

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN

JUDY HANSEN, SAM ERINA and
JOHN MCDONALD

Plaintiffs

and

GENERAL MOTORS OF CANADA LIMITED and
GENERAL MOTORS COMPANY

Defendants

Proceeding under the *Class Proceedings Act, 1992*

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiffs. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the plaintiffs' lawyer or, where the plaintiffs do not have a lawyer, serve it on the plaintiffs, and file it, with proof of service, in this court office, **WITHIN TWENTY DAYS** after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the *Rules of Civil Procedure*. This

will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

November 24, 2014

Issued by:

Clair Law
Registrar

Address of Court Office:
245 Windsor Avenue
Windsor ON N9A 1J2

TO:
**GENERAL MOTORS OF CANADA
LIMITED**
1908 Colonel Sam Drive
Oshawa Ontario L1H 8P7

AND TO:
GENERAL MOTORS COMPANY
Jefferson Avenue,
100 Renaissance Center
Detroit, Michigan 48243

CLAIM

DEFINED TERMS

1. In this Statement of Claim, in addition to the terms that are defined elsewhere herein:

- (a) “**Captured Test Fleet**” means late-stage pre-production vehicles that are given to program team executives to drive, allowing them to report any malfunctions to **GM**’s Quality Group department;
- (b) “**CJA**” means the Ontario *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended;
- (c) “**Class**” or “**Class Members**” means all persons in Canada who, on June 23, 2014, owned one of the **Vehicles**;
- (d) “**CPA**” means the *Class Proceedings Act, 1992*, S.O. 1992, c.6, as amended;
- (e) “**Dalian**” means Dalian Alps Electronics Company Ltd.;
- (f) “**Erina**” means Sam Erina;
- (g) “**Excluded Persons**” means **GM, GMC** and their officers, directors and their respective heirs, successors and assigns;
- (h) “**GM**” means General Motors Company;
- (i) “**GMC**” means General Motors of Canada Limited;
- (j) “**Hansen**” means Judy Hansen;
- (k) “**Ignition Switch**” means the ignition switch manufactured by **Dalian** and subject to manufacturer recall number 14299;
- (l) “**McDonald**” means John McDonald;
- (m) “**Motor Vehicle Safety Act**” means the *Motor Vehicle Safety Act*, S.C. 1993, c. 16, as amended;
- (n) “**NHTSA**” means the U.S. National Highway Traffic Safety Administration;
- (o) “**Plaintiffs**” means **Hansen, Erina and McDonald**; and

- (p) “**Vehicles**” means the vehicles described in paragraph 3 which are subject to manufacturer recall number 14299 issued on June 23, 2014.

2. The Plaintiffs, on their own behalf and on behalf of all Class Members, seek:

- (a) an order certifying this action as a class proceeding and appointing the Plaintiffs as the representative plaintiffs;
- (b) general damages and special damages in the amount of \$500,000,000;
- (c) punitive damages and/or aggregated damages in the amount of \$150,000,000;
- (d) a reference to decide any issues not decided at the trial of the common issues;
- (e) prejudgment interest compounded and postjudgment interest pursuant to the *CJA*;
- (f) costs of this action pursuant to the *CPA*, alternatively, on a substantial indemnity basis plus the cost of administration and notice pursuant to s. 26(9) of the *CPA* and applicable taxes; and
- (g) such further and other relief as to this Honourable Court seems just.

THE NATURE OF THE ACTION

3. This class action concerns the life threatening, negligent and dangerous design, manufacture and installation of the defective Ignition Switch in the Vehicles subject to Manufacturer Recall Number 14299 and named in the following chart:

MAKE	MODEL	MODEL YEARS: INCLUSIVE
Buick	Allure and LaCrosse	2005 - 2009
Buick	Lucerne	2006 - 2011
Cadillac	Deville	2000 - 2005
Cadillac	DTS	2006 - 2011
Chevrolet	Impala	2006 - 2013
Chevrolet	Monte Carlo	2006 - 2007

THE PLAINTIFFS

4. Hansen is a 74 year old retiree residing in the City of Windsor. On August 27, 2008, she purchased a 2008 Buick Lucerne. She currently owns this vehicle.

5. Erina is an 86 year old retiree residing in the City of Windsor. On December 11, 2007, he purchased a 2008 Buick Allure. He currently owns this vehicle.

