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\$10 BILLION “HISTORIC” CLASS ACTION SETTLEMENT REACHED WITH VOLKSWAGEN

Newport Beach, California (June 29, 2016) – On September 25, 2015, MLG Automotive Law filed a national class action against Volkswagen for falsifying emissions data on nearly 500,000 diesel cars sold in the U.S. The case of *Gregg Klein v. Volkswagen Group of America, Inc.* (Case No. 2:15-cv-07570) was filed in Federal Court, just days after the automaker admitted that it had been deceiving regulators and the public for years.

The action filed by MLG was combined with other tag-along cases and consolidated into one omnibus class action before the Honorable Charles Breyer of the U.S. District Court, Northern District of California. The case was then coordinated with actions filed by the U.S. Department of Justice and the Federal Trade Commission.

Yesterday, the parties reached a settlement of \$10 billion to resolve the consolidated class action claim – the largest automotive class action settlement in U.S. history. Under the agreement, Volkswagen will buyback or modify nearly 500,000 affected vehicles, and pay consumers a civil penalty of at least \$5,100 for each purchased car, and at least \$1,529 for each leased vehicle.

In the related actions filed by the Department of Justice and the Federal Trade Commission, Volkswagen agreed to pay \$4.7 billion to help mitigate the pollution from the vehicles and to invest in green vehicle technology. Also resolved were actions filed by 44 state attorney generals for a combined \$603 million.

The complete settlement – valued at over \$15 billion – resolves all of the class action claims brought by owners of 2.0-liter diesel engine cars sold in the U.S., but does not resolve class action claims brought by owners of 3.0-liter cars. The settlement also does not resolve the class action claims brought by U.S. dealers who were financially impacted by the deception.

“Today marks a historic day in our nation’s jurisprudence,” said Jonathan Michaels, founding member of MLG Automotive Law. “Not only is this the largest settlement of its kind in U.S. history, but manufacturers are finally being told that there are severe consequences for deceiving the public.” Michaels further stated, “We look forward to continuing to support the claims of the dealers and the 3.0-liter owners, both of whom were not involved in today’s settlement.”

The total cost to Volkswagen is far from fixed. Not only are the claims of the dealers and the 3.0-liter owners continuing, but the automaker also faces scores of private lawsuits brought by vehicle owners who are not part of the class action. Moreover, while the class action involves roughly U.S. 500,000 vehicles, Volkswagen has admitted that it placed the same “defeat device” in 11 million vehicles worldwide. Vehicles sold outside the U.S. are also not part of the class action settlement.

ABOUT MLG AUTOMOTIVE LAW

Located in Newport Beach, California, MLG Automotive Law is a full service business law firm, focusing on the automotive industry. MLG Automotive Law has litigated cases against nearly every major manufacturer, and is counsel on the GM ignition switch class action. MLG Automotive Law also represents several terminated Chrysler dealers against the U.S. for the 2009 taking of their dealerships, in violation of the Fifth Amendment. Follow MLG Automotive Law on Facebook, LinkedIn and Twitter.

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