

## The 90 cent part that defined GM as a "Mercenary Bastard"

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### GM Ignition Nightmare Won't Go Away, for Victims or Company

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Rosie Cortinas, center, lost her son Amador Cortinas in a Chevy Cobalt accident.

Photographer: Andrew Harrer/Bloomberg

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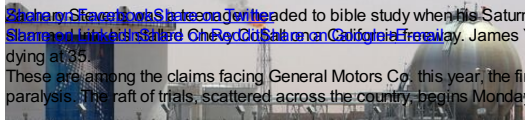


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- Automaker faces first trial out of hundreds of claims
- Plaintiffs want billions of dollars for deaths and injuries



[Zachary Stevens was late on a date](#) headed to bible study when his Saturn Sky shot across a Texas highway into a pickup and killed the driver. Ruben Vazquez, 20, died after a drunk [slammed](#) into his stalled Chevy Cobalt on a California freeway. James Yingling III couldn't brake or steer his Saturn Ion away from a culvert in Pennsylvania. He lingered for 17 days before dying at 35.

These are among the claims facing General Motors Co. this year, the first of hundreds demanding that GM pay for the deaths of loved ones or injuries ranging from broken bones to paralysis. The raft of trials, scattered across the country, begins Monday in federal court in Manhattan.

**GM on Trial: When, Where and Why**

America's biggest automaker faces hundreds of lawsuits over faulty ignition switches that plaintiffs blame for injuries and deaths. Trials in 2016 will be crucial in shaping any settlements.

	Trial Date	Court	Claim
<b>Father of Five Dies in a Saturn</b> Plaintiff: Family of James Yingling III Yingling, 35, crashed into a bank in Western Pennsylvania when the engine of the Saturn Ion he was driving allegedly shut down as he was making a turn. The air bags didn't deploy in the November 2013 crash. Yingling, a father of five, died 17 days after the accident.	January 11	• Manhattan	Injury
	March 14	• Manhattan	Injuries
	May 2	• Manhattan	Death
	July 25	Kentucky	Injury
	July 25	• Manhattan	Injury
	August 3	Mississippi	Injury, death
	August 3	Texas	Injury
	September 12	• Manhattan	Injury
	September 19	California	Injury
	September 19	Texas	Death
<b>Lost Control of Her Impala</b> Plaintiff: Angelina Biggs Biggs lost control of her Chevrolet Impala and rear-ended another vehicle in West Virginia. She sustained neck and lower back injuries in the January 2014 accident.	September 19	West Virginia	Injury
	October 24	Georgia	Death
	November 8	Indiana	Injuries
	November 14	• Manhattan	Injury
<b>Driver Faced Manslaughter Charge</b> Plaintiff: Zachary Stevens Stevens's Saturn Sky crashed into a pickup truck in November 2011, killing the other driver and leaving Stevens with memory loss. A manslaughter charge against him was dropped after the accident was connected to an ignition switch failure.	November 15	California	Injury
	Awaiting date	Pennsylvania	Injury
<b>Ran Off the Road, Lost an Eye</b> Plaintiffs: Josh Cull and Samantha Zollman Cull lost control of a Chevy Cobalt in Indiana in October 2012 when the ignition switch allegedly failed. He and passenger Zollman were injured when the Cobalt ran off the road. Cull lost an eye; Zollman required facial reconstruction surgery.			

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Source: Court filings and interviews with lawyers **Bloomberg**

Engineers at America's biggest automaker, which got a \$50 billion government bailout in the financial crisis, knew of a flawed ignition switch but rejected a fix that would have cost [90 cents](#) apiece, according to evidence provided to lawmakers. The switch could be jarred into the "accessory" position, shutting off the engine, disabling power steering and brakes and preventing air bags from deploying. The faulty switches are linked to the deaths of at least 124 people, many of them in entry-level cars marketed to young drivers -- a graduation gift from proud parents, a starter car for college -- least prepared to react to a sudden loss of power on the road. General Motors spent 2014 under a harsh congressional spotlight, recalling millions of Ions, Cobalts and other vehicles. It spent 2015 scrambling for deals with prosecutors and plaintiffs. It's already paid more than \$2 billion to resolve investigations and a securities lawsuit, as well as injury claims. This year, the Detroit company will begin to see how big the total bill will be. The car maker, which faces at least 16 trials on death and injury claims in state and federal courts in the U.S. in 2016, has said in regulatory filings that it couldn't estimate its potential liability. It hasn't set aside a reserve for the pending lawsuits, Jim Cain, a spokesman, said in an interview. He said GM will deal with the suits one at a time, challenging the plaintiffs to show that the defective switches caused the accidents. The trials begin with the first of six bellwether cases in Manhattan, three chosen by plaintiffs' lawyers, three by the defense. Bellwethers are used to test strategies and theories and learn what works and what doesn't. The first, selected by the plaintiffs, isn't one of the strongest claims against GM. It may have been selected for that reason -- win a tough case and send the defense reeling, lose it and you have stronger ones ahead. Whatever the verdicts, these early cases will push both sides into settlements, said Carl Tobias, a University of Richmond law professor. "You don't get people to talk until there's some clarity," Tobias said. "They'll have to see how some of these cases go before they get serious about settlement negotiations." There is no way to predict the ultimate cost of these claims now, he said. "You don't know until you try some."