6. McDonald is a 67 year old retiree residing in the Town of Amherstburg. On January 10, 2011, he purchased a 2005 Buick Allure. He currently owns this vehicle.

PARTICULARS OF THE CLASS

7. The Class is comprised of all persons in Canada who, on June 23, 2014, owned one of the approximate 186,013 Vehicles.

GMC'S RELATIONSHIP WITH GM

8. GM is a corporation organized and existing under the laws of the State of Delaware. GM describes itself as an American corporation with its head office in Detroit, Michigan. GM was responsible for the engineering, design, development, research and manufacture of the Vehicles.

9. GMC is a federally incorporated Canadian company with its head office in Oshawa, Ontario. It was also involved with the engineering, design, development, research, manufacture and distribution of the Vehicles in Canada. GMC is and was at all material times a wholly-owned subsidiary of GM.

10. GMC has four production facilities and offices throughout Canada. At all material times, GMC was the sole distributor of the Vehicles in Canada. It sold the Vehicles through its dealer and retailer network.

11. On June 1, 2009, "old" GM went into bankruptcy in a pre-packaged Chapter 11 reorganization under the United States Code in the United States Bankruptcy Court for the Southern District of New York.

12. On July 10, 2009, "new" GM completed the purchase of the continuing operations, assets, trademarks, and the shares of GM owned by "old" GM as part of a pre-packaged Chapter 11 reorganization.

13. In this Chapter 11 bankruptcy reorganization, “old” GM did not disclose the dangerous defect in the Ignition Switch in the Vehicles and the Class Members’ claims are not affected by the bankruptcy.

THE DANGEROUS DEFECTS IN THE VEHICLES

14. GM and GMC designed the Ignition Switch to cut electrical power to most systems when the key is turned out of the Run position and into the Accessory position. When turned to the Accessory position, the Ignition Switch sends a signal to the Body Control Module conveying the new vehicle power mode.

15. The Body Control Module then broadcasts a signal to the engine to turn off, causing the airbag’s crash sensing system to turn off (preventing the air bag from deploying) and causing loss of power steering, and loss of power brakes.

16. Components within the Ignition Switch control the amount of effort required to turn it from one position to another. A plunger cap and coiled spring inside the Ignition Switch sit in a small groove called a “detent”, which holds the Ignition Switch in the position to which a driver turns the key: Off, Run, Accessory, or Crank. The driver rotates the key by applying a certain amount of torque to overcome the detent, thereby rotating the Ignition Switch out of one position and into another.

17. The term “moving stall” is used to describe the event whereby the Ignition Switch turns out of the Run position while the Vehicle is being driven, causing the airbags, power steering and power brakes to turn off. A moving stall means that Vehicle users were without airbag protection at the time they need it most.

18. In 2001, GM and GMC published their internal specification on torque requirement for the Ignition Switch. The specification governed the “Tactile Characteristics” of the Ignition Switch and included a target force displacement curve specifying 20 Newton-centimeters as the torque needed to turn the Ignition Switch from Run to Accessory.

19. The Ignition Switch never met GM’s and GMC’s own “Tactile Characteristics” specification.

20. From pre-production of the Ignition Switch through to the 2014 preparation of the Valukas Report, further described below, GM and GMC was advised over and over from their employees and dealers, the press, and certain Vehicle users that the Ignition Switch was defective and that it caused moving stalls.

21. In August 2005, GM and GMC were preparing to launch the 2006 Chevrolet Impala and the 2006 Chevrolet Monte Carlo. As part of this launch, GM and GMC employees were provided early, saleable vehicles to test drive and report potential safety issues through the Captured Test Fleet report system.

22. At least one GM employee provided a Captured Test Fleet report stating that the assigned 2006 Chevrolet Impala experienced a moving stall. His Ignition Switch turned out of the Run position after hitting a large bump when going from gravel road to pavement while driving at about 45 mph. This is referred to as the “2005 Captured Test Fleet report”.

23. On August 18, 2006, GM and GMC provided Technical Service Bulletin no. 3871 to all dealers advising that there is potential for the Ignition Switch to move out of the Run position due to low ignition key cylinder torque. GM and GMC did not provide this advice directly to the Class Members.

24. In the spring of 2014, GM and GMC recalled 368,067 vehicles under manufacturer recall numbers 13454, 14063 and 14092. These vehicles were manufactured with a defective ignition switch supplied by Delphi Packard Electrical / Electronic Architecture.

