, 2014.

On October 15, 2014, Plaintiffs' Lead Counsel in the MDL appointed Goodwin Procter LLP to serve as "Designated Counsel" in these proceedings to oppose the Pre-Closing Accident Motion to Enforce. Thus, issues related to those Bledsoe Plaintiffs that had a pre-closing accident will be addressed by Goodwin Procter as part of the Four Threshold Issues.

tried to "jump the line" (e.g., the Phaneuf Plaintiffs, the Elliott Plaintiffs, and the Powledge Plaintiff) have failed. The Bledsoe Plaintiffs should be bound by the same rules that will apply to all Plaintiffs.

- As the Court already has ruled, it was entirely appropriate for New GM to request relief by motion, as opposed to an adversary proceeding, since New GM is seeking to enforce a *preexisting* injunction, not obtain a new one. *See* Phaneuf Written Decision (defined below), at 4 ("Though injunctive provisions are already in place and thus a preliminary injunction is unnecessary, New GM has also shown an entitlement to a preliminary injunction staying the Phaneuf Plaintiffs from proceeding with their litigation elsewhere while the issues here are being determined."). The Bledsoe Plaintiffs' argument to the contrary should be rejected.
- The Relief Requested is Wasteful. The issues raised by the Bledsoe Plaintiffs are wasteful of the Court's and New GM's time and resources. The Bledsoe Lawsuit is part of the MDL. Most of the claims asserted in the Bledsoe Lawsuit will be subsumed by the consolidated complaints ("Consolidated Complaints") filed by Lead Plaintiffs in the MDL on October 14, 2014. Judge Furman has previously stated that, aside from allowing certain matters to go forward, he will await this Court's ruling on the Four Threshold Issues. There simply is nothing to be gained by granting any portion of the Bledsoe No Stay Pleading. Accordingly, the Bledsoe No Stay Pleading should be denied.

BACKGROUND RELEVANT TO RESPONSE

13. The Bledsoe Lawsuit was filed on September 19, 2014. The Bledsoe Plaintiffs' counsel has been involved in this contested proceeding since at least the middle of June 2014, having filed numerous letters with the Court, as well as a No Stay Pleading for *certain of the*

A copy of the complaint filed in the Bledsoe Lawsuit is annexed hereto as Exhibit "A."

Bledsoe Plaintiffs (*i.e.*, the Elliotts) and other clients. Some relevant background on the Elliott and Phaneuf matters is provided below.

A. The Elliott Case, the Scheduling Orders, The Phaneuf Case, and the Tag-Along Procedures

- 14. The Elliott Plaintiffs, *pro se*, commenced their Ignition Switch Action against New GM on April 1, 2014. The Elliott Plaintiffs original complaint concerned the *same* Chevrolet Trailblazer that is now at issue in the Bledsoe Lawsuit. On April 21, 2014, New GM filed its Ignition Switch Motion to Enforce and listed the Elliott Ignition Switch Action on Schedule "1" annexed thereto. On April 22, 2014, the Court issued an Order, scheduling the May Conference.
- 15. At the May Conference, various bankruptcy-related issues were discussed with the Court, and there was a general consensus reached between New GM and counsel speaking on behalf of almost all of the Plaintiffs that, as part of the process in which the Court would address bankruptcy-related issues, the Plaintiffs would either (i) agree to enter into a stipulation ("<u>Stay Stipulation</u>") with New GM staying their individual Ignition Switch Actions, or (ii) file with the Court a "No Stay Pleading" setting forth why they believed their individual Ignition Switch Actions should not be stayed (collectively, the "<u>Initial Stay Procedures</u>").
- 16. The Initial Stay Procedures were set forth and approved in the Scheduling Order. The overwhelming number of Plaintiffs agreed to enter into Stay Stipulations. The Elliott Plaintiffs, *pro se*, received the Stay Stipulation and timely executed it. However, once the Elliott Plaintiffs retained counsel, they sought to undo the Stay Stipulation and to file an amended class action complaint. The amended complaint deleted all references to the Trailblazer that is now at issue in the Bledsoe Lawsuit. New GM thereafter filed the *Supplemental Response by General Motors LLC in Connection with Stay Procedures Set Forth in the Court's May 16*, 2014

09-50026-reg Doc 12961 Filed 10/23/14 Entered 10/23/14 14:27:54 Main Document Pg 10 of 24

Scheduling Order, dated June 24, 2014 [Dkt. No. 12735] ("<u>Elliott Supplemental Response</u>"), requesting that the Court direct the Elliott Plaintiffs to refrain from taking further action in the Elliott Ignition Switch Action.

- 17. The Court held the July Conference to address certain procedural issues that had arisen since entry of the Scheduling Order. At that time, the Court ruled on which issues should be decided first in this matter. At least three of the Four Threshold Issues identified by the Court at the July Conference are implicated by the Bledsoe No Stay Pleading (*i.e.*, the Due Process, Remedies and Old GM Claim Threshold Issues). A briefing schedule respecting the Four Threshold Issues was established in the Supplemental Scheduling Order, as amended by the August 22 Order, and expanded to all Motions to Enforce by the September Orders.
- 18. Immediately after the July Conference, the Court heard argument on a No Stay Pleading [Dkt. No. 12712] filed by another group of Plaintiffs (*i.e.*, the "Phaneuf Plaintiffs"). Then co-counsel for the Elliott Plaintiffs was present during this argument. Like the Bledsoe Lawsuit, the Phaneuf, Elliott and Sesay Ignition Switch Actions attempted to allege claims solely against New GM, and not Old GM. The Phaneuf Plaintiffs argued, as the Bledsoe Plaintiffs argue here, that their "claims relate to New GM's conduct *post*-bankruptcy." Phaneuf No Stay Pleading, at 2. New GM responded, arguing that the Phaneuf Plaintiffs' claims were like a number of other plaintiffs' claims in other Ignition Switch Actions, and that the Phaneuf Plaintiffs should be on the same schedule as the other Plaintiffs in the then nearly 90 other Ignition Switch Actions (which now number more than 100).
- 19. The Court agreed with New GM and issued an oral ruling from the Bench at the July Conference, which was memorialized on July 30, 2014 in the Court's *Decision with Respect*

09-50026-reg Doc 12961 Filed 10/23/14 Entered 10/23/14 14:27:54 Main Document Pg 11 of 24

to No Stay Pleading (Phaneuf Plaintiffs) ("Phaneuf Written Decision"). In the Phaneuf Written Decision, the Court found that the Phaneuf Ignition Switch Action:

merges pre- and post-sale conduct by Old GM and New GM; and that their complaint places express reliance on at least seven actions by Old GM, before New GM was formed—that at least much of the Phaneuf Plaintiffs' complaint seeks to impose liability on New GM based on Old GM's pre-sale acts. Efforts of that character are expressly forbidden by the two injunctive provisions [from the Sale Order and Injunction] just quoted. Though I can't rule out the possibility that a subset of matters the Phaneuf Plaintiffs might ultimately show would not similarly be forbidden, at this point the Sale Order injunctive provisions apply. And it need hardly be said that I have jurisdiction to interpret and enforce my own orders, just as I've previously done, repeatedly, with respect to the very Sale Order here.

Phaneuf Written Decision, at 16 (footnotes omitted).

- 20. Immediately after the Phaneuf No Stay Pleading was addressed at the July Conference, the Court heard argument on the Elliott Supplemental Response. The Court allowed the Elliott Plaintiffs to file a late No Stay Pleading to give them "the opportunity, if [they] can, to show that [their] action is any different than the other 87, including now Phaneuf and to consider my ruling that I just issued in Phaneuf to be stare decisis, that is a precedent, vis-a-vis your effort to get them special treatment but not res judicata or collateral estoppel." Hr'g Tr. 99:19-24, July 2, 2014.
- 21. The Elliott No Stay Pleading contained many of the arguments made in the Bledsoe No Stay Pleading, including that this Court did not have "related to" subject matter jurisdiction over the Elliott Plaintiffs. New GM responded to the Elliott No Stay Pleading, arguing that the Elliott Ignition Switch Action was essentially no different from the Phaneuf Ignition Switch Action and that the same result should be applied to them. At a hearing held on August 5, 2014, the Court agreed with New GM. In another written decision (*i.e.*, the Elliott Written Decision), the Court aptly summarized its ruling as follows:

Once again, a plaintiff group wishing to proceed ahead of all of the others (only one week after I issued the written opinion memorializing my earlier oral ruling proscribing such an effort) has asked for leave to go it alone. Its request is denied. With a single exception, the issues raised by this group (the "Elliott Plaintiffs") don't differ from those addressed in Phaneuf. And as to that single exception—their claim that I don't have subject matter jurisdiction to construe and enforce the Sale Order in this case—their contention is frivolous....

Id. at 1 (emphasis added)(footnotes omitted). With respect to the Elliott Plaintiffs' argument regarding "related to" jurisdiction, the Court found that:

"Related to" jurisdiction has nothing to do with the issues here. Bankruptcy courts (and when it matters, district courts) have subject matter jurisdiction to enforce their orders in bankruptcy cases and proceedings under those courts' "arising in" jurisdiction. The nearly a dozen cases cited above expressly so hold.

Id. at 4 (footnote omitted). The Court further found that the Elliott Plaintiffs' "argument conflates the conclusion I might reach after analysis of matters before me—that certain claims ultimately might not be covered by the Sale Order—with my jurisdiction to decide whether or not they are." *Id.* at 7. The Court, thus, denied the Elliott Plaintiffs' motion to dismiss.

22. With respect to the Elliott "no stay" request, the Court denied that as well, relying on its Phaneuf Written Decision:

As in *Phaneuf*, I find that the Elliott Plaintiffs are asserting claims with respect to vehicles that were manufactured before the 363 Sale, and, although to a lesser extent than in *Phaneuf*, relying on the conduct of Old GM. Thus I find as a fact, or mixed question of fact and law, that the threshold applicability of the Sale Order—and its injunctive provisions—has been established in the first instance.

And once again, even if the Sale Order did not apply in the first instance, a preliminary injunction would also be appropriate here, for the reasons discussed at length in *Phaneuf*, which I will not repeat at comparable length here—other than to say that the prejudice to all of the other litigants, and to the case management concerns I had with respect to the Phaneuf Plaintiffs, is just as much a matter of concern here.

As in *Phaneuf*, I will not allow the Elliott Plaintiffs to go it alone. The Elliott Plaintiffs' claims can be satisfactorily addressed—and will have to be addressed—as part of the coordinated proceedings otherwise pending before me.

09-50026-reg Doc 12961 Filed 10/23/14 Entered 10/23/14 14:27:54 Main Document Pg 13 of 24

Elliott Written Decision, at 9. Ultimately, the Court held that the "injunctive provisions of Paragraphs 8 and 47 of the Sale Order (and that the Court may also impose by preliminary injunction) will remain in place" with respect to the Elliott Ignition Switch Action. *Id.* at 9-10.

23. Because new Ignition Switch Actions were being filed against New GM almost on a daily basis in other courts (notwithstanding the procedures already put in place by this Court), New GM needed to implement stay procedures to address such Ignition Switch Actions. Accordingly, on June 13, 2014, New GM filed with the Court a motion to establish stay procedures for newly-filed Ignition Switch Actions [Dkt. No. 12725] ("<u>Tag-Along Motion</u>"). The relief requested in the Tag-Along Motion was granted by Order dated July 8, 2014 [Dkt. No. 12764] ("<u>Stay Procedures Order</u>"). The Stay Procedures Order requires, *inter alia*, plaintiffs in newly filed Ignition Switch Actions, within three (3) days of receipt of a form Stay Stipulation, to either enter into a Stay Stipulation or file a "No Stay Pleading" with the Court.

B. The Two Additional Motions to Enforce, The August Conference, and the Court's Reiteration that the Sale Order And Injunction Applies to the Actions in the First Instance

24. Since recalling vehicles based on allegedly defective ignition switches in February, 2014, New GM has instituted various other recalls concerning Old GM and New GM vehicles. In response to these additional recalls, plaintiffs have commenced lawsuits against New GM based on alleged defective parts (other than the ignition switch) in Old GM vehicles. Accordingly, on August 1, 2014, New GM filed with the Court the Monetary Relief Motion to Enforce, seeking to enforce the Sale Order and Injunction against plaintiffs (including certain of the Bledsoe Plaintiffs) who are improperly asserting claims against New GM based on non-ignition switch defects in Old GM vehicles.

- 25. In addition, again based on the various recalls that have been instituted by New GM in recent months, certain plaintiffs have commenced lawsuits against New GM that are based on accidents that occurred prior to the closing of the 363 Sale. As claims against New GM based on pre-closing accidents are clearly barred by the Sale Order and Injunction, New GM filed the Pre-Closing Accident Motion to Enforce on August 1, 2014.
- 26. In conjunction with filing the Monetary Relief Motion to Enforce and the Pre-Closing Accident Motion to Enforce, New GM requested a conference with the Court which was held on August 18, 2014 ("August Conference"). Prior to the August Conference, and in response to the filing of the Pre-Closing Accident Motion to Enforce, one plaintiff ("Powledge") filed a letter and objection with the Court, requesting time to addresses the Court at the August Conference, and to explain why that plaintiff was different from other plaintiffs. At the August Conference, after counsel for Powledge laid out his reasoning, the Court found Powledge's situation was no different from that of other plaintiffs:

I can tell you if you don't already know how I've ruled on people who are of a mind to go it alone and who have made similar arguments to you, and I encourage you to read my decisions in the [Phaneuf] and Elliott matters. You have the right if you want to file a no stay pleading. . . . [I]f you're thinking about doing it you'd have to make a preliminary decision first as to whether you can comply with Bankruptcy Rule 9011 which is like Federal Civil Rule 11, in light of the rulings in that area.

. . .

At some point your contentions will be heard either as flowing from the matters that are already before me or anything else you want to argue, but the chances of you being allowed to go it alone ahead of the other -- I thought there were 94 -- I thought I heard 104 at this point -- others, practically everybody is making arguments that their cases -- that's an exaggeration -- many people are making arguments that their cases are special.

. . .

[A]t least seemingly if you have a vehicle made by Old GM prepetition it's subject to at least one of the three categories of the sale order that New GM has been relying upon and going against people like the [Phaneuf Plaintiffs] and the

Elliotts and most of the others, and if you want to deal with it the mechanism is going to be by a no stay pleading. Sooner or later your concerns are going to be heard, but the chances of you being allowed to litigate them in another court before I've ruled on this issue are about the same as me playing for the Knicks, or in your term it's the Rockets.

Hr'g Tr. 81:11-83:8, August 18, 2014.

- 27. Given the Court's *Phaneuf* Written Decision and *Elliott* Written Decision, as well as the Court's statements at the August Conference with respect to *Powledge*, it is clear that the Court has exclusive jurisdiction over all of the Actions, and that no Plaintiff (including the Bledsoe Plaintiffs) may or should get ahead of all of the other Plaintiffs. The procedures adopted by the Court apply to all Plaintiffs (including the Bledsoe Plaintiffs).
- 28. The September Orders set out stay procedures for actions that are subject to these two additional Motions to Enforce. The September Orders require, *inter-alia*, plaintiffs in newly filed Monetary Relief Actions and/or Pre-Closing Accident Lawsuits, within seven (7) days of receipt of a form Stay Stipulation, to either enter into a Stay Stipulation or file a "No Stay Pleading" with the Court.

C. MDL 2543, the Initial Case Conference and the Consolidated Complaints

29. On March 25, 2014, the Judicial Panel on Multidistrict Litigation ("JPML") established MDL 2543, *In re: General Motors LLC Ignition Switch Litigation*. Subsequently, on June 9, 2014, the JPML designated the United States District Court for the Southern District of New York as the MDL court and assigned the Honorable Jesse M. Furman to conduct coordinated or consolidated proceedings in the Ignition Switch Actions. *See In re General Motors LLC Ignition Switch Litigation*, MDL No. 2543. More than 120 cases currently are pending in MDL 2543, including the Bledsoe Lawsuit. MDL 2543 does not only contain lawsuits that seek economic damages based on alleged defective ignition switches; it also contains lawsuits asserting personal injuries from accidents involving Old GM and New GM

09-50026-reg Doc 12961 Filed 10/23/14 Entered 10/23/14 14:27:54 Main Document Pg 16 of 24

vehicles, and lawsuits seeking economic damages based on alleged defects other than the ignition switch.

