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News Release

GM fine for failure to timely disclose ignition switch defect only a first step

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Lawyers representing victims permanently injured or killed in wrecks related to General Motors faulty ignition switch say federal fine doesn't begin to compensate for delays, cover-up related to recalls

MONTGOMERY, ALA. (May 16, 2014) – Jere L. Beasley, founding shareholder of Beasley, Allen, Crow, Methvin, Portis & Miles, P.C., and Lance Cooper, trial lawyer and founding partner of The Cooper Firm in Marietta, Ga., say today's announcement by the government that General Motors (GM) will pay a fine of \$35 million for its mishandling of a recall related to a defective ignition switch is only a tiny first step on the road to justice for victims. The announcement was made at 11:15 E.T. by U.S. Transportation Secretary Anthony Foxx and National Highway Traffic Safety Administration (NHTSA) Acting Administrator David Friedman.

"There is much more to learn about GM's massive cover up," Beasley says. "This settlement may be a little premature. It will take the civil justice system to make sure that all the victims are compensated fully. The criminal investigation of GM's wrongdoing must continue and those responsible for committing the intentional wrongs must be held accountable. It's time for individuals to face jail time for intentional massive cover-ups of known safety defects."

"It comes as no surprise that GM agreed to the terms of Consent Order with NHTSA, including civil penalty," Cooper adds. "Although it won't, the entire amount GM eventually pays as the penalty should go to the Office of Defects Investigation to enhance NHTSA's ability to investigate potential defects. Ultimately, the only way that GM will ever be held fully accountable will be for the civil justice system to shine a light on GM's reprehensible conduct. The federal government cannot replace the civil justice system as a means of getting at the whole truth. We look forward to representing our clients who were harmed by the safety related defects in GM vehicles. We will leave no stone unturned in getting answers to all of their questions and ultimately obtaining a full measure of justice for them."

The \$35 million penalty is the maximum penalty that could be levied against the automaker under the law, and it is the highest civil penalty ever paid to NHTSA stemming from an investigation into a recall, Secretary Foxx said. He also said he will send the Grow America Act to Capitol Hill asking that the penalty for these types of violations be raised from \$35 million to \$300 million. "What we will never accept

is a person or company that knows danger exists and says nothing. Literally silence can kill,” Foxx said. “In the meantime, their customers were driving cars with a dangerous safety defect. Crashes happened and people died.”

Foxx said the Department of Transportation’s (DOT) role in the civil investigation was concluded, from a timeliness standpoint, and he could not comment on what consideration the Department of Justice (DOJ) might give to bringing a criminal investigation in the case. However, he said the DOT would comply with any information the DOJ might require in such an investigation.

Automakers are required by law to alert the NHTSA of safety concerns or product defects they find within five days. Friedman said the investigation into when GM knew about the ignition switch defect and when they reported it was “deeply disturbing,” and included every level of GM staff from engineers to investigators, attorneys and executives. The fact that GM waited so long to recall the affected vehicles illustrates that “Something was very wrong with the company’s values,” Friedman said.

GM recalled about 780,000 **2005-07 Chevrolet Cobalt** and **Pontiac G5** vehicles on Feb. 13 for an ignition switch defect that can allow the key to move from the “run” to the “accessory” or “off” position during vehicle operation. This disables power steering, brakes, airbags and other safety systems. Twelve days later, it expanded the recall to include an additional 590,000 model-year **2003-07 Saturn Ion, Chevy HHR, Pontiac Solstice**, and **Saturn Sky** vehicles. It was later expanded again to include model-year 2006-2011 Chevy HHRs. The recall now encompasses 2.6 million vehicles.

Court documents and other evidence reveal that GM knew about the ignition switch problem as early as 2001. However, GM rejected several design changes and solutions that were recommended by its own engineers on numerous occasions because of the cost and the time it would take to make the changes. In particular, during the previous lawsuit, GM consistently denied that any employee authorized, or even knew of, any design change in Cobalt ignition switches. Ray DeGiorgio, the lead design engineer for Cobalt ignition switches, repeatedly testified that he did not authorize or know of any such changes. GM affirmed Mr. DeGiorgio’s testimony in subsequent responses. According to GM’s recent disclosures, Mr. DeGiorgio not only knew of, but authorized, the change in the design of Cobalt ignition switches.

Beasley Allen recently announced it is working with Lance Cooper and The Cooper Firm, based in Atlanta, Ga., to handle product liability claims against GM. Lance Cooper is the lawyer who discovered the automaker’s faulty ignition switch and subsequent cover-up while working on a wrongful death lawsuit in 2011. On May 9, Cooper announced the plaintiffs in that lawsuit, Ken and Beth Melton, whose daughter Brooke was killed when her Chevy Cobalt crashed due to the ignition switch defect, are asking a judge to rescind their settlement agreement and have refiled a wrongful death and fraud complaint against GM.

GM says it has linked 31 crashes and 13 deaths to the faulty ignition switch, but an independent study commissioned by the Center for Auto Safety indicates the death toll exceeds 300. It’s very likely that the total number of deaths will exceed that number.

Read the [GM Consent Order](#)

About The Cooper Firm

[Lance Cooper founded The Cooper Firm in 2006](#). With experience in substantial personal injury and wrongful death cases, he has represented plaintiffs in numerous civil jury trials and has successfully prosecuted hundreds of cases and gained multi-million dollar verdicts and settlements on behalf of his clients. For more information about our firm, please visit www.thecooperfirm.com.

About Beasley Allen Law Firm

Headquartered in Montgomery, Alabama, Beasley Allen is comprised of more than 70 attorneys and 200 support staff. Beasley Allen is a national leader in civil litigation, with verdicts and settlements in excess of \$22 billion. For more information about our firm, please visit our website at www.beasleyallen.com.

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