25. On March 10, 2014 GM announced that it had retained Anton Valukas of the firm Jenner & Block to conduct an internal investigation of the facts and circumstances related to manufacturer recall numbers 13454, 14063 and 14092. This retainer followed allegations that GM knew of the dangerous defect in the ignition switch supplied by Delphi Packard Electrical / Electronic Architecture for more than a decade prior to disclosing the defect to regulators and recalling the affected vehicles.

26. Mr. Valukas was asked to determine “how and why” it took so long for GM to issue manufacturer recall numbers 13454, 14063 and 14092. As part of Mr. Valukas’ internal investigation, a review of GM’s and GMC’s documents was conducted by Jenner & Block.

27. In April 2014, as part of this document review, emails relating to the 2005 Captured Test Fleet report were uncovered by Mr. Valukas and brought to the attention of GM’s Production Investigation group.

28. On May 1, 2014, GM assigned a Product Investigation engineer to investigate the issues raised in the 2005 Captured Test Fleet report.

29. As part of this investigation, GM and GMC test personnel conducted lab tests on the Ignition Switch. GM also gathered and analyzed data relating to the Ignition Switch from its warranty and customer satisfaction databases and NHTSA’s Vehicle Owners’ Questionnaire. The Product Investigation engineer concluded that the Ignition Switch performed below GM’s own torque specification.

30. On June 6, 2014 the Product Investigation engineer made a presentation regarding his investigation at an Open Investigation Review meeting. As a result of this meeting, GM assigned its personnel at the Milford Proving Ground in Michigan to analyze the performance the Ignition Switch in some of the Vehicles. This road testing

indicated that the torque performance of the Ignition Switch is insufficient to resist unintended movement out of the Run position.

31. On June 11 and June 13, 2014, the Product Investigation engineer presented the conclusion of his investigation to GM's Safety and Field Action Decision Authority.

32. On June 15, 2014 the Safety and Field Action Decision Authority met and decided to conduct a recall of the 186,013 Vehicles manufactured with the Ignition Switch under manufacturer recall number 14299 .

33. The investigation undertaken by GM and GMC in May and June, 2014 about the 2005 Captured Test Fleet report confirmed what they already knew in 2005: namely that the torque performance of the Ignition Switch is insufficient to resist energy generated when a Vehicle goes off road or experiences some other jarring event, resulting in the unintentional movement of the Ignition Switch out of the Run position and the driver experiencing a moving stall.

34. On June 16, 2014, GM and GMC issued a press release that stated they will recall and "will rework or replace keys in 187,972 Canadian cars". In the press release GM and GMC state the reason for this recall:

GM Will Rework or Replace Keys on 187,972 Canadian Cars

2014-06-16

OSHAWA – General Motors will rework or replace the ignition keys on 187,972 2000 to 2014 model year cars in Canada because the ignition switch may inadvertently move out of the “run” position if the key is carrying extra weight and experiences some jarring event.

The use of a key with a hole, rather than a slotted key, addresses the concern of unintended key rotation due to a jarring road event, such as striking a pothole or crossing railroad tracks.

The total North America population – U.S., Canada, Mexico and exports – is 3,360,555.

The safety recall follows a review of ignition issues following the recall in February of 2.6 million Chevrolet Cobalts and other small cars. GM is aware of eight crashes and six injuries related to this recall.

If the ignition switch moves out of the “run” position, there is an effect on power steering and power braking. In addition, the timing of the key movement out of the “run” position, relative to the activation of the sensing algorithm of the crash event, may result in the air bags not deploying.

The cars being recalled are the:

Buick Allure/Lacrosse	MY 2005-2009
Chevrolet Impala	MY 2006–2013
Cadillac Deville	MY 2000–2005
Cadillac DTS	MY 2006–2011
Buick Lucerne	MY 2006–2011
Buick Regal LS & GS	MY 2004
Chevy Monte Carlo	MY 2006–2007

- In these vehicles, the ignition switch may be unable to handle extra weight hanging on a slotted key. GM will add an insert to the ignition keys of the recalled vehicles to close the slot and leave a 4x6-millimeter hole through which the key ring could be attached. In vehicles where the key cover has been worn, new keys with holes instead of slots will be provided free of charge. Rework of the keys – adding key inserts – at GM dealerships is expected to begin in the next few weeks. Until the rework or replacement is

completed, owners of the recalled cars are urged to remove additional weight from their key chains and drive with only the ignition key. In addition to the ignition key recall, GM also announced Canadian recalls for 13,764 vehicles in these four actions:

...