- On August 11, 2014, the District Court held an initial case conference ("Initial Conference") in MDL 2543. Among the matters discussed at the Initial Conference was the filing by Lead Counsel of a consolidated complaint for all economic loss actions that are part of MDL 2543. Two Consolidated Complaints were filed October 14, 2014, one that concerns claims based on vehicles purchased prior to the 363 Sale and the other concerning claims based on vehicles purchased after the closing of the 363 Sale (although this second Consolidated Complaint, like the other Consolidated Complaint, concerns vehicles manufactured by Old GM). The District Court also implemented procedures for plaintiffs to lodge any objections to the Consolidated Complaints with MDL Lead Counsel prior to their filing, and for the Court to resolve any remaining objections amongst plaintiffs after filing.
- 31. The Master Complaints, among other things, concern vehicles and claims at issue in the Bledsoe Lawsuit.

D. The Bledsoe Lawsuit

32. Despite being aware of the Phaneuf Written Decision and the Elliott Written Decision, and being on notice that the Sale Order and Injunction is applicable to the Actions in the first instance, counsel for the Bledsoe Plaintiffs – instead of seeking relief in this Court – filed the Bledsoe Lawsuit in the Southern District of New York on September 19, 2014. The Bledsoe Lawsuit was designated by the Bledsoe Plaintiffs as being related to MDL 2543, and it was ultimately consolidated with MDL 2543.

See MDL Consolidation Order (S.D.N.Y. Oct. 15, 2014) [Dkt. No. 349], a copy of which is annexed hereto as Exhibit "B."

33. The named Plaintiffs in the Bledsoe Lawsuit own only Old GM vehicles, with model years ranging from 2000 through 2008 (certain of the Old GM vehicles were purchased prior to the 363 Sale; certain others were purchased in the resale market after the 363 Sale). The Bledsoe Plaintiffs claim to bring their lawsuit "on behalf of a proposed nationwide class" and the Class is defined as people "who, since the inception of [New] GM in October 2009, hold or have held a legal or equitable interest in a GM vehicle with an ignition switch hazard [sic], an ignition switch key hazard, a power steering hazard, a transmission cable hazard, a brake light failure hazard, and/or a master power door switch hazard." Bledsoe Compl., ¶ 85. Thus, the purported class, as defined by the Bledsoe Plaintiffs, encompasses anyone who owned a subject vehicle as of October 2009, even if that person purchased the vehicle from Old GM before the 363 Sale.

Upon learning of the filing of the Bledsoe Lawsuit, New GM, as it has done numerous times before, determined that it implicated the Sale Order and Injunction, and designated the Bledsoe Lawsuit as being subject to all three Motions to Enforce on October 6, 2014 pursuant to various supplemental schedules filed with the Court [Dkt. Nos. 12938-12942] ("Collectively, "Supplemental Schedules").

RESPONSE

THE RELIEF REQUESTED IN THE BLEDSOE NO STAY PLEADING SHOULD BE DENIED

34. Preliminarily, as was the case with respect to the No Stay Pleadings filed by other Plaintiffs, New GM will limit its substantive arguments in this Response because of the absence of counsel for the other Plaintiffs in the Ignition Switch Actions. *See* Hr'g Tr. 82:14-17, July 2, 2014 ("MR. STEINBERG: . . . and I'm trying to be very careful not to make substantive arguments . . . THE COURT: That's especially important in light of all the people who have

Copies of the Supplemental Schedules are collectively annexed hereto as Exhibit "C."

already left the courtroom today."). As discussed herein, the issues raised by the Bledsoe Plaintiffs will be briefed in accordance with the procedures established for the Four Threshold Issues pursuant to the Supplemental Scheduling Order.¹⁰

A. The Bledsoe Plaintiffs Are Subject To The Injunction Contained In The Sale Order And Injunction

35. As stated in the Motions to Enforce, the United States Supreme Court in *Celotex Corp. v. Edwards* set forth the "well-established" rule that "persons subject to an injunctive order issued by a court with jurisdiction are expected to obey that decree until it is modified or reversed, even if they have proper grounds to object to the order." 514 U.S. 300, 306 (1995). The Supreme Court further explained:

If respondents believed the Section 105 Injunction was improper, they should have challenged it in the Bankruptcy Court, like other similarly situated bonded judgment creditors have done Respondents chose not to pursue this course of action, but instead to collaterally attack the Bankruptcy Court's Section 105 Injunction in the federal courts in Texas. This they cannot be permitted to do without seriously undercutting the orderly process of the law.

Id. at 313.

36. New GM is not seeking a new injunction against the Bledsoe Plaintiffs; New GM is simply seeking to enforce the preexisting injunction set forth in the Sale Order and Injunction, which remains in effect. Through their pleading, the Bledsoe Plaintiffs are essentially asking the Court to vacate its preexisting injunction as to them. The burden is thus on the Bledsoe Plaintiffs to demonstrate that the injunction in the Sale Order and Injunction should be vacated. *See Stewart v. General Motors Corp.*, 756 F.2d 1285, 1291 (7th Cir. 1985) ("The law appears settled")

To the extent the Court believes that substantive arguments are needed to address the Bledsoe Plaintiffs' claims in the context of their pleading prior to the Court addressing the Four Threshold Issues (which New GM asserts, consistent with this Court's rulings in connection with the Phaneuf No Stay Pleading and the Elliott No Stay Pleading, should not be the case), New GM requests that it be given an opportunity to brief such issues.

09-50026-reg Doc 12961 Filed 10/23/14 Entered 10/23/14 14:27:54 Main Document Pg 19 of 24

that the defendant bears that burden on a motion to vacate an injunction."). Just like the Phaneuf and Elliott Plaintiffs, the Bledsoe Plaintiffs have not come close to meeting their burden.

- 37. It is for this reason that the Bledsoe Plaintiffs' arguments regarding the procedural mechanism chosen by New GM to seek relief in this Court is beside the point. As counsel for the Bledsoe Plaintiffs by now well knows, it was the Bledsoe Plaintiffs who should have sought relief in this Court before filing the Bledsoe No Stay Pleading; they did not do so. In any event, contrary to the Bledsoe Plaintiffs' unsupported argument, the relief requested by New GM was appropriately brought by way of motion. An adversary proceeding was not necessary as New GM is seeking to *enforce* a *preexisting* injunction, not *obtain* a *new* injunction. *See, e.g., In re Ritchie Risk-Linked Strategies Trading (Ireland), Ltd.*, 471 B.R. 331, 337 (Bankr. S.D.N.Y. 2012) ("As a threshold matter, contrary to [respondent] Bancorp's argument, the Motion need not have been brought as an adversary proceeding since U.S. Bank seeks only the enforcement of an injunction already in effect under this Court's existing Sale Order, not the issuance of a new injunction."); *In re WorldCorp., Inc.,* 252 B.R. 890, 895 (Bankr. D. Del 2000) ("an adversary proceeding is not necessary where the relief sought [against only one respondent] is the enforcement of an order previously obtained.").
- 38. Knowing that New GM would make the foregoing argument (since it did so in connection with the Sesay No Stay Pleading), the Bledsoe Plaintiffs assert that "to the extent that [New GM] seeks to enforce an existing injunction, its exclusive remedy is to seek to hold plaintiffs in contempt in appropriate proceedings." Bledsoe No Stay Pleading, at 6. Such statement is not only wholly unsupported, but is directly contrary to the authorities cited above. While New GM does not now seek to hold the Bledsoe Plaintiffs in contempt, it nonetheless reserves all of its rights to seek to hold them in contempt.

B. A Preliminary Injunction Is Not Needed In Connection With The Bledsoe Lawsuit

39. While New GM has in previous responses to other No Stay Pleadings asserted that it can satisfy its burden for obtaining a preliminary injunction, a preliminary injunction is not needed or required herein. It is undisputed that the Bledsoe Lawsuit is part of MDL 2543. Judge Furman has already stated that, while certain matters may go forward, he will await this Court's ruling on the Four Threshold Issues. In reality, regardless of what the Bledsoe Plaintiffs say or do, they are on the same track as all other Plaintiffs in MDL 2543 that have commenced Ignition Switch Actions. Thus, this entire exercise is a waste of the Court's and New GM's resources and time.

C. The Bledsoe Plaintiffs' Claims Clearly Implicate the Sale Order and Injunction

- 40. As acknowledged by the Bledsoe Plaintiffs, the issues raised by them are substantially similar to the issues raised by the Elliott Plaintiffs. All of the Bledsoe Plaintiffs (as well as, presumably, many of the putative class members that the Bledsoe Plaintiffs seek to represent) own an Old GM vehicle, which the Court has already held to be dispositive in determining that a No Stay Pleading should be denied. Hr'g Tr. 92:3-5, July 2, 2014.
- 41. The Bledsoe Plaintiffs, like the Phaneuf Plaintiffs and Elliott Plaintiffs, similarly argue that many of their claims are based on New GM's conduct, and not Old GM's conduct. However, counsel for the Bledsoe Plaintiffs is more brazen in this action and he affirmatively asserts in the Bledsoe No Stay Pleading that the negligence claims are being asserted "on the part

However, to the extent a preliminary injunction is needed with respect to the Bledsoe Plaintiffs, New GM asserts that, for the reasons stated in its responses to the Phaneuf No Stay Pleading and the Elliott No Stay Pleading (with such arguments being incorporated herein by reference), New GM's burden for obtaining a preliminary injunction is clearly satisfied herein. The Bledsoe Lawsuit is substantially similar to the Elliott Ignition Switch Action, and functionally equivalent to the Phaneuf Ignition Switch Action. As a preliminary injunction was effectively granted in those matters, it should likewise be granted here.

09-50026-reg Doc 12961 Filed 10/23/14 Entered 10/23/14 14:27:54 Main Document Pg 21 of 24

of Debtor GM for which [New] GM is liable." This is clearly a claim based on successor liability which is expressly forbidden by the Sale Order and injunction. Moreover, because the class of plaintiffs, as defined, includes people who purchased their vehicles from Old GM, this identical argument—that a plaintiff can sidestep the Sale Order and Injunction by asserting only claims against New GM with respect to Old GM vehicles—was rejected by the Court in Phaneuf, Elliott, and Powledge.

- 42. Even the Bledsoe Plaintiffs themselves recognize that the Court needs to interpret the Sale Order and Injunction to reach a conclusion on the issue. The Sale Order and Injunction unquestionably reserved exclusive jurisdiction to this Court to interpret and enforce the Sale Order and Injunction, as well as the terms of the Sale Agreement. This is why the Motions to Enforce were filed in this Court, and this is why this Court is the only proper Court to hear and decide these issues.
- 43. The Bledsoe Plaintiffs' arguments concerning this Court's lack of "related to" jurisdiction are inexplicable given this Court's ruling on the identical issue in connection with the Elliott No Stay Pleading. The Court, in no uncertain terms, has already found, as counsel for the Bledsoe Plaintiffs well knows, that any argument based on a lack of "related to" jurisdiction simply "misses the point." Elliott Written Decision, at 4. As clearly and unambiguously found by the Court, "[b]ankruptcy courts (and when it matters, district courts) have subject matter

See Bledsoe No Stay Pleading, p. 16 ("Before such a conclusion can reasonably (or constitutionally) be reached, an analysis is necessary *first* to determine if their third-party non-debtor claims assert derivative or successor liability on the part of Non-Debtor GM for retained liability of Debtor GM, in which case the claims may well be within the terms of the Sale Order, or if they are based instead on allegations that Non-Debtor GM violated *independent* duties that Non-Debtor GM owed to the *Bledsoe* Plaintiffs, causing them legally cognizable harm, in which case the claims would not be, and constitutionally could not have been, encompassed by the Sale Order and Injunction." (italic emphasis in original)).

See Sale Order and Injunction, ¶ 71. In the Bledsoe No Stay Pleading, the Bledsoe Plaintiffs go on at length discussing a bankruptcy court retention of jurisdiction provision in a plan of reorganization. See Bledsoe No Stay Pleading, at pp. 9-12. Again, counsel gets it wrong. These cases have nothing to do with Old GM's plan of liquidation or any of its provisions.

09-50026-reg Doc 12961 Filed 10/23/14 Entered 10/23/14 14:27:54 Main Document Pg 22 of 24

jurisdiction to enforce their orders in bankruptcy cases and proceedings under those courts' "arising in" jurisdiction. The nearly a dozen cases cited [in the first two pages of the Elliott Written Decision] expressly so hold." *Id.* (emphasis in original)(footnote omitted).

- 44. All Plaintiffs are required to obey the injunction contained in the Sale Order and Injunction until this Court has an opportunity to resolve the issues set forth in the Motions to Enforce, and, in particular, decide which claims asserted against New GM are barred, and which, if any, are not. The Bledsoe Plaintiffs are no different from any of the other Plaintiffs, except in one situation. The Elliotts are part of the Bledsoe Plaintiffs. They already have made most of these arguments and lost. The principles of collateral estoppel mandate the same result again.
- 45. Virtually every other Plaintiff, by signing the Stay Stipulation, has acknowledged their obligation to comply with the Sale Order and Injunction. The Bledsoe Plaintiffs should be compelled to do what the other Plaintiffs have readily acknowledged they will and must do.

D. The Bledsoe Plaintiffs' Arguments Are Subsumed In Three Of The Four Threshold Issues, Which Should Be Decided Pursuant To The Court-Approved Procedures Regarding Same

46. As stated above, the claims asserted by the Bledsoe Plaintiffs are no different from the claims asserted by many Plaintiffs in other Actions. Numerous other Plaintiffs (including, notably, the Elliott Plaintiffs) have asserted, among other things, claims against New GM based on fraud, and consumer protection statutes. In fact, the Consolidated Complaints recently filed in the MDL contain these very same causes of action. The real issue raised by the Bledsoe No Stay Pleading is whether their contention – *i.e.*, that they have asserted claims only against New GM and not Old GM -- should be decided now, or as part of the identical Old GM

Most of the Actions contain claims based on (i) fraud or fraudulent concealment (which the Bledsoe Plaintiffs allege in their complaint (*see* ¶¶ 94-99 thereof)), and (ii) alleged violations of consumer protection statutes.

09-50026-reg Doc 12961 Filed 10/23/14 Entered 10/23/14 14:27:54 Main Document Pg 23 of 24

Claim Threshold Issue that is set forth in the Supplemental Scheduling Order. This is a question this Court has already answered repeatedly.

47. Moreover, Point II in the Bledsoe No Stay Pleading asserts that the Motions to Enforce should be denied because the Bledsoe Plaintiffs' due process rights were violated in that they received no effective notice nor any reasonable opportunity to be heard with respect to entry of the Sale Order and Injunction. Bledsoe No Stay Pleading, at 6-7. This unquestionably fits within the Due Process Threshold Issue and the Remedies Threshold Issue. Again, this question should be answered after following the carefully-crafted procedures approved by this Court in the Scheduling Order and Supplemental Scheduling Order.

WHEREFORE, New GM respectfully requests that this Court (i) deny the relief requested in the Bledsoe No Stay Pleading, (ii) preliminarily enjoin the Bledsoe Plaintiffs from further prosecuting the Bledsoe Lawsuit, and (iii) grant New GM such other and further relief as the Court may deem just and proper for the filing of this frivolous pleading.

Dated: New York, New York October 23, 2014

Respectfully submitted,

/s/ Arthur Steinberg

Arthur Steinberg Scott Davidson KING & SPALDING LLP 1185 Avenue of the Americas New York, New York 10036 Tefexlephone: (212) 556-2100 Facsimile: (212) 556-2222

Richard C. Godfrey, P.C. (admitted *pro hac vice*) Andrew B. Bloomer, P.C. (admitted *pro hac vice*) KIRKLAND & ELLIS LLP 300 North LaSalle Chicago, IL 60654

Telephone: (312) 862-2000 Facsimile: (312) 862-2200

Attorneys for General Motors LLC

Exhibit A

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

-----X

IN RE: : 14-MD-2543 (JMF)

GENERAL MOTORS LLC : IGNITION SWITCH LITIGATION :

-----X

-----x CASE NO.

