AG Brnovich Obtains $6.28 Million for Arizonans Who Purchased Recalled GM Vehicles

Only Settlement Agreement that Directs Payments to Consumers

PHOENIX - Attorney General Mark Brnovich announced today Arizona consumers will receive up to $6.28 million in payments as part of an ignition switch-related settlement with General Motors LLC.

In 2014, GM announced a series of recalls, including recalls related to faulty ignition switches that could switch to "off" or "accessory" while consumers were driving. The Attorney General's Office filed an Arizona Consumer Fraud Lawsuit that alleged GM concealed defects, engaged in false advertising, and created a corporate culture that devalued vehicle safety. However, there were no claims for consumer payments in the state's original 2014 lawsuit.

In 2015, Attorney General Brnovich took office and vowed to make consumer restitution a top priority. Brnovich amended the lawsuit against GM to include a claim for payments for consumers.

"Consumers should always come first in consumer fraud and class action lawsuits," said Attorney General Mark Brnovich. "When I took office, I couldn't believe consumer payments weren't the focus of the state's lawsuit against GM. I wasn't going to settle until Arizona consumers received compensation."

Under today's proposed settlement, approximately 33,000 Arizona consumers who purchased certain GM vehicles between July 2009 and July 2014, and did not resell those cars before the recalls were announced, would be entitled to payments.

In October 2017, GM settled similar claims with the other 49 states, and no state obtained payments for consumers. Had Arizona participated in this multistate settlement, it would have obtained approximately $2 million, which is less than 30% of the total amount GM will pay to Arizona and Arizona consumers under this separate settlement.

In order to receive a payment, consumers must sign a release form, which will be mailed by a claims administrator. The payment amount would depend on the number of claimants and the alleged defects at issue for each consumer's vehicle. Each payment would be at minimum $200.

GM has agreed to pay Arizona consumers up to $6,287,600 through the claims administrator, pay the claims administrator's costs and fees, and pay the State an additional $1,000,000.

The settlement requires court approval before it is final. If the court approves the consent decree, GM will select a claims administrator to oversee the refund process.

This case was handled by Matthew du Mee, Unit Chief Counsel of the Consumer Litigation Unit, and Assistant Attorney General Dana Vogel.