GM expects to take a charge of up to approximately \$700 million in the second quarter for the cost of recall-related repairs announced in the quarter. This amount includes a previously disclosed \$400 million charge for recalls announced May 15 and May 20.

About General Motors in Canada

Headquartered in Oshawa, Ontario, General Motors of Canada Limited (GMCL) employs more than 9,000 people across the country and is a recognized leader in green manufacturing. GMCL markets the full range of fuel-efficient Chevrolet, Buick, GMC and Cadillac vehicles and related services through Canada's largest automotive dealer network. More information regarding GMCL models can be found at www.gm.ca, or by following @GMCanada on Twitter.

35. On June 20, 2014 GM sent the following letter to NHTSA about the anticipated safety recall about the Vehicles that had been built with the defective Ignition Switch:

June 20, 2014

Ms. Nancy Lewis
Associate Administrator for Enforcement
National Highway Traffic Safety Administration
Recall Management Division (NVS-215)
1200 New Jersey Avenue, SE – Room W45-306
Washington, DC 20590

Dear Ms. Lewis:

The following information is submitted pursuant to the requirements of 49 CFR 573.6 as it applies to a determination by General Motors to conduct a safety related recall involving 2005-2009 model year (MY) Buick Lacrosse, 2006-2011

MY Buick Lucerne, 2000-2005 MY Cadillac Deville, 2006-2011 MY Cadillac DTS, 2006-2014 MY Chevrolet Impala and 2006-2007 MY Chevrolet Monte Carlo vehicles.

573.6(c)(1): Buick, Cadillac and Chevrolet Brands of General Motors Company.

573.6(c)(2)(3)(4): This information is shown on the attached sheet.

573.6(c)(5): General Motors has decided that a defect which relates to motor vehicle safety exists in 2005-2009 model year (MY) Buick Lacrosse, 2006-2011 MY Buick Lucerne, 2000-2005 MY Cadillac Deville, 2007-2011 MY Cadillac DTS, 2006-2014 MY Chevrolet Impala and 2006-2007 MY Chevrolet Monte Carlo vehicles. If the key ring is carrying added weight and the vehicle goes off road or experiences some other jarring event, it may unintentionally move the key away from the "run" position. If this occurs, engine power, power steering and power braking will be affected, increasing the risk of a crash. The timing of the key movement out of the "run" position, relative to the activation of the sensing algorithm of the crash event, may result in the airbags not deploying, increasing the potential for occupant injury in certain kinds of crashes.

Until the recall has been performed, it is very important that customers remove all items from their key ring, leaving only the vehicle key. The key fob (if applicable), should also be removed from the key ring.

573.6(c)(6): On June 15, 2014, the Safety and Field Action Decision Authority (SFADA) decided to conduct a safety recall. General Motors will be submitting a supplemental chronology on or before July 3, 2014.

573.6(c)(8): Dealers are to install two 13mm key rings and key insert into all involved vehicle's ignition keys.
General Motors will provide the dealer bulletin and owner letter mail dates when available.

Pursuant to 577.11, General Motors does not plan to provide notice about reimbursement to owners because the provided repair has not previously been available.

573.6(c)(10): General Motors will provide the dealer bulletin and owner letter under separate cover.

573.6(c)(11): General Motors' assigned recall number is 14299.

Sincerely,

Brian Latouf, Director
Field Product Investigations & Evaluations

36. On June 20, 2014, GM and GMC sent the following letter to each dealer instructing that they cease delivery of all vehicles in their new or used vehicle inventory:

GM CUSTOMER CARE AND AFTERSALES
DCS3178
URGENT -DISTRIBUTE IMMEDIATELY

Date: June 20, 2014
Subject: Stop Delivery Order – Upcoming Safety Recall 14299
Models: 2005-2009 Buick Allure (Canada)
2005-2009 Buick LaCrosse
2006-2011 Buick Lucerne
2000-2005 Cadillac DeVille
2006-2011 Cadillac DTS
2006-2007 Chevrolet Monte Carlo
2006-2014 Chevrolet Impala Limited (Fleet Only)
To: All General Motors Dealers
Attention: Dealer, Dealer Principal, General Manager, General Sales Manager, New Vehicle Sales Manager, Used Vehicle Sales Manager, Parts and Service Director and Service Manager

STOP DELIVERY ORDER

Effective immediately, stop the delivery of all 2005-2009 Buick Allure (Canada), 2005-2009 Buick LaCrosse, 2006-2011 Buick Lucerne, 2000-2005 Cadillac DeVille, 2006-2011 Cadillac DTS, 2006-2007 Chevrolet Monte Carlo, 2006-2014 Chevrolet Impala Limited (Fleet Only) vehicles in new or used vehicle inventory.