SHARON BLEDSOE, CELESTINE ELLIOTT, :

LAWRENCE ELLIOTT, CINA FARMER, PAUL : CLASS ACTION FOR

FORDHAM, MOMOH KANU, TYNESIA : DECLARATIVE, INJUNCTIVE,

MITCHELL, DIERRA THOMAS, and JAMES TIBBS, : AND MONETARY RELIEF

Plaintiffs, : REPRESENTATIVE

ACTION

v. : FOR DECLARATIVE, INJUNCTIVE, AND

MONETARY

: RELIEF ON BEHALF OF THE

GENERAL MOTORS LLC, : PEOPLE OF THE DISTRICT

OF COLUMBIA

Defendant. :

------x JURY TRIAL DEMANDED

COMPLAINT

INTRODUCTORY STATEMENT

Plaintiffs SHARON BLEDSOE, CELESTINE ELLIOTT, LAWRENCE ELLIOTT, CINA FARMER, PAUL FORDHAM, MOMOH KANU, TYNESIA MITCHELL, DIERRA THOMAS, and JAMES TIBBS (collectively "Plaintiffs") bring this action for themselves, and on behalf of all persons similarly situated, who own or have owned the substandard and dangerous vehicles identified below.

Lawrence Elliott, Celestine Elliott, and James Tibbs also bring this action as representatives of the People of the District of Columbia ("the District"), to vindicate the public interest in safety, to protect themselves and other residents of and commuters and other

visitors to the District from the unreasonable and imminent danger of death, serious bodily injury, and property damage that the historic misconduct of General Motors LLC ("GM") has loosed upon the City, as well as to seek all other available relief.

In February 2014, GM publicly admitted that--for every single day of its existence as a new entity, distinct from General Motors Corporation ("Old GM")—GM failed to disclose and its engineers, lawyers, and other employees actively concealed--the dangers that use of millions of GM vehicles entails. GM's season of shame began with its admission that it had concealed an ignition switch defect in some 1.6 million vehicles, a defect, described in greater detail below, causing death serious injury to hundreds while GM knew but failed to disclose its danger. Since purporting to come clean about its wrongdoing, and after promising to transform a culture that let greed trump the dictates of responsible corporate conduct, GM has been forced to admit that its misconduct was far more widespread than its initial confession revealed. GM has since issued expanded recalls for more and more vehicles that present the same ignition switch danger. GM has also issued or expanded prior recalls for a wide range of other safety hazards that Plaintiffs' vehicles and others present and that GM had concealed or minimized, some 28 million vehicles since February 2014 and counting, a boggling tally of corporate irresponsibility, and a frighteningly sharp reflection of how widespread GM's reckless endangerment of the Plaintiffs and the public, in America and abroad, has been. Plaintiffs seek redress for GM's wrongdoing.

PARTIES

- Plaintiffs Sharon Bledsoe, Cina Farmer, Paul Fordham, Momoh Kanu, Tynesia
 Mitchell, and Dierra Thomas, are each citizens and residents of Maryland.
- 2. Plaintiffs Celestine Elliott, Lawrence Elliott, and James Tibbs are each citizens and residents of the District of Columbia.

- 3. Ms Bledsoe owns a 2008 Chevrolet Cobalt that she purchased new from a Chevrolet dealer in December 2007, in the state of Georgia. As described below, she suffered personal injury, emotional distress, and property damage in two accidents caused by the dangerous ignition switch in the vehicle while driving in and a resident of Georgia.
- 4. Mr. and Mrs. Elliott jointly own a 2006 Chevrolet Trailblazer that they purchased new in 2006 from a Chevrolet dealer in the District of Columbia.
- 5. Ms. Farmer owns a 2005 Chevrolet Cobalt that she purchased new in 2007 in the state of Maryland. As described below, she suffered personal injury, emotional distress, and property damage in an accident in December 2013 caused by the dangerous ignition switch in her vehicle while driving in and a resident of the state of Maryland.
- 6. Mr. Fordham owns a 2006 Pontiac G6 that he purchased used in November 2012 from a Chevrolet Dealership in Maryland.
- 7. Mr. Kanu currently owns a 2000 Chevrolet Impala. He is a former owner of a 2006 Chevrolet Impala. He bought both cars from private parties in the state of Maryland. He suffered property damage and economic loss when he was involved an accident caused by the dangerous ignition switch in the 2006 Impala and he had to take a total loss on the car after the accident.
- 8. Ms. Mitchell owns a 2007 Chevrolet HHR that she purchased in 2010 from a used car dealer in Maryland.
- 9. Ms. Thomas owns a 2006 Chevrolet Cobalt that she purchased from a private party in 2006.
- 10. Mr. Tibbs owns a 2007 Chevrolet Impala that he purchased in 2011 from a private party in the District of Columbia. He was involved in an accident caused by the dangerous ignition related hazard that his car presents.

11. General Motors LLC is a limited liability company formed under the laws of Delaware with its principal place of business in Detroit, Michigan. Each of its members is a citizen and/or resident of the state of Michigan. On July 10, 2009, it began conducting the business of designing, manufacturing, constructing, assembling, marketing, warranting, distributing, selling, leasing, and servicing automobiles, including the vehicles of class members, and other motor vehicles and motor vehicle components throughout the United States. Plaintiffs' claims and allegations against GM refer solely to this entity.

JURISDICTION AND VENUE

- 12. Jurisdiction is also proper in this Court pursuant to the Class Action Fairness Act, 28 U.S.C. § 1332(d), because members of the proposed Plaintiff Class are citizens of states different from Defendant's home states, and the aggregate amount in controversy exceeds \$5,000,000, exclusive of interest and costs.
- 13. Venue is proper in this Court pursuant to 28 U.S.C. § 1404, by the consent of both parties.

FACTUAL BACKGROUND

- 1. GM's Practice of Concealing and Minimizing Safety Risks
- 14. GM instituted its own and continued policies and practices of its predecessor intended to conceal and minimize safety related risks in GM products from Plaintiffs, class members, investors, litigants, courts, law enforcement officials, the NHTSA, and other governmental officials. In furtherance of its illegal scheme, GM trained and directed its employees and dealers to take various measures to avoid exposure of safety related product risks.
- 15. Defendants first deployed their campaign of deception on the day that GM began operating. The scheme continued at least until its exposure began in early 2014. Through their deception, GM recklessly endangered the safety of Plaintiffs, their families, and members of

the public. Defendants' wrongful acts and omissions harmed and continues to harm Plaintiffs and the public by exposing them to increased risk of death or serious bodily injury.

- 16. As of the date of the filing of this Complaint, the United States Department of Justice has opened, and is pursuing, a criminal investigation into GM's campaign of deceit.
- 17. GM's Chief Executive Officer Mary Barra admitted on behalf of the company that GM employees knew about safety-related defects in millions of vehicles and that GM did not disclose those defects as it was required to do by law. Ms. Barra attributed GM's "failure to disclose critical pieces of information," in her words, to GM's policies and practices that mandated and rewarded the unreasonable elevation of cost concerns over safety risks. For example, GM chose to use and then conceal defective ignition switches in vehicles in order to save less than ten dollars per vehicle.
- 18. This case arises from GM's concerted and systematic practice and policy of denying, diminishing, and failing to remediate safety related hazards that GM vehicles pose.
- 19. GM mandated that its personnel avoid exposing GM to the risk of having to recall vehicles with safety-related risks by limiting the action that GM would take with respect to such risks to the issuance of a Technical Service Bulletin or an Information Service Bulletin.
- 20. GM directed its engineers and other employees to falsely characterize safety-related risks including the risks described in this complaint in their reports, business and technical records as "customer convenience" issues, to avoid being forced to recall vehicles as the relevant law requires, and/or to issue narrower recalls than the circumstances warranted.
- 21. GM trained its engineers and other employees in the use of euphemisms to avoid disclosure to the NHTSA and others of the safety risks posed by risks in GM products.

- 22. GM directed its employees to avoid the word "stall" in describing vehicles experiencing a moving stall, because it was a "hot word" that could alert the NHTSA and others to safety risks associated with GM products, and force GM to incur the costs of a recall.
 - a. A "moving stall" is a particularly dangerous condition because the driver of a moving vehicle in such circumstances no longer has control over key components of steering and/or braking, and air bags will not deploy in any, increasingly likely, serious accident.
- 23. GM directed its engineering and other personnel to avoid the word "problem," and instead use a substitute terms, such as "issue," "concern," or "matter," with the intent of deceiving plaintiffs and the public.
- 24. GM instructed its engineers and other employees not to use the term "safety" and refer instead to "potential safety implications."
- 25. GM instructed its engineers and other employees to avoid the term "defect" and substitute the phrase "does not perform to design."
- 26. GM's managerial practices were designed to ensure that its employees and officials would not investigate or respond to safety-related risks, and thereby avoid creating a record that could be detected by governmental officials, litigants or the public.
- 27. In a practice GM management labeled "the GM nod," GM managers were trained to feign engagement in safety related product risks issues in meetings by nodding in response to suggestions about steps that they company should take. Protocol dictated that, upon leaving the meeting room, the managers would not respond to or follow up on the safety issues raised therein.
- 28. GM's lawyers discouraged note-taking at critical product safety meetings to avoid creation of a written record and thus avoid outside detection of safety-related risks and GM's

refusal to respond to and/or GM's continuing concealment of those risks. GM employees understood that no notes should be taken during meetings about safety related issues, and existing employees instructed new employees in this policy. GM did not describe the "no-notes policy" in writing to evade detection of their campaign of concealment.

- 29. GM would change part design without a corresponding change in part number, in an attempt to conceal the fact that the original part design was risk. GM concealed the fact that it manufactured cars with intentionally mislabeled part numbers, making the parts difficult for GM, Plaintiffs, class members, law enforcement officials, the NHTSA, and other governmental officials to identify. GM knew from its inception that the part number irregularity was intended to conceal the faulty ignition switches in Plaintiffs' and class members' vehicles.
- 30. GM directed dealers to misrepresent the safety risks associated with the product risks of its vehicles. New GM followed this practice with respect to the dangerous ignition switches from its inception in October 2009 until its campaign of concealment of the ignition switch risk began to unravel in February 2014.
- 31. GM directed its lawyers and any outside counsel it engaged to act to avoid disclosure of safety related risks in GM products. These actions included settling cases raising safety issues, demanding that GM's victims agree to keep their settlements secret, threatening and intimidating potential litigants into not bringing litigation against New GM by falsely claiming such suits are barred by Order of the Bankruptcy Court, and settling cases for amounts of money that did not require GM managerial approval, so management officials could maintain their veneer of ignorance concerning the safety related risks.
- 32. In one case, GM threatened the family of an accident victim with liability for GM's legal fees if the family did not withdraw its lawsuit, misrepresenting to the family that their lawsuit was barred by Order of GM's Bankruptcy Court. In another case, GM communicated

to the family of the victim of a fatal accident caused by the faulty ignition switch that their claim has no basis, even though GM knew that its communication was false and designed to further GM's campaign of concealment and deceit. In other cases, GM falsely claimed that accidents or injuries were due to the driver when it knew the accidents were likely caused by the dangerous product risks GM concealed.

- 33. The systematic concealment of known defects was deliberate, as GM followed a consistent pattern of endless "investigation" and delay each time it became aware of a given defect. GM routinely chose the cheapest part supplier without regard to safety, and discouraged employees from acting to address safety issues.
- 34. Under the Transportation Recall Enhancement, Accountability and Documentation Act, 49 U.S.C. § 30101, et seq. ("TREAD Act"), and its accompanying regulations, when a manufacturer learns that a vehicle contains a safety defect, the manufacturer must properly disclose the defect. If it is determined that the vehicle is defective, the manufacturer may be required to notify vehicle owners, purchasers, and dealers of the defect, and may be required to remedy the defect.
- 35. When a manufacturer with TREAD Act responsibilities is aware of safety defects and fails to disclose them as GM has done, the manufacturer's vehicles are not safe.
- 36. The array of defects that GM had failed to disclose and has only in the past few months revealed includes: (1) ignition switch defect, (2) power steering defect, (3) airbag defect (4) brake light defect, (5) shift cable defect, (6) safety belt defect, (7) ignition lock cylinder defect, (8) key design defect, (9) ignition key defect, (10) transmission oil cooler line defect, (11) power management mode software defect, (12) substandard front passenger airbags, (13) light control module defect, (14) front axle shaft defect, (15) brake boost defect, (16) low-beam headlight defect, (17) vacuum line brake booster defect, (18) fuel gauge defect, (19)

acceleration defect, (20) flexible flat cable airbag defect, (21) windshield wiper defect, (22) brake rotor defect, (23) passenger-side airbag defect, (24) electronic stability control defect, (25) steering tie-rod defect, (26) automatic transmission shift cable adjuster, (27) fuse block defect, (28) diesel transfer pump defect, (29) base radio defect, (30) shorting bar defect, (31) front passenger airbag end cap defect, (32) sensing and diagnostic module ("SDM") defect, (33) sonic turbine shaft, (34) electrical system defect, (35) seatbelt tensioning system defect, and (36) master power door switch defect.

- 37. GM has received reports of crashes and injuries that put GM on notice of the serious safety issues presented by many of these defects. Given the continuity of engineers, corporate counsel, and other key personnel from Old GM to GM, GM was aware of many of the defects from the very date of its inception on July 10, 2009.
- 38. GM advanced its culture of concealment by actively denying liability for fatal accidents. In 2005, Defunct GM customer Adam Powledge lost control of his vehicle, slamming into a highway median and killing himself and his four children. In the ensuing suit GM nefariously framed the incident as a suicide, disavowing any connection between the accident and an electrical failure, despite GM's knowledge that the Malibu Mr. Powledge drove had a steering defect that likely was the real cause of the tragedy. Then, in April 2014, GM finally admitted that Adam Powledge's Chevrolet Malibu had a steering defect—the same one that Mr. Fordham's vehicles possesses-that was consistent with the loss of control over the vehicle that led to his death and that of his four children. The Powledge saga is but one dramatic example of the lengths that GM, its attorneys, risk personnel, and others went to further the GM campaign of denial and deceit.
- 39. Despite the dangerous nature of many of the defects and their effects on critical safety systems, GM concealed the existence of the defects and failed to remedy the problems in an

appropriate or timely manner. The continuation of GM's deceptive practices has created a public safety hazard. GM instituted and continued policies and practices intended to conceal safety related defects in GM products from Plaintiffs, the public, investors, litigants, courts, law enforcement officials, the NHTSA, and other governmental officials. In furtherance of its illegal scheme, GM trained and directed its employees and dealers to take various measures to avoid exposure of safety related product defects.

- 2. Failure to Disclose and Concealment of Ignition Switch Hazard (Bledsoe, Farmer, Mitchell, Thomas vehicles; NHTSA Campaign Numbers 14V047000; 14V171000; 14E021000
- 40. GM has admitted that the ignition switches in the vehicles owned by Mses. Bledsoe, Farmer, Mitchell, and Thomas and models with the same design of ignition switch owned by class members are dangerous and pose a safety hazard. It has recalled all the vehicles pursuant to NHTSA recall campaign 14V047000, covering models: CHEVROLET COBALT 2005-2010; CHEVROLET HHR 2006-2011; PONTIAC G5 2007-2010; PONTIAC SOLSTICE 2006-2010; SATURN ION 2003-2007; SATURN SKY 2007-2010.
- 41. GM has also admitted that, from its inception in 2009, various New GM engineers, attorneys, and management officials knew of, and took measures to conceal, the ignition switch risk and/or diminish its significance. GM has been found guilty of failing to disclose this risk to Plaintiffs, class members, and governmental officials as required by law, and the NHTSA has fined New GM the maximum penalty that agency is authorized to impose.
- 42. GM has known since June 10, 2009, that the faulty ignition switch in the Plaintiffs' and class members' vehicles poses or posed a serious safety and public health hazard because the faulty ignition switch causes moving stalls in which the driver loses power steering, power brakes, and in the increased likelihood of an accident, the airbag will not deploy.