The bellwether process is "actually a settlement tool," Cain said. "The verdicts and damages, if any, will help to provide a framework for settlement of similar claims." The case going to trial first was brought by Robert Scheuer, a 49-year-old postal carrier whose 2003 Saturn Ion ran off an Oklahoma highway in May 2014, and smashed into a tree. Scheuer claims a defective ignition switch cut power assist to his brakes and steering and caused the air bag to fail, leaving him with neck and back pain. He missed 169 days of work, can't lift more than 20 pounds and needs surgery, said his lawyer, Robert Hilliard. Most of the death and injury suits were combined in federal court, before U.S. District Judge Jesse Furman in Manhattan, in a so-called multi-district litigation, or MDL. Hilliard is the lead attorney for the personal injury and death claims in the MDL.

General Motors hasn't been helped by Furman's pretrial rulings, including one allowing Scheuer's lawyers to tell jurors of the company's admission of fault in its settlement of a federal criminal investigation. GM admitted it failed to disclose to regulators that it was aware of a defect and "falsely represented to consumers that vehicles containing the defect posed no safety concern."

GM engineers and lawyers knew about the bad switches for years before the recall, according to a 2014 study commissioned by the company. Fifteen GM employees were dismissed after the report. After an initial recall of 2.59 million vehicles, the car maker recalled 10 million more that year for a similar flaw. With each recall, the lawsuits against the company mushroomed.

General Motors doesn't concede any responsibility for Scheuer's accident and injuries, Cain said.

"GM will show the ignition switch did not rotate and the air bags were not designed to deploy in this accident," Cain said in a statement. During the recalls, GM warned customers to take any extra keys or objects off rings, because additional weight could cause the switch to rotate out of position. Scheuer used a single key.

Both defenses are "100 percent false," Hilliard said in an interview. General Motors knew of incidents and has paid settlements over accidents in which the switch moved without extra weight, he said. The force of the accident was enough to trigger the air bag, he added.

Scheuer wasn't killed and didn't wind up with paralysis or brain damage, thus limiting the potential damages.

"The facts are good for GM in that one," said Bob Langdon, a lawyer in Kansas City, Missouri, who represents dozens of plaintiffs suing GM alleging injuries or deaths caused by ignition defects. "It's not a big injury."

Nor will bad publicity win trials for the plaintiffs. As with any lawsuit alleging a product defect, they each must show that the incident and injuries or fatalities were connected to the flaw.

"Each bellwether case will be tried on its own merits," Cain said in a statement.

Tougher trials may be coming. The third case in New York, the Yingling trial, is set for May 2. The case of Zachary Stevens, the teenager, is to be the first to go to trial in Texas, on Aug. 3 in Houston. Stevens, who had faced a manslaughter charge, turned down GM's settlement offer of \$70,000 -- what it cost him in legal and investigative fees to get prosecutors to drop the criminal case against him.

GM has also been sued by car owners over the decreased value of vehicles, caused by the multiple recalls in 2014 for ignition defects and other issues. These plaintiffs, who are seeking more than \$10 billion, are moving on a slower track, awaiting the results of the first injury and death trials.

The switch recalls have already been costly. In addition to a \$900 million settlement of the Justice Department's criminal probe, GM agreed to pay \$300 million to shareholders who accused the company of inflating share prices by withholding information about defects. GM is also paying \$869 million to victims and their families for deaths and injuries.

Most of that \$869 million came from the fund GM established to compensate victims and their families. The fund, overseen by lawyer Kenneth Feinberg, was limited to vehicles in the first batch of recalls. The other recalls were for ignitions that had different designs, said Cain.

Feinberg reported in December that the program paid claims on 124 deaths and 275 injuries, for a total of \$594 million. About 90 percent of the claims submitted were rejected. Many of those rejected by Feinberg are pursuing their claims in lawsuits. Victims who had vehicles that weren't covered by the fund have also sued.

Beyond the fund, the company agreed to pay \$275 million to settle nearly 1,400 death and injury lawsuits brought by Hilliard. GM is settling cases involving vehicles that weren't eligible for the Feinberg payouts, Hilliard said.

"General Motors has been able to push this down the road," Langdon, the Kansas City lawyer, said. "2016 is the year they're going to have to pay up."

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