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 road or experiences some other jarring event.

If any of these vehicles are in dealer inventory (new or used), they must be held and not delivered to customers, dealer traded, or used for demonstration purposes until further instructions are received.

Only one of the models included in this safety recall is still in production – the previous generation Chevrolet Impala, which is sold to daily rental fleets as the Impala Limited. The attached file provides the Vehicle Identification Number (VIN) of each involved vehicle that our records indicate is currently in new vehicle inventory. It is sorted by dealer Business Associate Code (BAC) for easy reference. According to GM records, the total number of involved U.S. vehicles currently in new vehicle inventory is 2,504.

Instructions for removing the involved vehicles from this stop delivery will be provided in the near future when recall 14299 is released.

Please do not call GM Technical Assistance.

END OF MESSAGE GM CUSTOMER CARE AND
AFTERSALES

37. On June 23, 2014, GMC reported Manufacturer Recall 14299 to Transport Canada. The recall reads as follows:

Road Safety Recalls Database

Transport Canada Recall # 2014246

Recall Date	2014/06/23
Notification Type	Safety Mfr
System	Electrical
Manufacturer Recall Number	14299
Units Affected	186,013
Category	Car

Recall Details

On certain vehicles, a defect in the ignition switch could allow the switch to move out of the "run" position if the key ring is carrying added weight or the vehicle goes off-road or is subjected to some other jarring event. If this were to occur, engine power, power steering and power braking would be affected, increasing the risk of a crash causing injury and/or damage to property. The timing of the key movement out of the "run" position, relative to the activation of the sensing algorithm of the crash event, may also result in the airbags not deploying in a subsequent collision, increasing the risk of injury. Correction: For each key, dealers will install two key rings and modify the key ring opening shape. Note: Until the correction is performed, all items should be removed from the key ring.

Make	Model	Model Year(s) Affected
BUICK	ALLURE	2005 2006 2007 2008 2009
BUICK	LUCERNE	2006 2007 2008 2009 2010 2011
CADILLAC	DEVILLE	2000 2001 2002 2003 2004 2005
CADILLAC	DTS	2006 2007 2008 2009 2010 2011
CHEVROLET	IMPALA	2006 2007 2008 2009 2010 2011 2012 2013
CHEVROLET	MONTE CARLO	2006 2007

38. On July 18, 2014, GM and GMC sent the following letter to each dealer about minimizing the risks associated with the defective ignition switches:

GM CUSTOMER CARE AND AFTERSALES
DCS3255
URGENT - DISTRIBUTE IMMEDIATELY

Date: July 18, 2014

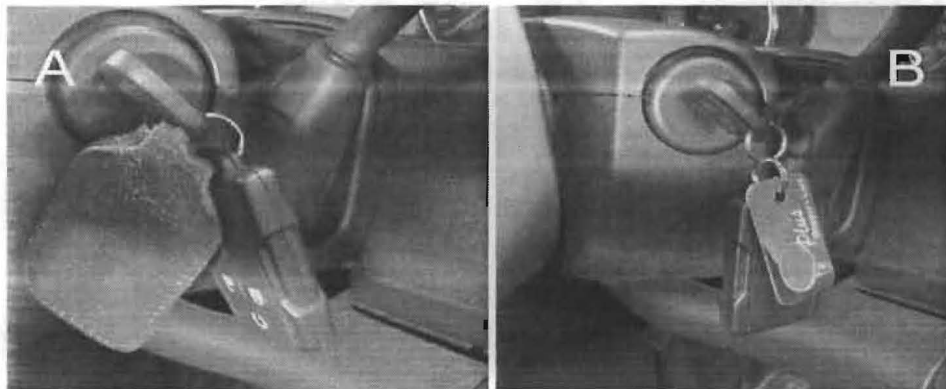
Subject: Elimination of Dealership Promotional Key Tags

Models: All Vehicles

To: All GM Dealers

Attention: Dealer, Dealer Principal, General Manager, Service Manager, Parts and Service Director, Parts Manager, New Vehicle Sales Manager, Used Vehicle Sales Manager

GM is requesting that dealers no longer place rigid items, such as leather or plastic tags, on vehicle key rings (see illustration A below). If it is necessary to attach an item to the key ring, dealers are to place the item on an additional ring (not exceeding an outer diameter of 16 mm) attached to the original key ring (see illustration B below). The item should be small, light, and no larger than an RKE transmitter.