- 43. Rather than notifying the NHTSA, GM instead decided that Plaintiffs and class members, and millions of drivers and pedestrians, would face imminent risk of injury and death due to the dangerous ignition switches in Plaintiffs' and class members' vehicles. GM and other parties associated with it, including parts suppliers, agreed to conceal safety related risks presented by the ignition switches from Plaintiffs, class members, law enforcement officials, other governmental officials, litigants, courts, and investors.
- 44. GM and other parties associated with it knew that the design of the faulty ignition switch in Plaintiffs and class members' cars had been altered without a corresponding change in part number, in gross violation of normal engineering practices and standards. Part labeling fraud is particularly dangerous in vehicle parts potentially related to safety because it makes tracing and identifying faulty parts very difficult, and will delay the detection of critical safety risks.
- 45. In 2012, more GM employees learned that the ignition switches in vehicles from model years 2003, 2004, 2005, 2006, and 2007 exhibited torque performance below the specifications originally established by GM. Rather than notify Plaintiffs, class members, or the NHTSA, GM continued to conceal the nature of the risk.
- 46. In April 2013, GM hired an outside engineering-consulting firm to investigate the ignition switch system. The resulting report concluded that the ignition switches in early model Cobalt and Ion vehicles did not meet GM's torque specification. Rather than notify Plaintiffs, class members, or the NHTSA, GM still continued to conceal the nature of the Ignition Switch Risk until 2014.
- 47. NHTSA's Fatal Analysis Reporting System (FARS) reveals 303 deaths of front seat occupants in 2005-07 Cobalts and 2003-07 Ions where the airbags failed to deploy in non-rear impact crashes, models of GM vehicles owned by Ms. Bledsoe, Farmer, Mitchell, and Thomas.

- 48. On April 10, 2014, GM issued another recall for the same vehicles, this time because the ignition key can be removed while ignition is not in the off position, creating a risk of "rollaway" and risks to pedestrians and property damage. NHTSA Recall Campaign 14V171000.
- 49. On April 30, 2014, GM issued yet another recall for these same vehicles, this time because the after-market ignition switches that were used to replace the faulty ignition switches pursuant to the prior recalls were themselves faulty and presented the same risks. NHTSA Recall Campaign 14E021000.
 - 3. Failure to Disclose and Concealment of "Ignition Key" Hazard (Kanu, Tibbs 2007; 2006 Impala) NHTSA Recall Campaign 14V355000; (Kanu) (2000 Impala) NHTSA Recall Campaign 14V40000
- 50. Mr. Kanu's 2006 Chevrolet Impala and Mr. Tibbs' 2007 Chevrolet Impala have a dangerous ignition switch related hazard that could, unexpectedly and without warning, shut down the car's engine and electrical systems while the car is in motion rendering the power steering, anti-lock brakes and airbags inoperable. This hazard is the subject of NHTSA Recall campaign 14V355000, and exists in the following models: BUICK LACROSSE 2005-2009; BUICK LUCERNE 2006-2011; CADILLAC DEVILLE 2000-2005; CADILLAC DTS 2006-2011; CHEVROLET IMPALA 2006-2014; CHEVROLET MONTE CARLO 2006-2007.
- Mr. Tibbs has already been involved in an accident, in October 2013, in which his car turned off while he was driving when the vehicle hit a pothole in the road, and, because of the dangerous ignition switch related defect, Mr. Tibbs lost control of the vehicle and the vehicle only stopped when it hit a tree. The airbag did not deploy despite the impact. This and the related ignition switch hazards in GM vehicles have already helped kill or seriously injure hundreds of people across the United States. Rather than disclose the risk, GM employees,

lawyers, and others concealed it.

- Mr. Kanu's 2000 Chevrolet Impala has a dangerous ignition switch related hazard that could, unexpectedly and without warning, shut down the car's engine and electrical systems while the car is in motion rendering the power steering, anti-lock brakes and airbags inoperable. This hazard is the subject of NHTSA Recall campaign 14V40000, and covers the following models: CHEVROLET IMPALA 2000-2005; CHEVROLET MALIBU CLASSIC 1997-2005;
- CHEVROLET MONTE CARLO 2000-2005; OLDSMOBILE ALERO 1999-2004;
 OLDSMOBILE INTRIGUE 1998-2002; PONTIAC GRAND AM 2000-2005; PONTIAC GRAND PRIX 2004-2008.
- 53. GM claims that this hazard is distinct from the "ignition switch" hazard described above and requires remediation of key replacement rather than ignition switch replacement.
- 54. GM knew but failed to disclose to Mr. Tibbs, Mr. Kanu, governmental officials, or putative class members that their cars were dangerous to operate, until it finally issued the recalls described above.
- 55. In connection with NHTSA Campaign No. 14V355000, on June 20, 2014 GM issued a Stop-Delivery Order to dealers in preparation for an upcoming safety recall. It instructed dealers to stop delivery in 2006-2014 Chevrolet Impala (Fleet Only) vehicles in new or used vehicle inventory. It described the problem: "The ignition switch on these vehicles may inadvertently move out of the 'run' position if the key is carrying added weight and the vehicle goes off the road or experiences some other jarring event."
- 56. On the same date GM issued notice of its decision to conduct a safety recall to the NHTSA. However, GM failed to disclose the history of its awareness of the ignition key problem. Instead, GM simply described the potential for the ignition key to move away from

the "run" position should it the vehicle go off-road or experience a "jarring" event. It warned that should the key move away from the "run" position, "engine power, power steering and power breaking will be affected, increasing the risk of crash." More over, this could result in "airbags not deploying increasing the potential for occupant injury in certain kinds of crashes."

- 57. On June 24, 2014 the NHTSA acknowledged the recall in letter to the Director of Field Product Investigations and Evaluations at General Motors, which carried the subject "Ignition Switch may Turn Off."
- 58. The NHTSA described the problem as concerning the "electrical system: ignition." It described the problem: "This defect can affect the safe operation of the airbag system. Until this recall is performed, customers should remove all items from their key rings, leaving only the ignition key... In the affected vehicles, the weight on the key ring and/or road conditions or some other jarring event may cause the ignition switch to move out of the run position, turning off the engine."
- 59. In "consequence," according to the recall papers, "if the key is not in the run position, the air bags may not deploy if the vehicle is involved in a crash, increasing the risk of injury. Additionally, a key knocked out of the run position will cause loss of engine power, power steering, and power braking, increasing the risk of a vehicle crash.
- 60. The "Remedy" in the recall provides: "GM will notify owners, and dealers will install two 13mm key rings and key insert into the vehicle's ignition keys, free of charge. The manufacturer has not yet provided a notification schedule."
- 61. On June 25, 2014 GM issued a notice to GM dealers explaining vehicles involved in three upcoming safety recalls. It listed the following: Recall 14172 Ignition Switch recall for 2003 2014 Cadillac CTS and 2004 -2006 Cadillac SRX, Recall 14299- Ignition Switch for,

among other vehicles, the 2014 Chevrolet Impala Limited (Fleet Only), and Recall 14250-Ignition Key for, among other vehicles, the 2005 – 2006 Chevrolet Impala.

- 62. On July 2, 2014, in a letter meant to supersede its previous correspondence, GM notified the NHTSA that it had possession of information regarding the ignition key problem since its inception on July 10, 2009, that consisted of a reliable report that "the vehicle stalled after hitting a large bump when going from gravel road to pavement while driving at about 45 mph." Since October 2009, GM did not take appropriate measures to investigate the serious risk the information it possessed suggested, particularly when considered with other information GM possessed regarding ignition switch related risks.
- 63. In the same July 2 letter, GM claimed that during a document review related to a Cobalt ignition switch problem in 2014, it discovered information in its possession that led it to the recall for Mr. Kanu's 2006 Impala and Mr. Tibbs's 2007 Impala and other vehicles with the same hazard. GM revealed that the issue was brought to the Product Investigation group on April 30, 2014. Between May 1, 2014 and June 6, 2014 "the investigator worked with GM subject matter experts to gather and analyze data relating to the ignition switch used on the 2006 Impala." GM reported that "although ignition switches themselves performed below the target specification, the ignition switch system as a whole as installed in the vehicles' steering columns performed approximately at the target specification." GM also reviewed its databases including its TREAD, warranty, customer satisfaction, and Engineering Analysis database, and NHTSA's Vehicle Owner's Questionnaire database; after which the investigator made a presentation regarding the ignition switch at an Open Investigation review meeting.
- 64. In the same July 2nd letter, GM then revealed that only after the presentation and meeting did do road testing of the Impala using the ignition switches under review. These tests revealed that: "when a slotted key is carrying added weight, the torque performance of the

ignition system may be insufficient to resist energy generated when a vehicle goes off road or experiences some other jarring event, potentially resulting in the unintentional movement of the key away from the 'run' position." After review of GM and NHTSA data the investigator presented to the SFADA. The SFAHA then "directed the investigator to work with other GM personnel to further refine the potential recall population so that it accurately included the vehicles using the identified ignition switches that were subject to the condition identified in the road tests. On July 15, 2014 the SFASA decided to conduct a recall of that population.

- 65. Finally, on June 14, 2014 GM announced its safety recall. GM issued a 573 letter for the NHTSA on June 20, referenced above, admitting its knowledge of the hazard and its failure to disclose the risk to NHTSA.
- 66. In a separate recall for an "ignition key" risk presenting identical hazards, on July 3, 2014, GM notified NHTSA that it was recalling Mr. Kanu's 2000 Impala and some 6.7 million other GM vehicles, encompassing the following models: CHEVROLET IMPALA 2000-2005; CHEVROLET MALIBU CLASSIC 1997-2005; CHEVROLET MONTE CARLO 2000-2005;

OLDSMOBILE ALERO 1999-2004; OLDSMOBILE INTRIGUE 1998-2002; PONTIAC GRAND AM 2000-2005; PONTIAC GRAND PRIX 2004-2008.

67. In this recall, NHTSA Recall Campaign 14V400, GM described the defect as involving the "detent plunger force on the ignition switch" and admitted that it had information regarding the hazard as soon as it began its business on July 10, 2009. GM failed to disclose, and actively concealed, this hazard from Plaintiffs and government officials. GM admits that in 2004 when the detent plunger force was redesigned, GM did not change the part number to reflect the change.

- 4. Failure to Disclose and Concealment of Power Steering Defects (Fordham vehicle); NHTSA Recall Campaigns 14V15300; 14E04400
- 68. Mr. Fordham's 2006 Pontiac G6 vehicle has two dangerous power steering defects that are currently the subject of recalls. On March 21, 2014, GM issued a recall for and disclosed that Mr. Fordham's vehicle was subject to a sudden loss of power steering, increasing the risk of a crash. NHTSA Campaign 14V15300 covers Mr. Fordham's car and the following models: CHEVROLET COBALT 2010; CHEVROLET HHR 2009-2010; CHEVROLET MALIBU 2004-2006; 2008-2009; CHEVROLET MALIBU MAXX 2004-2006; PONTIAC G6 2005-2006, 2008-2009; SATURN AURA 2008-2009; SATURN ION 2004-2007. GM admits that it knew of the power steering defect in related models since its inception but it did not disclose the risks and issue a recall until March 2014.
- 69. On July 21, 2014, GM issued another recall relating to dangers in Mr. Fordham's steering, this time for a yoke providing inadequate support for a u-joint bearing resulting in premature failure and a complete loss of steering control. The NHTSA Recall Campaign14E04400 encompasses Mr. Fordham's vehicle and the following models: CHEVROLET MALIBU 2004-2012; PONTIAC G6 2005-2010; SATURN AURA 2007-2009.
 - 5. Failure to Disclose and Concealment of Transmission Shift Cable Defect (Fordham vehicle); NHTSA Recall Campaign 14V22400 (Fordham)
- 70. On April 30, 2014, GM disclosed that Mr. Fordham's vehicle has a defective transmission shift cable design that that poses a risk that the cable may fracture, resulting in driver loss of control or the risk of rollaways resulting in crashes. The related NHTSA Recall Campaign 14V22400 encompasses models CHEVROLET MALIBU 2004-2008;

CHEVROLET MALIBU MAXX 2004-2007; PONTIAC G6 2005-2008; SATURN AURA 2007-2008.

GM admits that it knew of the risk of transmission cable fracture in similarly designed models at least since May 2011.

- 6. Failure to Disclose and Concealment of Brake Light Defect (Fordham vehicle); NHTSA Recall Campaign 14V25200
- 71. On May 14, 2014, GM disclosed that Mr. Fordham's vehicle has an electrical system defect resulting in the brake lights not functioning properly, affecting various systems and increasing the likelihood of a crash. The NHTSA Recall Campaign 14V25200 encompasses models CHEVROLET MALIBU 2004-2012; CHEVROLET MALIBU MAXX 2004-2007; PONTIAC G6 2005-2010; SATURN AURA 2007-2010.
- 72. GM admits that it knew of brake light failures in these model cars since its inception.
 - 7. Failure to Disclose and Concealment of Master Power Door Switch Defect (Elliotts' vehicle); NHTSA Campaign 14V404000)
- 73. Lawrence Elliott, 78 years of age, and Celestine Elliott, 73 years of age, own a 2006 Chevrolet Trailblazer for which they paid full sticker price when they purchased it from a now defunct dealership in the District. The vehicles has had a host of problems, including two dangerous and frightening "moving stalls," in which the Trailblazer's electrical system turned off while Ms. Elliott was driving, resulting in loss of control over steering, braking, and the loss of power to the airbag system
- 74. The Trailblazer has a Master Power Door Module Switch that is so dangerous GM is advising owners that the vehicles must be parked outdoors to avoid unreasonable risks of fire. GM's treatment of the Trailblazer dangers has been consistent with the corporate culture that has engulfed GM's cost-containment approach to risk issues presented by GM vehicles: deny

any hazard exists; if forced to concede the hazard, minimize its significance; and if nevertheless forced to act, insist on cheap rather than appropriate remediation.

- 75. This is the third recall GM has conducted for this very same hazard, a process of denial and avoidance going back at least to 2012. In the previous two recalls, GM convinced governmental officials that its remediation—consisting of spraying the part with silicate rather than removing and replacing the dangerous part to eliminate the fire risk--would render the vehicles safe. GM failed to disclose the true nature of the risk to such officials, however.

 After years of denial, GM has finally admitted that the Elliotts' 2006 Chevrolet Trailblazer was and may remain dangerous because of the risk that its electrical components will short and start a fire inside the driver's door.
- 76. After years of denial, then false claims that it had repaired the vehicles and rendered them safe to drive, GM has admitted to the NHTSA that its prior two recalls and purported repairs—when it tried to take the cheap way out, and spay the switch with a chemical coating rather than actually replace and repair the faulty switch—were failures. GM admits that the dangerous Master Power Door Switch rendered the Elliotts' SUV dangerous to drive or even to leave unattended after driving, because of the serious risk of a short in the switch causing a fire in the driver door. GM failed to disclose, concealed, and misrepresented the significant risk of electrical fires developing in the faulty Master Power Door Switch.
- On August 16, 2012, GM notified the NHTSA that it was recalling "certain model year 2006 Chevrolet Trailblazer EXT and GMC Envoy XL and 2006-2007 Chevrolet Trailblazer, GMC Envoy, Buick Rainier, SAAB 9-7x, and Isuzu Ascender vehicles, originally sold or currently registered in Connecticut, Delaware, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia, Wisconsin, and the District of

09-50026-reg Doc 12961-1 Filed 10/23/14 Entered 10/23/14 14:27:54 Exhibit A Pg 21 of 36

Columbia" (NHTSA Report Campaign No. 12V406000). The reason for the recall was that "[f]luid may enter the driver's door module, causing corrosion that could result in a short in the circuit board." The consequence of this defect was listed in the report as follows: "A short may cause the power door lock and power window switches to function intermittently or become inoperative. The short may also cause overheating, which could melt components of the door module, producing odor, smoke, or a fire." Due to the fire risk created by the defect, GM recommended that owners park their vehicles outside. GM stated it would install a new door module if the switches did not function properly. If the switches did function properly, GM would apply a protective coating to the door module.

- 78. The August 16, 2012 recall was limited to vehicles in the twenty aforementioned states and the District of Columbia. To owners outside of the aforementioned states, GM sent an Owner Notification Letter to owners of the affected vehicles instructing them to bring their vehicle to a GM service center only if they noticed switches that functioned "uncommanded, intermittently or become inoperative" or they noticed "an odor or overheated/hot switches." The letter stated that owners should seek not repairs unless they observed these symptoms their vehicle.
- 79. The NHTSA was not satisfied with GM's geographic limitation of the August 16, 2012 driver door switch recall (NHTSA Action No. EA12004), and on June 13, 2013 GM notified the NHTSA that they were expanding the recall to cover the aforementioned vehicles in all states (NHTSA Report Campaign No. 13V248000). As part of the expanded recall GM notified consumers that unattended vehicle fire may occur in rare instances, yet also stated that the affected vehicles remained safe to drive.
- 80. On September 18, 2013, Plaintiffs' 2006 Trailblazer was serviced pursuant to the previously issued recalls and a "protective coating" was applied as an attempt to address the

defective driver door switch. The Plaintiffs' relied upon GM's assurance that the protective coating would address the defect and eliminate the risk of personal injury or property damage. On April 1, 2014, Plaintiffs filed a pro se complaint notifying GM that critical electrical components of the car had continued to operate ineffectively and presented risk of personal injury and property damage.