END OF MESSAGE

GM CUSTOMER CARE AND AFTERSALES

39. On August 25, 2014, GM and GMC sent the following letter to each dealer about this recall for the defective Ignition Switch:

GM CUSTOMER CARE AND AFTERSALES
DCS3320
URGENT - DISTRIBUTE IMMEDIATELY

Date: August 25, 2014

Subject: 14299 - Safety Recall
Release From Stop Delivery Upon Completion of Recall
Unintended Ignition Key Rotation

Models: 2005-2009 Buick Allure (Canada)
2005-2009 Buick LaCrosse
2006-2011 Buick Lucerne
2000-2005 Cadillac DeVille
2006-2011 Cadillac DTS
2006-2007 Chevrolet Monte Carlo
2006-2013 Chevrolet Impala
2014 Chevrolet Impala Limited (U.S. Fleet Only)

To: All Buick, Cadillac and Chevrolet Dealers

Attention: General Manager, Service Advisor, Service Manager, Parts and Service Director, Parts Manager, New Vehicle Sales Manager, Used Vehicle Sales Manager and Warranty Administrator

General Motors is releasing Safety Recall 14299 today. Vehicles involved in this recall were placed on stop delivery June 20, 2014.

All involved vehicles that are in dealer inventory must be held and not delivered to customers, dealer traded, or used for demonstration purposes until the repair contained in this bulletin has been performed on the vehicle. Once the service procedure contained in this bulletin has been performed on the vehicle, the vehicle is released from stop delivery and the vehicle can be delivered to the customer. Please see the attached bulletin for details.

Customer Letter Mailing

The customer letter mailing will begin in the near future.

Global Warranty Management (GWM)

The Investigate Vehicle History screen in GWM has been updated for this recall.

Campaign Initiation Detail Report (CIDR)

The CIDR will be available in the near future.

END OF MESSAGE

GM CUSTOMER CARE AND AFTERSALES

40. Since July 10, 2009, when the “new” GM took over the “old” GM’s business, the “new” GM knew about the dangerous Ignition Switch defect. Since before August 2005, for about 10 years, GMC knew about the dangerous Ignition Switch safety defect in the Vehicles. GM and GMC knew that:

- (a) the Ignition Switch torque performance in the Vehicles did not meet GM’s and GMC’s Specification and industry standards;
- (b) in many cases reported to them, the engine turned off causing death, injuries and accidents to the drivers, passengers and to the public;
- (c) in many cases reported to them, in crash events, non-deployment of airbags occurred;
- (d) when the key or steering column was inadvertently contacted by the driver or when the key was weighted down, the ignition key moved from the “run” position to the “accessory” or “off” position and, as a result, the Vehicles’ engines lost power; and
- (e) they had received numerous reports of sudden engine power loss and non-deployment of airbags related to the defective Ignition Switch but

they hid this safety information from the regulators, from their customers, the Vehicle users, and from the public.

41. GM and GMC, through their employees, officers, directors and agents, including Dalian, failed to meet the reasonable standard of conduct (care) expected in the circumstances in that:

- (a) they wrongfully and intentionally accepted the foreseeable risk of injury and loss of life and property damage to the drivers, passengers and the public because of the Ignition Switch defect;
- (b) notwithstanding that they foresaw personal injuries and the loss of life and property of the drivers and passengers in the Vehicles, they failed to eliminate or correct the Ignition Switch defect;
- (c) they knew about the ignition defect in 2005 but they did not announce a recall until June 2014;
- (d) they knew or ought to have known about the Ignition Switch defect and should have announced it to the public;
- (e) they designed, developed, tested, manufactured, assembled, distributed and sold a defective ignition;
- (f) they failed to warn the drivers, passengers and the public about the defective Ignition Switch until June 2014;
- (g) they failed to change the design, manufacture and assembly of the Ignition Switch in a reasonable and timely manner;
- (h) they failed to properly test the Ignition Switch and its torque;