- 81. On July 2, 2014, GM issued a third recall concerning the defective driver door switch in the same vehicle models for the same defect and fire risk (NHTSA Campaign No. 14V404000). This new recall required additional remedy for vehicles "whose modules were modified but not replaced" under the previous two recalls. GM conceded that "[v]ehicles that were repaired by having a protective coating applied to the driver's door module may continue to have a safety related defect." This recall encompasses the following models:

 BUICK RAINIER 2006-2007; CHEVROLET TRAILBLAZER 2006-2007;

 CHEVROLET TRAILBLAZER EXT 2006; GMC ENVOY 2006-2007; GMC ENVOY XL 2006; ISUZU ASCENDER 2006-2007; SAAB 9-7X 2005-2007.
- 82. Since at least August 16, 2012, GM has been aware that the driver door switches in Plaintiffs' and consumers' vehicles are defective because of their propensity to experience thermal events such as smoke, melting, and fire, which can occur in any car regardless of what state it is registered in. Failure of the driver door switch threatens the kind of short-circuiting and door lock malfunction that Plaintiffs and consumers have detected, and creates an unreasonable danger of fire, personal injury and/or property damage. GM concealed the safety defect and risk of death or severe personal and property damage from vehicle owners outside the recall states. GM failed to notify Plaintiffs, consumers, and governmental officials of the full scope of the defect, and materially misled consumers.

83. NHTSA's Office of Defect Investigations (ODI) has received 170 reports alleging a thermal event in the driver door switch in vehicles identified by GM's August 2012 recall. GM acknowledged the receipt of 619 unique consumer complaints related to the driver door switch, 77 of which led to fire with flame.

CLASS ACTION ALLEGATIONS

- 84. Plaintiffs bring this lawsuit as a class action for themselves and on behalf of all other persons similarly situated as members of the proposed Class pursuant to Federal Rules of Civil Procedure 23(a) and (b)(3) and/or (b)(2) and/or (c)(4). This action satisfies the numerosity, commonality, typicality, adequacy, predominance, and superiority requirements of those provisions. All proposed Class and Subclass periods run from the inception of GM in October 2009 and continue until judgment or settlement of this case.
- 85. Plaintiffs bring this action on behalf of a proposed nationwide class defined as follows: All persons in the United States who, since the inception of GM in October 2009, hold or have held a legal or equitable interest in a GM vehicle with an ignition switch hazards, an ignition key hazard, a power steering hazard, a transmission cable hazard, a brake light failure hazard, and/or a master power door switch hazard, as described in the various recalls for these conditions above.
- 86. Plaintiffs also bring this action on behalf of the following Subclasses:
 - a. Mses. Bledsoe, Farmer, Mitchell and Thomas, and Mrrs. Fordham and Kanu, bring this action on behalf of all persons in the State of Maryland who, since October 2009, purchased or hold or have held a legal or equitable interest in the dangerous vehicles described above (the "Maryland Subclass");

- b. Mr. Tibbs and Mr. and Mrs. Elliott also bring this action on behalf of residents of the District of Columbia who, since October 2009, hold or have held a legal or equitable interest in the dangerous vehicles described above (the "D.C. Subclass").
- 87. Excluded from the Class are: (1) Defendants, any entity or division in which Defendants have a controlling interest, and their legal representatives, officers, directors, assigns, and successors; (2) the Judge to whom this case is assigned and the Judge's staff; (3) governmental entities; and (4) those persons who have suffered personal injuries as a result of the facts alleged herein.

NUMEROSITY AND ASCERTAINABILITY

88. Although the exact number of Class Members is uncertain and can only be ascertained through appropriate discovery, the number is great enough such that joinder for each Class or Subclass is impracticable. The disposition of the claims of these Class Members in a single action will provide substantial benefits to all parties and to the Court. Class Members are readily identifiable from information and records in GM's possession, custody, or control, and/or from public vehicular registration records.

TYPICALITY

89. The claims of the Plaintiffs are typical of the claims of each member of the class and subclasses in that the representative Plaintiffs, like all class members, legally or equitably own or owned a dangerous GM vehicle during the Class Plaintiffs, like all class and subclass members, have been damaged by Defendants' misconduct, namely, in being wrongfully exposed to an increased risk of death or serious bodily injury, in suffering diminished use and enjoyment of their vehicles, and in suffering the diminished market value of their vehicles.

Furthermore, the factual bases of Defendants' misconduct are common to all class and subclass members.

ADEQUATE REPRESENTATION

90. Plaintiffs will fairly and adequately represent and protect the interests of the class and subclasses. Plaintiffs have retained counsel with substantial experience in prosecuting consumer class actions and in prosecuting complex federal litigation. Plaintiffs and their counsel are committed to vigorously prosecuting this action on behalf of the class and subclasses, and have the financial resources to do so. Neither Plaintiffs nor their counsel have interests adverse to those of the class of subclasses.

PREDOMINANCE OF COMMON ISSUES

- 91. There are numerous questions of law and fact common to Plaintiffs and Class Members that predominate over any question affecting only individual Class Members, the answers to which will advance resolution of the litigation as to all Class Members. These common legal and factual issues include:
 - a. Whether the vehicles owned by class or subclass members during the class periods suffer from the dangerous hazards described herein?
 - b. Whether the hazards posed an unreasonable danger of death or serious bodily injury?
 - c. Whether GM imposed an increased risk of death or serious bodily injury on Plaintiffs and class and subclass members during the Class period?
 - d. Whether GM caused Plaintiffs and class and subclass members to suffer economic loss during the Class period?
 - e. Whether GM caused Plaintiffs and class and subclass members to suffer the loss of the use and enjoyment of their vehicles during the class period?

- f. Whether GM had a legal duty to disclose the dangers described above to class and subclass members?
- g. Whether GM had a legal duty to disclose the dangers described above to the NHTSA?
- h. Whether class and subclass members suffered legally compensable harm?
- i. Whether GM violated Maryland's consumer protection statute by concealing safety related hazards from Plaintiffs and governmental officials?
- j. Whether GM violated the District's consumer protection law by concealing safety hazards in Plaintiffs' vehicles?
- k. Whether the safety related hazards were material?
- 1. Whether Plaintiffs and Class Members are entitled to equitable relief, including, but not limited to, a preliminary and/or permanent injunction?
- m. Whether GM should be declared responsible for notifying all Class Members of the risk and ensuring that all GM vehicles are recalled and repaired?
- n. Whether a mandatory injunction should issue to direct GM to protect the public safety in the interim until is repairs the vehicles described herein, to remove the dangerous vehicles from the roadways and to provide their owners with suitable substitute transportation?
- o. Whether class and subclass members are entitled to recover punitive damages from GM, and, if so, what amount would be sufficient to deter Defendants from engaging in such conduct in the future and to punish Defendants for their recklessness regarding the public health and safety and their campaign of concealment?

SUPERIORITY

92. Plaintiffs and class and subclass members have all suffered and will continue to suffer harm and damages as a result of GMs' unlawful and wrongful conduct. A class action is superior to other available methods for the fair and efficient adjudication of this controversy. Absent a class action, most class and subclass members would likely find the cost of litigating their claims prohibitively high and would therefore have no effective remedy. Because of the relatively small size of the individual class and subclass member's claims, it is likely that few could afford to seek legal redress for GMs' misconduct. Absent a class action, class and subclass members will continue to incur damages, and GMs' misconduct will continue without remedy. Class treatment of common questions of law and fact would also be a superior method to multiple individual actions or piecemeal litigation in that class treatment will conserve the resources of the courts and the litigants, and will promote consistency and efficiency of adjudication. The class action is also superior for defendants, who could be forced to litigate thousands of separate actions.

Defendants have acted in a uniform manner with respect to the Plaintiffs and class and subclass members. Class and subclass wide declaratory, equitable, and injunctive relief is appropriate under Rule 23(b)(1) and/or (b)(2) because GM has acted on grounds that apply generally to the class, and inconsistent adjudications with respect to the Defendants' liability would establish incompatible standards and substantially impair or impede the ability of class and subclass members to protect their interests. Class and subclass wide relief assures fair, consistent, and equitable treatment and protection of all class and subclass members

COUNT I Asserted on Behalf of Plaintiffs and the Nationwide Class (Common Law Fraud)

- 93. Plaintiffs hereby incorporate by reference all allegations contained in the preceding paragraphs of this Complaint.
- 94. At the time of its inception, GM knew that the ignition switch used or which would be placed in the Plaintiffs' and class members' vehicles could inadvertently move from "run" to "accessory" or "off," under regular driving conditions. GM also knew since its inception about the ignition key hazard, steering hazards, and brake light hazards described above. GM knew since August 2012 about the master power door switch hazard described above. GM knew since May 2011 about the transmission cable hazard described above.
- 95. The facts that their vehicles presented the above described safety hazards was material to Plaintiffs and class members. Plaintiffs and class member s had no reasonable way of learning of the hazards that GM knew about but failed to disclose.
- 96. GM's failure to disclose the risks, and its affirmative misrepresentations regarding the safety of Plaintiffs' and class members' vehicles, were intentional.
- 97. Between October 2009 and February 2014, Defendants actively and intentionally concealed and/or suppressed the existence and true nature of the ignition switch and steering related hazards, and minimized the extent of the danger they posed in direct and indirect communications with Plaintiffs, class and subclass members, dealers, the NHTSA, and others.
- 98. Plaintiffs and class members reasonably relied on GM's communications and material omissions to their detriment. As a result of the concealment and/or suppression of facts, Plaintiffs and Class Members have sustained and will continue to sustain injuries, consisting of the diminished value of their GM vehicles and the lost use and enjoyment of the vehicles that Defendants actions have caused, and exposure to increased risk of death or serious bodily injury.

99. Defendants' acts were done maliciously, oppressively, deliberately, with intent to defraud, and with reckless disregard to Plaintiffs' and Class Members' rights and well-being, in order to enrich Defendants. Defendants' conduct warrants an assessment of punitive damages in an amount sufficient to deter such conduct in the future, which amount is to be determined according to proof.

COUNT II

Asserted on Behalf of Ms. Bledsoe, Farmer, Mitchell, Thomas, and Mr. Fordham and Kanu and the Maryland Subclass (Violation of Maryland's Consumer Protection Act ("MDCPA"), Md. Code, Comm. Law § 13-101 et seq.)

- 100. Plaintiffs hereby incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.
- 101. This Count is brought on behalf of Plaintiffs and the Maryland Class generally with respect to the alleged violations of MDCPA § 13-301(3).
- 102. Plaintiffs are "consumers" within the meaning of MDCPA, § 13-101(c)(1).
- 103. Defendants are "merchants" within the meaning of MDCPA, § 13-101(g)(1).
- 104. Defendants knew the Plaintiffs and Subclass members' vehicles were dangerous.

 Because of the life threatening nature of the risks, their existence was a material fact that GM concealed from plaintiffs and class members in violation of Md. Code, Comm. Laws § 13-301(3). Plaintiffs were injured thereby having to endure unreasonable risk of death, serious bodily injury, and diminution of the value of each of their vehicles.
- 105. At no time during the Class Period did Mr. Sesay, Ms. Yearwood, or Subclass members have access to the pre-release design, manufacturing, and field-testing data, and they had no reason to believe that their vehicles possessed distinctive shortcomings. Throughout the Class Period, they relied on Defendants to identify any latent features that distinguished their vehicles from similar vehicles without the ignition switch risk, and the Defendants' failure to

do so tended to mislead consumers into believing no distinctive risk was present in their vehicles.

- 106. With respect to the Subclass, Defendants violated Md. Code, Comm. Laws § 13-301(3) throughout the Class Period by failing to state a material fact, the omission of which tended to mislead consumers, by concealing the ignition switch risk from Plaintiffs and Subclass members.
- 107. Plaintiffs seek an order enjoining Defendants' unfair or deceptive acts or practices, and attorney's fees, and any other just and proper relief available under Md. Code, Com. Laws § 13-408.

COUNT III

Asserted on Behalf of Mr. and Mrs. Elliott, for themselves, and as representatives of the public, and for the D.C. Subclass (Violation of the District of Columbia's Consumer Protection Procedures Act, "CPPA", D.C. Code § 28-3901 et seq.)

- 108. Plaintiffs hereby incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.
- 109. This Count is brought on behalf of Mr. and Mrs. Elliott, Mr. Tibbs, and the people of the District of Columbia.
- 110. Plaintiffs are "consumers" within the meaning of the CPPA, § 28-3901(a)(2).
- 111. GM is a "person" and a "merchant" within the meaning of the CPPA, § 28-3901(a)(1).
- 112. The CPPA, § 28-3904(d), makes it unlawful for any merchant to represent that goods or services are of a particular standard, quality, grade, style or model, if in fact they are another. The CPPA, § 28-3904(e), makes it unlawful for any merchant to misrepresent as to a material fact that has a tendency to mislead. The CPPA, § 28-3904(f), makes it unlawful for any merchant to fail to state a material fact if such failure tends to mislead.

- 113. Since its inception in 2009, GM violated § 28-3904 by representing that its vehicles were safe and adequately engineered when in fact GM failed to disclose and actively concealed an unprecedented number of safety defeats due in large part to Defendant's focus on cost-cutting over safety. Plaintiffs had no reason to believe that their vehicles possessed distinctive shortcomings; they relied on GM to identify latent features that distinguished Plaintiffs' and consumers' vehicles from similar vehicles without the safety related defects, and the Defendant's failure to do so tended to mislead consumers into believing the Plaintiffs' and consumers' vehicles.
- 114. Plaintiffs seek treble damages, or \$1,500 per violation, whichever is greater, payable to the consumer, for each act in violation of the CPPA, an order enjoining GMs' unfair or deceptive acts, practices, and omissions, attorneys' fees, punitive damages, treble damages, and any other just and proper relief available under D.C. Code § 28-3905(k)(2), including preliminary and permanent injunctive relief aimed at providing protection for the People of the District of Columbia from Defendant's reckless endangerment of the public health and their wanton disregard for the law.

COUNT IV

Asserted on Behalf of Plaintiffs and the Nationwide and all Subclasses (Civil Conspiracy, Joint Action and Aiding and Abetting)

- 115. Plaintiffs hereby incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.
- 116. This Count is brought on behalf of the nationwide Class and all Subclasses.
- 117. GM is liable for Plaintiffs' and class and subclass members' injuries because they entered into specific agreement, explicit and implied, with others, including but not limited to the dealers, engineers, accountants and lawyers (the co-conspirators) described in the preceding paragraphs of this Complaint, to inflict those injuries and to conceal their actions from

Plaintiffs, Class and Subclass members and others. By these agreements, GM conspired to violate each of the laws that form the basis for the claims in the preceding Counts of this Complaint.

- 118. GM committed overt acts in furtherance of the conspiracy.
- 119. GM knew that the conduct of the co-conspirators constituted a breach of duties to the plaintiffs.
- 120. GM gave substantial assistance and encouragement to the co-conspirators in their course of conduct in violation of the rights of the plaintiffs.
- 121. The wrongful acts herein complained of harmed plaintiffs.

COUNT V

Asserted on behalf of Plaintiffs Ms. Bledsoe, Ms. Farmer, and Mr. Kanu (Negligence under the common law of Georgia, Maryland, and the District)

- 122. Plaintiffs hereby incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.
- 123. GM had a duty to use reasonable care in the manufacture of vehicles for sale, and in warning Plaintiffs regarding the risks that use of their GM vehicles pose.
- 124. By failing properly to consider and address safety risks posed by the hazards described above, GM breached its duty to use reasonable care.
- 125. GM's breach of its duty to use reasonable care caused Ms. Farmer to have an accident on December 8, 2013, in which she suffered personal injury, property damage, and emotional distress.
- 126. GM's breach of its duty to use reasonable care caused Mr. Kanu to have an accident in October 2013, in which he suffered property damage.
- 127. GM's breach of its duty to use reasonable care caused Ms. Bledsoe to have two accidents, both in the state of Georgia. One accident occurred on February 1, 2008, in which

Ms. Bledsoe suffered personal injury, property damage, and emotional distress. The second occurred on May 17, 2009, in which Ms. Bledsoe again suffered personal injury, property damage, and emotional distress.

128. To the extent that any of the allegation of wrongdoing alleged in this count involve wrongdoing by Old GM, GM is responsible for that conduct because it is a successor in manufacturing to Old GM and liable for Old GM's wrongdoing.

TOLLING OF THE STATUTE OF LIMITATIONS

- 129. Any applicable statute of limitation has been tolled by Defendants' knowledge, active concealment, and denial of the facts alleged herein, which behavior is ongoing.
- 130. The causes of action alleged herein did not accrue until Plaintiffs discovered that their vehicles had the safety related defects described herein.
- 131. Plaintiffs had no reason to know that their products were defective and dangerous because of Defendants' active concealment.

REPRESENTATIVE ACTION

132. To remedy real and potential risks to public safety, the CPPA empowers the Plaintiffs to bring this civil action on behalf of themselves and the public against GM for its violation of District of Columbia consumer protection law. The relief Plaintiffs seek protects consumers and mitigates dangers posed by GM's reckless endangerment of the public safety. Plaintiffs bring this lawsuit as an action on their own behalves and as a representative action on behalf of the People of the District of Columbia exposed to life-threatening conditions made manifest by GM's concealment of the dangerousness of vehicles that carry a defective driver door switch.

ALLEGATIONS IN SUPPORT OF PRELIMINARY RELIEF

133. As of the date of the filing of this Complaint, GM concedes that it knew but did not disclose that some 20 million GM products have safety related risks that create an

unreasonable danger of death or serious bodily harm to their drivers, vehicle occupants, nearby drivers, and bystanders.

134. Despite purporting to come clean about its campaign of concealment and deceit in February 2014, GM has failed to take measures to ensure that these vehicles do not remain on the roads as a source of further death and injury. GM has recklessly endangered the public safety and the safety of Plaintiffs and class members. GM has not effectively remedied its policies and practices to ensure that this misconduct does not continue, and accordingly its business practices continue to threaten the public safety, warranting that this Court impose preliminary and permanent relief to ensure that all elements of the enterprise alleged in this Complaint are identified and eliminated.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, individually and on behalf of all others similarly situated, respectfully request that this Court enter a judgment against GM, and grant the following relief:

- A. Determine that this action may be maintained as a Class action and certify it as such under Fed. R. Civ. P. 23(a) and 23(b)(3) and/or Fed. R. Civ. P. 23(b)(2), and/or Fed. R. Civ. 23(c)(2), or alternatively certify all issues and claims that are appropriately certified; and designate and appoint Plaintiffs as Class and Subclass Representatives and Plaintiffs' chosen counsel as Class Counsel;
- B. Declare, adjudge and decree that Gm has recklessly endangered the public safety and order specific steps that GM must take to restore public safety, including but not limited to preliminary relief aimed at removing unreasonably dangerous GM vehicles from the public streets and thoroughfares forthwith; providing safe replacement vehicles for Plaintiffs and Class and Subclass members that do not contain safety related risks; and, in light of the nature of GM's wrongdoing, the substantial threat to the public health it has wrongfully

caused, its apparent management recalcitrance or incompetence as evidenced by GM's failure to take significant remedial steps for the past six months since it has publicly admitted its years-long campaign of concealment and deceit, providing continuing judicial management over GM through the appointment of a Special Master with expertise in the automobile industry and ethical risk management practices to assist in the judicial supervision of GM's management reforms designed to ensure that the Company does not continue to threaten the public safety in the future; and permanent injunctive relief aimed at ensuring that GM deploys reasonable and responsible management controls with respect to safety or cease its business of marketing to the public complex products that can so easily be a threat of death or serious bodily injury if not manufactured properly;

- C. Declare, adjudge and decree the conduct of GM as alleged herein to be unlawful, unfair, and/or deceptive, enjoin any such future conduct, and direct Defendants to permanently, expeditiously, and completely repair the Plaintiffs', Class and Subclass Members' vehicles to eliminate the dangers they pose;
- D. Declare, adjudge and decree that GM is financially responsible for notifying all Class Members about the dangerous nature of the Class Vehicles;
- E. Declare, adjudge and decree that GM must disgorge, for the benefit of Plaintiffs, Class Members, and Subclass Members, all or part of the ill-gotten gains it received from the sale or lease of the Class Vehicles, or make full restitution to Plaintiffs and Class Members;
- F. Award Plaintiffs, Class Members, and Subclass Members the greater of actual compensatory damages or statutory damages as proven at trial;
- G. Award Plaintiff, Class Members, and Subclass Members punitive damages in such amount as proven at trial;

- H. Award Plaintiff, Class Members and Subclass Members their reasonable attorneys' fees, costs, and pre-judgment and post-judgment interest; and
- I. Award Plaintiff, Class Members, and Subclass Members such other further and different relief as the case may require or as determined to be just, equitable, and proper by this Court.

JURY TRIAL DEMAND

Plaintiffs request a trial by jury on all the legal claims alleged in this Complaint.

Respectfully submitted

Gary Peller (GP0419)

600 New Jersey Avenue, N.W.

Washington, D.C. 2000

(202) 662-9122 (voice)

(202) 662-9680 (facsimile)

peller@law.georgetown.edu

Attorney for Plaintiffs

Exhibit B

09-50026-reg Doc 12961-2 Filed 10/23/14 Entered 10/23/14 14:27:54 Exhibit B
Pg 2 of 2

| UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK | USDC SDNY DOCUMENT ELECTRONICALLY FILE DOC #: DATE FILED:10/15/2014 |
|--|---|
| IN RE: | |
| GENERAL MOTORS LLC IGNITION SWITCH LITIGATION | : 14-MD-2543 (JMF) : |
| SHARON BLEDSOE et al., | : : |
| Plaintiffs, | : 14-CV-7631 (JMF) |
| -v- | : : |
| GENERAL MOTORS, LLC, | : MDL CONSOLIDATED |
| Defendant. | : <u>ORDER</u> : |
| | X |

JESSE M. FURMAN, United States District Judge:

Pursuant to the June 12, 2014 Order of the Judicial Panel on Multidistrict Litigation (JPML), *In re: General Motors Ignition Switch Litigation*, 14-MD-2543, has been assigned to this Court for coordinated or consolidated pretrial proceedings. (14-MD-2543, Docket No. 1). As this case, *Bledsoe v. General Motors, LLC*, 14-CV-7631, has been directly filed in this district and, based on the Court's review, appears to be within the scope of the multidistrict litigation ("MDL"), it is hereby ORDERED that it is transferred to 14-MD-2543 for coordinated or consolidated pretrial proceedings, subject to the process for objections set forth in Section II of Order No. 8. (14-MD-2543, Docket No. 249, at 4).

The Clerk of Court is directed to docket this Order in the above-captioned cases.

SO ORDERED.

Date: October 15, 2014

New York, New York

JESSE M. FURMAN United States District Judge

Exhibit C

0.90-95-9502052-6ergeg D.60co 6:212233661-Bille & Fille & 114601/0160/1128/114 (1142) (11642)

KING & SPALDING LLP 1185 Avenue of the Americas New York, New York 10036

Telephone: (212) 556-2100 Facsimile: (212) 556-2222

Arthur Steinberg Scott Davidson

KIRKLAND & ELLIS LLP

300 North LaSalle Chicago, IL 60654

Telephone: (312) 862-2000 Facsimile: (312) 862-2200

Richard C. Godfrey, P.C. (admitted *pro hac vice*) Andrew B. Bloomer, P.C. (admitted *pro hac vice*)

Attorneys for General Motors LLC

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

-----X

In re : Chapter 11

MOTORS LIQUIDATION COMPANY, et al., : Case No.: 09-50026 (REG)

f/k/a General Motors Corp., et al.

Debtors. : (Jointly Administered)

NOTICE OF FILING OF NINTH SUPPLEMENT TO SCHEDULE "1" TO THE MOTION OF GENERAL MOTORS LLC PURSUANT TO 11 U.S.C. §§ 105 AND 363 TO ENFORCE THE COURT'S JULY 5, 2009 SALE ORDER AND INJUNCTION

PLEASE TAKE NOTICE that on October 6, 2014, General Motors LLC filed the attached Ninth Supplement to Schedule "1" to the Motion of General Motors LLC Pursuant to 11 U.S.C. §§ 105 and 363 to Enforce the Court's July 5, 2009 Sale Order and Injunction with the United States Bankruptcy Court for the Southern District of New York.

0.90-95-95012052-6ergeg D.60co 16.212933661-Bille dFille 601/01001/12/13/14 (18 Interprete 1/20/10/10/12/13/16/12/13/10/27:5 Main Exploitain Cent P.B. Carbot 201/01/12/13/16/12/13/10/27:5 Main Exploitain Cent P.B. Carbot 201/01/12/13/16/12/13/10/27:5 Main Exploitain Cent P.B. Carbot 201/01/12/13/16/12/13/10/27:5 Main Exploitain Cent P.B. Carbot 201/01/28/13/16/12/13/10/27:5 Main Exploitain Cent P.B. Carbot 201/01/28/13/16/12/13/16/12/13/10/27:5 Main Exploitain Cent P.B. Carbot 201/01/28/13/16/12/13/16/12/13/10/27/10/27/

Dated: New York, New York October 6, 2014

Respectfully submitted,

/s/ Scott I. Davidson

Arthur Steinberg
Scott Davidson
KING & SPALDING LLP
1185 Avenue of the Americas
New York, New York 10036
Telephone: (212) 556-2100

Facsimile: (212) 556-2222

Richard C. Godfrey, P.C. (admitted *pro hac vice*) Andrew B. Bloomer, P.C. (admitted *pro hac vice*) KIRKLAND & ELLIS LLP 300 North LaSalle Chicago, IL 60654

Telephone: (312) 862-2000 Facsimile: (312) 862-2200

Attorneys for General Motors LLC

NINTH SUPPLEMENT¹ TO SCHEDULE "1"

CHART OF ADDITIONAL IGNITION SWITCH ACTIONS COMMENCED AGAINST NEW GM NOT LISTED IN THE PREVIOUS SUPPLEMENTS TO SCHEDULE "1" TO MOTION TO ENFORCE

| | <u>Name</u> | Class Models | Plaintiffs' Model | Court | Filing Date |
|---|-------------------------------------|-------------------------------------|-------------------|---|-------------|
| 1 | Ross (Class Action) ² | Various models from 2005 to 2011 | 2005 Chevy Cobalt | Eastern District of New York 14-cv-03670 | 6/10/14 |
| 2 | Belt ³ | N/A | 2007 Chevy HHR | Circuit Court of McDowell County, West Virginia 14-C-97 ⁴ | 9/4/14 |
| 3 | Bloom ⁵ | N/A | 2008 Chevy Cobalt | Court of Common Pleas, Luzerne County, Pa. 2014-10215-0 ⁶ | 9/5/14 |

_

This schedule supplements the previous supplements and the original Schedule "1" previously filed with the Court in connection with the *Motion of General Motors LLC Pursuant to 11 U.S.C. §§ 105 and 363 to Enforce the Court's July 5, 2009 Sale Order and Injunction* on April 21, 2014 [Dkt. No. 12620]. *See* Dkt. Nos. 12620-1, 12672, 12698, 12719, 12722, 12780, 12818, 12843, 12906.

A copy of the complaint filed in the Ross Action is attached hereto as Exhibit "A." While the complaint in the Ross Action references a post-363 Sale accident, it does not appear from a review of the causes of action contained in the complaint (except, possibly, the Tenth Cause of Action) that the Plaintiff is asserting claims based on the accident and any injuries arising therefrom. The complaint seeks injunctive relief and economic loss damages.

A copy of the complaint filed in the Belt Action is attached hereto as Exhibit "B." In addition to allegations regarding a defective ignition switch, the complaint in the Belt Action also references alleged problems with "the sunroof leaking, vehicle paint failure . . . and power steering failure" Belt Compl., ¶ 10. Accordingly, New GM is also filing simultaneously herewith supplemental schedules in connection with its Monetary Relief Motion to Enforce to address those allegations.

The Belt Action was removed by New GM to the United States District Court for the Southern District of West Virginia (No.: 1:14-cv-26520) on October 3, 2014.

A copy of the complaint filed in the Bloom Action is attached hereto as Exhibit "C."

The Bloom Action was removed by New GM to the United States District Court for the Middle District of Pennsylvania (No. 3:14-cv-01903) on September 30, 2014.

0.90-95-09502052-6ergeg D. Oxo 1:22923961-Bile #Filleol/00001228/14Enternete 1/e0l/010011228/106421340277:54Main Etx bibliothem. P. Pr. 5. 40 fo 2:44

| 4 | Bledsoe (Class Action) ⁷ | Not specifically identified. | 2008 Chevy Cobalt 2006 Chevy Trailblazer | Southern District of New York 14-cv-7631 | 9/19/14 |
|---|--|------------------------------|--|--|---------|
| | | | 2006 Chevy Cobalt | | |
| | | | 2005 Chevy Cobalt | | |
| | | | 2006 Pontiac G6 | | |
| | | | 2000 Chevy Impala | | |
| | | | 2006 Chevy Impala | | |
| | | | 2007 Chevy HHR | | |
| | | | 2007 Chevy Impala | | |

A copy of the complaint filed in the Bledsoe Action is attached hereto as Exhibit "D." In addition to allegations concerning vehicles with defective ignition switches, the complaint in the Bledsoe Action also contains allegations concerning (i) vehicles with other alleged defects, and (ii) personal injuries allegedly arising from pre-363 Sale accidents. Accordingly, New GM is also filing simultaneously herewith supplemental schedules in connection with its Monetary Relief Motion to Enforce and Pre-Closing Accident Motion to Enforce to address those allegations.

0.90-95-95012052-66-rg-g D.60co.6t.212939651-BilledFilled/01600/1228/14EnteEnertebled/01600/1228/116421543207:54Main Enabido in the P.B. 6p. 10-105247

KING & SPALDING LLP 1185 Avenue of the Americas

New York, New York 10036 Telephone: (212) 556-2100

Facsimile: (212) 556-2222

Arthur Steinberg Scott Davidson

KIRKLAND & ELLIS LLP

300 North LaSalle Chicago, IL 60654

Telephone: (312) 862-2000 Facsimile: (312) 862-2200

Richard C. Godfrey, P.C. (admitted *pro hac vice*) Andrew B. Bloomer, P.C. (admitted *pro hac vice*)

Attorneys for General Motors LLC

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

-----X

In re : Chapter 11

MOTORS LIQUIDATION COMPANY, et al., : Case No.: 09-50026 (REG)

f/k/a General Motors Corp., et al.

Debtors. : (Jointly Administered)

_____x

NOTICE OF FILING OF NINTH SUPPLEMENT TO SCHEDULE "2" TO THE MOTION OF GENERAL MOTORS LLC PURSUANT TO 11 U.S.C. §§ 105 AND 363 TO ENFORCE THE COURT'S JULY 5, 2009 SALE ORDER AND INJUNCTION

PLEASE TAKE NOTICE that on October 6, 2014, General Motors LLC filed the attached Ninth Supplement to Schedule "2" to the Motion of General Motors LLC Pursuant to 11 U.S.C. §§ 105 and 363 to Enforce the Court's July 5, 2009 Sale Order and Injunction with the United States Bankruptcy Court for the Southern District of New York.