- (i) they failed to establish any, or any adequate, procedures to ensure that the design of the ignition was adequate;
- (j) they failed to establish any, or any adequate, procedures for evaluating the design defects of the Ignition Switch;
- (k) they failed to properly instruct their employees to evaluate the injuries, deaths and accidents involving the ignition and its torque;
- (l) they failed to review and evaluate the accidents and complaints about the Ignition Switch and lack of power;
- (m) they failed to initiate timely review, evaluation and investigation of the Ignition Switch and the failure of engine power following complaints, injuries and deaths if a malfunction occurred;
- (n) knew or ought to have known about the defect in the Ignition Switch in 2005 but they kept this defect a secret;
- (o) they failed to review, evaluate, and maintain all records of written and oral complaints relative to the reliability, safety, effectiveness and performance of the Ignition Switch;
- (p) they failed to implement a safety recall until June 2014;
- (q) they failed to disclose to the owners and drivers of the Vehicles and to the public that, in some crashes, air-bags did not deploy because the Ignition Switch was not in the "run" mode;
- (r) they knew or ought have known that the Vehicles suffered from this design defect in the Ignition Switch;
- (s) they failed to conform with good manufacturing practices;

- (t) they hired incompetent personnel;
- (u) they failed to properly supervise their employees;
- (v) they failed to train their employees in proper documentation process;
- (w) they failed to encourage discussion of safety issues, including discussion of defects and safety consequences of defects;
- (x) they knew or ought to have known from reports to them, that there was a loss of power and risk of safety to the drivers, passengers and the public;
- (y) they failed to report this dangerous Ignition Switch defect to the owners and drivers of the Vehicles and to the public;
- (z) they failed to protect the Class Members and the public;
- (aa) they failed to make full, frank and complete disclosure to the regulators, the public, their customers and the Class Members;
- (bb) they failed to institute a proper risk/management system;
- (cc) they failed to advise the owners and drivers of the Vehicles, until June 2014, that they should remove all items from the key ring leaving only the Vehicle key for the ignition;
- (dd) they failed, until June 2014, to adequately warn owners and drivers of the Vehicles that there was a serious risk of injury associated with the Vehicles; and
- (ee) they failed to exercise reasonable care and judgment.

GENERAL AND SPECIAL DAMAGES

42. As a result of the dangerous defects in the Ignition Switch in the Vehicles, and the failure by GM and GMC to disclose this safety issue about the Ignition Switch until June 23, 2014, the Class has suffered damages. The value of each of the Vehicles is reduced. Each Class Member must expend the time to have his/her Vehicle repaired and be without their motor vehicles. GM and GMC should compensate each Class Member for their losses and inconvenience. Some Class Members have incurred out of pocket expenses for, among other things, alternative transportation and prior repairs to the Ignition Switch.

43. The Class Members are unable to have the Ignition Switch repaired immediately because GM and GMC do not have the parts and service capability to repair their Vehicles. The Class Members must drive a dangerous Vehicle. They are entitled to have GMC supply a replacement vehicle or a "courtesy car" until GMC fixes the Ignition Switch at no cost to the Class Members as a matter of course, and not only at the request and effort of the Class Members.

44. The Class Members have driven their Vehicles less than they otherwise would due to fear of being in an accident. Some of the Class Members have taken taxis, used public transportation or imposed on friends, family and others. The Class Members have incurred expenses.

45. The Plaintiffs plead that the Class Members' damages were sustained in Ontario and in the rest of Canada.

PUNITIVE DAMAGES

46. GM's conduct and GMC's conduct described above was arrogant, high-handed, outrageous, reckless, wanton, entirely without care, deliberate, secretive, callous, willful, disgraceful, in contemptuous disregard of the Class' rights, intentionally disregarded the interests of the Class Members and the public. For such abhorrent conduct and motivated by economic consideration, GM and GMC are liable to pay punitive and aggravated damages.

THE RELEVANT STATUTES

47. The Plaintiffs plead and rely upon the provisions of the *CPA*, *CJA* and *Motor Vehicle Safety Act*.

PLACE OF TRIAL

48. The Plaintiffs propose that this action be tried in the City of Windsor.

SERVICE

49. This originating process may be served without court order outside Ontario in that the claim is:

- (a) in respect of a tort committed in Ontario (rule 17.02(g)); and
- (b) against a person carrying on business in Ontario (rule 17.02(p)).

November 24, 2014

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-and-

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Court File No. CU-14-21552CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
WINDSOR

STATEMENT OF CLAIM

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