0.90-95-95012052-66-ergeg D.60xo 14.212939651-Bille (Billecol/Ol60/1228/14EnteErretole 14.00/0160/1228/116421543307:54Mair Exploido internetole 14.00/0160/1228/11642154307:54Mair Exploido internetole 14.00/0160/1228/11642154307:54Mair Exploido internetole 14.00/0160/1228/11642154307:54Mair Exploido internetole 14.00/0160/1228/11642154307:54Mair Exploido internetole 14.00/0160/1228/116421543

Dated: New York, New York October 6, 2014

Respectfully submitted,

/s/ Scott I. Davidson

Arthur Steinberg
Scott Davidson
KING & SPALDING LLP
1185 Avenue of the Americas
New York, New York 10036
Telephone: (212) 556-2100

Facsimile: (212) 556-2222

Richard C. Godfrey, P.C. (admitted *pro hac vice*) Andrew B. Bloomer, P.C. (admitted *pro hac vice*) KIRKLAND & ELLIS LLP 300 North LaSalle Chicago, IL 60654

Telephone: (312) 862-2000 Facsimile: (312) 862-2200

Attorneys for General Motors LLC

NINTH SUPPLEMENT¹ TO SCHEDULE "2"

SAMPLE ALLEGATIONS/CAUSES OF ACTION IN IGNITION SWITCH COMPLAINTS FILED AGAINST NEW GM NOT CONTAINED IN THE PREVIOUS SUPPLEMENTS TO SCHEDULE "2" TO MOTION TO ENFORCE²

| Plaintiff | Allogotions |
|-------------------|--|
| <u>Fiamun</u> | Allegations |
| Belt ³ | The Belt Action concerns a 2007 Chevrolet HHR, allegedly purchased by the Plaintiff in September 2011. Compl., ¶ 8. |
| | "This is an action for monetary damages, declaratory and injunctive relief filed pursuant to the West Virginia Consumer Credit and Protection Act, the Uniform Commercial Code, the Magnuson-Moss Warranty Act and applicable state common law theories of liability, and arising out of the sale of a motor vehicle by the Defendant, General Motors LLC, hereinafter 'Manufacturer'." Compl. ¶ 2. |
| | "That the Defendant, General Motors, LLC, also negligently manufactured and constructed the 2007 Chevrolet HHR sold to Plaintiff, thereby breaching a duty to Plaintiff, and causing the Plaintiff to sustain harm and damages." Compl., ¶ 19. |
| | "That the Defendants General Motors, LLC and Ramey Motors, Inc., breached an implied warranty of merchantability by selling Plaintiff a defective car." Compl., ¶ 20. |
| | "Defendants expressly warranted that: (a) the subject vehicle was free from defects, defective parts and workmanship; (b) the subject vehicle was so engineered and designed as to function without requiring unreasonable maintenance and repairs; (c) even if the subject vehicle was not free from defects, defective parts, or workmanship, Defendants would repair or replace same without cost, and/or (d) any such defects or non-conformities would be cured within a reasonable time period." Compl., ¶ 27. |
| | "That the Defendants placed into the stream of commerce an unsafe, unreliable and dangerous vehicle." Compl., ¶ 32. |
| | "Defendants manufactured or sold Plaintiff a vehicle with defective parts such as the ignition switch which was very clearly a defect and was a defect that represents an unreasonable risk to safety. (Product Liability)." Compl., ¶ 33. |
| | "Defendants breached the implied warranty of merchantability and fitness in that |

This schedule supplements the previous supplements and the original Schedule "2" previously filed with the Court in connection with the *Motion of General Motors LLC Pursuant to 11 U.S.C. §§ 105 and 363 to Enforce the Court's July 5, 2009 Sale Order and Injunction* on April 21, 2014 [Dkt. No. 12620]. *See* Dkt. Nos. 12620-2, 12672-8, 12699, 12720, 12723, 12781, 12819, 12844, 12907.

23928128.3

Due to space limitations, this chart contains only a *sample* of statements, allegations and/or causes of action contained in the complaints referenced herein. This chart does *not* contain *all* statements, allegations and/or causes of action that New GM believes violates the provisions of the Court's Sale Order and Injunction and the MSPA.

In addition to allegations regarding a defective ignition switch, the complaint in the Belt Action also references alleged problems with "the sunroof leaking, vehicle paint failure . . . and power steering failure . . ." Belt Compl., ¶ 10. Accordingly, New GM is also filing simultaneously herewith supplemental schedules in connection with its Monetary Relief Motion to Enforce to address those allegations.

| <u>Plaintiff</u> | Allegations |
|----------------------|--|
| | Plaintiff's 2007 Chevrolet HHR was not fit for the ordinary purpose for which it was sold. (Breach of Implied Warranty of Merchantability)." Compl., ¶ 35. |
| Bledsoe ⁴ | "Ms. Bledsoe owns a 2008 Chevrolet Cobalt that she purchased new from a Chevrolet dealer in December 2007, in the state of Georgia." Compl., ¶ 3. |
| | "Ms. Farmer owns a 2005 Chevrolet Cobalt that she purchased new in 2007 in the state of Maryland." Compl., \P 5. |
| | "Ms. Mitchell owns a 2007 Chevrolet HHR that she purchased in 2010." Compl., ¶ 8. |
| | "Ms. Thomas owns a 2006 Chevrolet Cobalt that she purchased from a private party in 2006." Compl., ¶ 9. |
| | "GM instituted its own and continued policies and practices of its predecessor intended to conceal and minimize safety related risks in GM products" Compl., ¶ 14. |
| | "GM would change part design without a corresponding change in part number, in an attempt to conceal the fact that the original part design was risk GM knew from its inception that the part number irregularity was intended to conceal the faulty ignition switches in Plaintiffs' and class members' vehicles." Compl., ¶ 29. |
| | "Given the continuity of engineers, corporate counsel, and other key personnel from Old GM to GM, GM was aware of many of the defects from the very date of its inception on July 10, 2009." Compl., ¶ 37. |
| | "GM has also admitted that, from its inception in 2009, various New GM engineers, attorneys, and management officials knew of, and took measures to conceal, the ignition switch risk and/or diminish its significance." Compl., ¶ 41. |
| | "GM has known since June 10, 2009, that the faulty ignition switch in the Plaintiffs' and class members' vehicles poses or posed a serious safety and public health hazard." Compl., ¶ 42. |
| | "GM notified the NHTSA that it had possession of information regarding the ignition key problem since its inception on July 10, 2009" Compl., ¶ 62. |
| | "In this recall, NHTSA Recall Campaign 14V400, GM described the defect as involving the 'detent plunger force on the ignition switch' and admitted that it had information regarding the hazard as soon as it began its business on July 10, 2009 GM admits that in 2004 when the detent plunger force was redesigned, GM did not change the part number to reflect the change." Compl., ¶ 67. |

_

Some of the Plaintiffs' allegations and/or causes of action contained in the Bledsoe Complaint are based on (i) economic losses, monetary and other relief relating to vehicles or parts other than the ignition switch, and (ii) personal injuries related to pre-363 Sale accidents. As such, in connection with the Bledsoe Action, New GM is also filing supplements to its Monetary Relief Motion to Enforce and Pre-Closing Accident Motion to Enforce to address such allegations.

| Plaintiff | Allegations |
|-----------|---|
| | "At the time of its inception, GM knew that the ignition switch used or which would be placed in the Plaintiffs' and class members' vehicles could inadvertently move from 'run' to 'accessory' or 'off,' under regular driving conditions." Compl., ¶ 94. |
| | "GM had a duty to use reasonable care in the manufacture of vehicles for sale" Compl., \P 123. |
| | "To the extent that any of the allegation [sic] of wrongdoing alleged in this count involve wrongdoing by Old GM, GM is responsible for that conduct because it is a successor in manufacturing to Old GM and liable for Old GM's wrongdoing." Compl., ¶ 128. |
| Bloom | "On or about 4/18/08, Plaintiff purchased a new 2008 Chevrolet Cobalt (hereinafter referred to as the 'vehicle'), manufactured and warranted by Defendant" Compl., ¶ 4. |
| | "In consideration of the purchase of the above vehicle, Defendant, issued to Plaintiff several warranties, fully outlined in the warranty booklet." Compl., ¶ 7. |
| | "On or about 4/18/08, Plaintiff took possession of the above mentioned vehicle and experienced nonconformities, which substantially impaired the use, value and/or safety of the vehicle." Compl., \P 8. |
| | "The nonconformities violate the express written warranties issued to Plaintiff by Defendant." Compl., ¶ 10. |
| | "Defendant is a 'Manufacturer' as defined by 73 P.S. §1952." Compl., ¶ 20. |
| | "Said vehicle experienced non conformities within the first year of purchase, which substantially impairs the use, value and safety of said vehicle." Compl., ¶ 22. |
| | "By the terms of the express written warranties referred to in this Complaint, Defendant agreed to perform effective warranty repairs at no charge for parts and/or labor." Compl., ¶ 32. |
| | "As a direct and proximate result of Defendant's failure to comply with the express written warranties, Plaintiff has suffered damages" Compl., ¶ 34. |
| | "The defects and nonconformities existing within the vehicle constitute a breach of contractual and statutory obligations of the Defendant, including but not limited to the following: a. Breach of Express Warranty, b. Breach of Implied Warranty of Merchantability; c. Breach of Implied Warranty of Fitness For a Particular Purpose; d. Breach of Duty of Good Faith." Compl., ¶ 38. |
| | "The purpose [sic] for which Plaintiff purchased the vehicle include but are not limited to his personal, family and household use." Compl., ¶ 39. |
| | "At the time of the purchase and at all times subsequent thereto, Defendant was aware Plaintiff was relying upon Defendant's express and implied warranties, obligations, and representations with regard to the subject vehicle." Compl., ¶ 41. |

| <u>Plaintiff</u> | Allegations |
|-------------------|---|
| Ross ⁵ | The defined term "GM" in the complaint includes both Old GM and New GM. Compl., ¶ 1. |
| | "Mr. Ross owns a 2005 Chevrolet Cobalt that he purchased new in 2005 at a dealership in Hicksville, Nassau County, New York. Mr. Ross's Chevrolet Cobalt was manufactured, sold, distributed, advertised, marketed, and warranted by GM." Compl., ¶ 16. |
| | Paragraphs 45 through 51, 55 through 70, 104 through 106, and 145 through 149 of the Complaint contain references to events that occurred prior to the closing of the 363 Sale. |
| | "GM provided to consumers false and misleading advertisements, technical data and other representations regarding the safety, performance, reliability, quality, and nature of the Class Vehicles that created express and implied warranties related to the future performance of the Class Vehicles." Compl., ¶ 75. |
| | Purported Class questions are (i) "whether Defendants were negligent in designing, manufacturing, and selling the Class vehicles with the Key Defects;" (ii) "whether GM concealment of the true defective nature of the Class Vehicles induced Plaintiff and Class Members to act to their detriment by purchasing the Vehicles;" and (iii) "whether the Class Vehicles were fit for their ordinary and intended use, in violation of the implied warranty of merchantability[.]" Compl., ¶ 124. |
| | Named Plaintiff asserts that the "RICO Enterprise" began "on or about 2001 " Compl., \P 133. |
| | "Defendants intended that Plaintiff and Class Members rely on their misrepresentations and omissions, so that Plaintiff and other Class Members would purchase or lease the Class Vehicles[.]" Compl. ¶ 164(h). |
| | "In connection with its sales of the Class Vehicles, GM gave an implied warranty as defined in 15 U.S.C. § 2301(7); namely, the implied warranty of merchantability." Compl., ¶ 174. |
| | Paragraphs 174 through 177 of the Complaint concern breaches of the implied warranty of merchantability. |
| | The Fourth Cause of Action asserts a "Breach of Implied Warranties." |
| | "Defendants actively concealed and/or suppressed these material facts, in whole or in part, with the intent to induce Plaintiff and Class Members to purchase Class Vehicles at a higher price for the vehicles, which did not match the vehicles' true value." Compl., ¶ 201. |
| | "Defendants violated the NYDTPA when they represented, through advertising, |

While the complaint in the Ross Action references a post-363 Sale accident, it does not appear from a review of the causes of action contained in the complaint (except, possibly, the Tenth Cause of Action) that the Plaintiff is asserting claims based on the accident and any injuries arising therefrom. The complaint seeks injunctive relief and economic loss damages.

| <u>Plaintiff</u> | <u>Allegations</u> | | |
|------------------|--|--|--|
| | warranties, and other express representations, that the Class Vehicles had characteristics and benefits that they did not actually have." Compl., ¶ 210. | | |
| | "Defendants caused to be made or disseminated through New York, through advertising, marketing and other publications, statements that were untrue or misleading, and that were known, or which by the exercise of reasonable care should have been known to Defendants, to be untrue and misleading to consumers and Plaintiff." Compl., ¶ 221. | | |
| | "Defendants negligently designed, manufactured, and sold the Class Vehicles with the Key Defects, presenting an unreasonable risk of harm to Plaintiff William Ross and members of the Nationwide Subclass and New York Subclass." Compl., ¶ 228. | | |
| | "At the time of delivery of the Class Vehicles, GM did not provide instructions and warnings to Plaintiff to not place extra weight on his vehicles' key chain, including a fob or extra keys." Compl., ¶ 235. | | |

0.90-95-9502052-6ergeg D.60co 6:22929061-Bille (Fille 6) 10160/1028/14 Enterprete 1/20/10160/1028/106431045267:544/1 air Exploitain Cent PgP1/31.06/124

KING & SPALDING LLP 1185 Avenue of the Americas

New York, New York 10036

Telephone: (212) 556-2100 Facsimile: (212) 556-2222

Arthur Steinberg Scott Davidson

KIRKLAND & ELLIS LLP

300 North LaSalle Chicago, IL 60654

Telephone: (312) 862-2000 Facsimile: (312) 862-2200

Richard C. Godfrey, P.C. (admitted *pro hac vice*) Andrew B. Bloomer, P.C. (admitted *pro hac vice*)

Attorneys for General Motors LLC

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

-----λ

In re : Chapter 11

MOTORS LIQUIDATION COMPANY, et al., : Case No.: 09-50026 (REG)

f/k/a General Motors Corp., et al.

:

Debtors. : (Jointly Administered)

NOTICE OF FILING OF SECOND SUPPLEMENT TO SCHEDULE "1" TO THE MOTION OF GENERAL MOTORS LLC PURSUANT TO 11 U.S.C. §§ 105 AND 363 TO ENFORCE THE COURT'S JULY 5, 2009 SALE ORDER AND INJUNCTION (MONETARY RELIEF ACTIONS, OTHER THAN IGNITION SWITCH ACTIONS)

PLEASE TAKE NOTICE that on October 6, 2014, General Motors LLC filed the attached Second Supplement to Schedule "1" to the Motion of General Motors LLC Pursuant to 11 U.S.C. §§ 105 and 363 to Enforce the Court's July 5, 2009 Sale Order and Injunction (Monetary Relief Actions, Other Than Ignition Switch Actions) with the United States Bankruptcy Court for the Southern District of New York.

0.90-95-95012052-6ergeg D.60co.16.2192-9061-Bille (Filled)/0160/1228/14Enternethe 1490/0160/1228/116431245267:54Main Exploitain Cent PgP10/4206/1244

Dated: New York, New York October 6, 2014

Respectfully submitted,

/s/ Scott I. Davidson

Arthur Steinberg
Scott Davidson
KING & SPALDING LLP
1185 Avenue of the Americas
New York, New York 10036
Telephone: (212) 556-2100

Facsimile: (212) 556-2222

Richard C. Godfrey, P.C. (admitted *pro hac vice*) Andrew B. Bloomer, P.C. (admitted *pro hac vice*) KIRKLAND & ELLIS LLP 300 North LaSalle Chicago, IL 60654

Telephone: (312) 862-2000 Facsimile: (312) 862-2200

Attorneys for General Motors LLC

SECOND SUPPLEMENT¹ TO SCHEDULE "1"

CHART OF MONETARY RELIEF ACTIONS COMMENCED AGAINST NEW GM NOT CONTAINED IN THE PREVIOUS SUPPLEMENT TO SCHEDULE "1" TO MOTION TO ENFORCE

| | <u>Name</u> | Class Models | Plaintiffs' Model | Court | Filing Date |
|---|--|------------------------------|---|---|-------------|
| 1 | Belt ² | N/A | 2007 Chevy HHR | Circuit Court of McDowell County, West Virginia 14-C-97 ³ | 9/4/14 |
| 2 | Bledsoe (Class Action) ⁴ | Not specifically identified. | 2008 Chevy Cobalt 2006 Chevy Trailblazer 2006 Chevy Cobalt 2005 Chevy Cobalt 2006 Pontiac G6 2000 Chevy Impala 2006 Chevy Impala 2007 Chevy HHR 2007 Chevy Impala | Southern District of New York 14-cv-7631 | 9/19/14 |

_

This schedule supplements the original Schedule "1" previously filed with the Court in connection with the Motion of General Motors LLC Pursuant to 11 U.S.C. §§ 105 and 363 to Enforce the Court's July 5, 2009 Sale Order and Injunction (Monetary Relief Actions, Other Than Ignition Switch Actions) on August 1, 2014 [Dkt No. 12808-1]

A copy of the complaint filed in the Belt Action is attached hereto as Exhibit "A." In addition to allegations regarding problems with "the sunroof leaking, vehicle paint failure . . . and power steering failure . . ." in the subject vehicle (Belt Compl., ¶ 10), the complaint in the Belt Action also references alleged problems with a defective ignition switch. Accordingly, New GM is also filing simultaneously herewith supplemental schedules in connection with its Ignition Switch Motion to Enforce to address those allegations.

The Belt Action was removed by New GM to the United States District Court for the Southern District of West Virginia (No. 1:14-cv-26520) on October 3, 2014.

A copy of the complaint filed in the Bledsoe Action is attached hereto as Exhibit "B." In addition to allegations concerning vehicles with alleged defects other than defective ignition switches, the Bledsoe Complaint also contains allegations concerning (i) vehicles with allegedly defective ignition switches, and (ii) personal injuries allegedly arising from pre-363 Sale accidents. Accordingly, New GM is also filing simultaneously herewith supplemental schedules in connection with its Ignition Switch Motion to Enforce and Pre-Closing Accident Motion to Enforce to address those allegations.

| 3 | Watson ⁵ | N/A | 2009 Chevy Corvette | Western District of Louisiana | 9/30/14 |
|---|---------------------|-----|------------------------|-------------------------------|---------|
| | | | | 6:14-cv-02832 | |

A copy of the complaint filed in the Watson Action is attached hereto as Exhibit "C."

0.90-95-95012052-66-rgeg D.60co 16.2202-9161-Bille dFille 601/0160/1228/14EnteEmetel 16-01/0160/1228/1164-3134-0237:54Main Exploit buin Cent PgP1g71.06/1234

KING & SPALDING LLP 1185 Avenue of the Americas

New York, New York 10036 Telephone: (212) 556-2100 Facsimile: (212) 556-2222

Arthur Steinberg Scott Davidson

KIRKLAND & ELLIS LLP

300 North LaSalle Chicago, IL 60654

Telephone: (312) 862-2000 Facsimile: (312) 862-2200

Richard C. Godfrey, P.C. (admitted *pro hac vice*) Andrew B. Bloomer, P.C. (admitted *pro hac vice*)

Attorneys for General Motors LLC

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

To me

In re : Chapter 11

MOTORS LIQUIDATION COMPANY, et al., : Case No.: 09-50026 (REG)

f/k/a General Motors Corp., et al.

Debtors. : (Jointly Administered)

NOTICE OF FILING OF SECOND SUPPLEMENT TO SCHEDULE "2" TO THE MOTION OF GENERAL MOTORS LLC PURSUANT TO 11 U.S.C. §§ 105 AND 363 TO ENFORCE THE COURT'S JULY 5, 2009 SALE ORDER AND INJUNCTION (MONETARY RELIEF ACTIONS, OTHER THAN IGNITION SWITCH ACTIONS)

PLEASE TAKE NOTICE that on October 6, 2014, General Motors LLC filed the attached Second Supplement to Schedule "2" to the Motion of General Motors LLC Pursuant to 11 U.S.C. §§ 105 and 363 to Enforce the Court's July 5, 2009 Sale Order and Injunction (Monetary Relief Actions, Other Than Ignition Switch Actions) (the "Motion to Enforce") with the United States Bankruptcy Court for the Southern District of New York.

Dated: New York, New York October 6, 2014

Respectfully submitted,

/s/ Scott I. Davidson

Arthur Steinberg
Scott Davidson
KING & SPALDING LLP
1185 Avenue of the Americas
New York, New York 10036
Telephone: (212) 556-2100

Facsimile: (212) 556-2222

Richard C. Godfrey, P.C. (admitted *pro hac vice*) Andrew B. Bloomer, P.C. (admitted *pro hac vice*) KIRKLAND & ELLIS LLP 300 North LaSalle Chicago, IL 60654

Telephone: (312) 862-2000 Facsimile: (312) 862-2200

Attorneys for General Motors LLC

SECOND SUPPLEMENT¹ TO SCHEDULE "2"

SAMPLE ALLEGATIONS/CAUSES OF ACTION IN MONETARY RELIEF COMPLAINTS FILED AGAINST NEW GM NOT CONTAINED IN THE PREVIOUS SUPPLEMENT TO SCHEDULE "2" to MOTION TO ENFORCE²

| Lead Plaintiff | Allegations | | |
|-------------------|--|--|--|
| Belt ³ | The Belt Action concerns a 2007 Chevrolet HHR, allegedly purchased by the Plaintiff in September 2011. Compl., ¶ 8. | | |
| | "This is an action for monetary damages, declaratory and injunctive relief filed pursuant to the West Virginia Consumer Credit and Protection Act, the Uniform Commercial Code, the Magnuson-Moss Warranty Act and applicable state common law theories of liability, and arising out of the sale of a motor vehicle by the Defendant, General Motors LLC, hereinafter 'Manufacturer'." Compl. ¶ 2. | | |
| | "That the Defendant, General Motors, LLC, also negligently manufactured and constructed the 2007 Chevrolet HHR sold to Plaintiff, thereby breaching a duty to Plaintiff, and causing the Plaintiff to sustain harm and damages." Compl., ¶ 19. | | |
| | "That the Defendants General Motors, LLC and Ramey Motors, Inc., breached an implied warranty of merchantability by selling Plaintiff a defective car." Compl., ¶ 20. | | |
| | "Defendants expressly warranted that: (a) the subject vehicle was free from defects, defective parts and workmanship; (b) the subject vehicle was so engineered and designed as to function without requiring unreasonable maintenance and repairs; (c) even if the subject vehicle was not free from defects, defective parts, or workmanship, Defendants would repair or replace same without cost, and/or (d) any such defects or non-conformities would be cured within a reasonable time period." Compl., ¶ 27. | | |
| | "That the Defendants placed into the stream of commerce an unsafe, unreliable and dangerous vehicle." Compl., ¶ 32. | | |
| | "Defendants breached the implied warranty of merchantability and fitness in that Plaintiff's 2007 Chevrolet HHR was not fit for the ordinary purpose for which it was | | |

This schedule supplements the previous supplement and the original Schedule "2" previously filed with the Court in connection with the *Motion of General Motors LLC Pursuant to 11 U.S.C. §§ 105 and 363 to Enforce the Court's July 5, 2009 Sale Order and Injunction (Monetary Relief Actions, Other Than Ignition Switch Actions)* on August 1, 2014 [Dkt. No. 12808]. *See* Dkt. Nos. Dkt. No. 12808-2, 12909.

Due to space limitations and the ever increasing number of actions filed against New GM related to pre-363 Sale vehicles, this chart contains only a *sample* of statements, allegations and/or causes of action contained in the complaints referenced in the chart above. This chart does *not* contain *all* statements, allegations and/or causes of action that New GM believes violate the provisions of the Court's Sale Order and Injunction and the MSPA.

In addition to allegations regarding problems with "the sunroof leaking, vehicle paint failure . . . and power steering failure . . ." in the subject vehicle (Belt Compl., ¶ 10), the complaint in the Belt Action also references alleged problems with a defective ignition switch. Accordingly, New GM is also filing simultaneously herewith supplemental schedules in connection with its Ignition Switch Motion to Enforce to address those allegations.

| | sold. (Breach of Implied Warranty of Merchantability)" Compl., ¶ 35. | |
|----------------------|--|--|
| Bledsoe ⁴ | "Mr. and Mrs. Elliott jointly own a 2006 Chevrolet Trailblazer that they purchased new in 2006 from a Chevrolet dealer." Compl., \P 4. | |
| | "Mr. Fordham owns a 2006 Pontiac G6 that he purchased used in November 2012." Compl., \P 6. | |
| | "Mr. Kanu currently owns a 2000 Chevrolet Impala." Compl., ¶ 7. | |
| | "Mr. Tibbs owns a 2007 Chevrolet Impala that he purchased in 2011." Compl., ¶ 10. | |
| | "GM instituted its own and continued policies and practices of its predecessor intended to conceal and minimize safety related risks in GM products" Compl., ¶ 14. | |
| | "Given the continuity of engineers, corporate counsel, and other key personnel from Old GM to GM, GM was aware of many of the defects from the very date of its inception on July 10, 2009." Compl., ¶ 37. | |
| | "GM also knew since its inception about the ignition key hazard, steering hazards, and brake light hazards described above." Compl., 94. | |
| | "GM had a duty to use reasonable care in the manufacture of vehicles for sale" Compl., \P 123. | |
| | "To the extent that any of the allegation [sic] of wrongdoing alleged in this count involve wrongdoing by Old GM, GM is responsible for that conduct because it is a successor in manufacturing to Old GM and liable for Old GM's wrongdoing." Compl., ¶ 128. | |
| Watson | The Watson Action concerns a 2009 Chevrolet Corvette, allegedly purchased by the Plaintiffs in March 2013 from Moss Motors, which is not a GM dealer. Compl., ¶ 9. | |
| | The Watson Action is based on a theory of successor liability. See generally Complaint. | |
| | "Subsequent to the sale, an implied warranty arose in connection with the repairs performed by the Defendants, GM and MOSS MOTORS. Specifically, the Defendants, GM and MOSS MOTORS, impliedly warranted that the repair work would be performed in a good and workmanlike manner." Compl. ¶ 10. | |
| | "In addition to the implied warranties that arose in the transaction, certain representations and express warranties were made, including, that any malfunction in the CORVETTE occurring during a specified warranty period resulting from defects in material or | |

_

Some of the Plaintiffs' allegations and/or causes of action contained in the Bledsoe Complaint are based on (i) economic losses, monetary and other relief relating to defective ignition switches, and (ii) personal injuries related to pre-363 Sale accidents. As such, in connection with the Bledsoe Action, New GM is also filing supplements to its Ignition Switch Motion to Enforce and Pre-Closing Accident Motion to Enforce to address such allegations.

Mr. and Mrs. Elliott also previously commenced a separate action that originally referenced their 2006 Chevrolet Trailblazer. However, when the Elliotts amended their complaint, they deleted all references to the Trailblazer. The Elliotts' previous action was designated in New GM's Ignition Switch Motion to Enforce, and the Court has previously ruled that that Action is stayed pending resolution of certain threshold issues raised by the Ignition Switch Motion to Enforce.

0.90-95-0500202-6-6-rg-g D-0to 1:232-29161-B-ille-6F-ille-01/0100/1223/14Ent-6Erre-the-16-01/0100/1223/1164-3134-0237:54Main-Enx-biblion-0tent PgP2(15-061234

workmanship would be repaired, and that repair work on the CORVETTE had, in fact, repaired the defects." Compl., ¶ 11.

"In fact, when delivered, the CORVETTE was defective m materials and workmanship, with such defects being discovered immediately after purchase." Compl., 14.

Paragraph 20 of the complaint alleges that "GM is a 'manufacturer' under" Louisiana Law, but Old GM manufactured the vehicle.

"The hidden defects in the CORVETTE existed at the time of sale, but were not discovered until after delivery. The CORVETTE is not usable and neither Plaintiffs nor a reasonable prudent buyer would have purchased the CORVETTE had they known of the defects prior to the sale." Compl., ¶ 26.

Count 2 of the Complaint is based on a "[v]iolation of the Magnuson-Moss Warranty Act."

090-95-95012052-66-rg-g D 650016.212924261-13-ille-16-ille-201/0160/1228/14EnteErrette-16-01/0160/1228/1164-4104-5567:54Main Etablichin Cent Pop 26/21/06/124

KING & SPALDING LLP 1185 Avenue of the Americas New York, New York 10036 Telephone: (212) 556-2100

Facsimile: (212) 556-2222

Arthur Steinberg Scott Davidson

KIRKLAND & ELLIS LLP

300 North LaSalle Chicago, IL 60654

Telephone: (312) 862-2000 Facsimile: (312) 862-2200

Richard C. Godfrey, P.C. (admitted *pro hac vice*) Andrew B. Bloomer, P.C. (admitted *pro hac vice*)

Attorneys for General Motors LLC

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

-----X

In re : Chapter 11

MOTORS LIQUIDATION COMPANY, et al., : Case No.: 09-50026 (REG)

f/k/a General Motors Corp., et al.

:

Debtors. : (Jointly Administered)

NOTICE OF FILING OF SUPPLEMENT TO THE CHART OF PRE-CLOSING ACCIDENT LAWSUITS SET FORTH IN THE MOTION OF GENERAL MOTORS LLC PURSUANT TO 11 U.S.C. §§ 105 AND 363 TO ENFORCE THE COURT'S JULY 5, 2009 SALE ORDER AND INJUNCTION AGAINST PLAINTIFFS IN PRE-CLOSING ACCIDENT LAWSUITS

PLEASE TAKE NOTICE that on October 6, 2014, General Motors LLC filed the attached Supplement to the Chart of Pre-Closing Accident Lawsuits Set Forth in the Motion of General Motors LLC Pursuant to 11 U.S.C. §§ 105 and 363 to Enforce the Court's July 5, 2009 Sale Order and Injunction Against Plaintiffs in Pre-Closing Accident Lawsuits with the United States Bankruptcy Court for the Southern District of New York.

0.90-95-09101052-6ergeg D. Oxo (t. 21924926 1 - Bille (Filled) 101001023/14Enterrette (140) 101001023/1064 4104 5267: 544 air Exploitain Cent PgP2(\$200) 1234

Dated: New York, New York October 6, 2014

Respectfully submitted,

/s/ Scott I. Davidson

Arthur Steinberg
Scott Davidson
KING & SPALDING LLP
1185 Avenue of the Americas
New York, New York 10036
Telephone: (212) 556-2100

Facsimile: (212) 556-2222

Richard C. Godfrey, P.C. (admitted *pro hac vice*) Andrew B. Bloomer, P.C. (admitted *pro hac vice*) KIRKLAND & ELLIS LLP 300 North LaSalle Chicago, IL 60654

Telephone: (312) 862-2000 Facsimile: (312) 862-2200

Attorneys for General Motors LLC

SUPPLEMENT¹ TO CHART OF PRE-CLOSING ACCIDENT LAWSUITS COMMENCED AGAINST NEW GM NOT LISTED IN MOTION TO ENFORCE

| | Lead Plaintiff Name | Date of Accident (Plaintiff) | Vehicle Year and Model |
|---|----------------------|--|------------------------|
| 1 | Bledsoe ² | February 1, 2008 and May 17, 2009 (Bledsoe) ³ | 2008 Chevy Cobalt |

-

Pursuant to the Motion of General Motors LLC Pursuant to 11 U.S.C. §§ 105 and 363 to Enforce the Court's July 5, 2009 Sale Order and Injunction Against Plaintiffs in Pre-Closing Accident Lawsuits (the "Motion to Enforce") [Dkt. No. 12808-1], New GM reserved the right to supplement the list of Pre-Closing Accident Lawsuits set forth in the Motion to Enforce in the event additional cases were brought against New GM that implicate similar provisions of the Sale Order and Injunction. See Motion to Enforce, p. 7 n.6.

The Action identified in the chart above is captioned *Bledsoe*, *et al.*, *v. General Motors LLC*, pending in the United States District Court for the Southern District of New York (the "Bledsoe Action"). A copy of the complaint filed in the Bledsoe Action is attached hereto as Exhibit "A."

The Bledsoe Action contains allegations concerning five separate accidents, two that allegedly occurred (with respect to the same Plaintiff) prior to the closing of the 363 Sale, and three that allegedly occurred after the closing of the 363 Sale. This supplement is being filed to designate, as being applicable to New GM's Pre-Closing Accident Motion to Enforce, the two accidents that occurred prior to the closing of the 363 Sale, and which are referenced in the chart above. However, in addition to allegations concerning pre-closing accidents, the Bledsoe Complaint also contains allegations concerning vehicles with ignition switch defects and other alleged defects, and asserts economic loss claims in connection therewith. Accordingly, New GM is also filing simultaneously herewith supplemental schedules in connection with its Ignition Switch Motion to Enforce and its Monetary Relief Motion to Enforce to address those allegations.