

NEWS RELEASE

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Page 1 of 3

AG LUTHER STRANGE ANNOUNCES COMPENSATION FOR ALABAMA CONSUMERS UNDER SETTLEMENTS WITH VOLKSWAGEN OVER EMISSIONS FRAUD

VW Required to Repurchase or Fix Falsely-Marketed Diesel Vehicles, Provide Restitution and Address Environmental Harms

(MONTGOMERY)--Attorney General Luther Strange today announced Alabama's participation in an interrelated series of settlements with Volkswagen AG and its Audi and Porsche affiliates arising from Volkswagen's violations of state consumer protection laws and emissions standards.

As part of the settlements, some of which are still subject to court approval, Alabama owners of certain 2.0 liter, 4-cylinder engine VW and Audi diesel cars purchased between 2009 and 2015 will be entitled to be paid full, pre-scandal fair market value for their vehicle, in addition to a cash payment of at least \$5,100. Under the deal, affected car owners may also choose to keep their vehicle and wait to see if VW and Audi develop acceptable emissions fixes. Car owners who exercise this option will also receive a cash payment of at least \$5,100.

The settlements also require Volkswagen to pay more than \$570 million nationwide for violating state laws prohibiting unfair or deceptive trade practices by marketing, selling and leasing diesel vehicles equipped with illegal and undisclosed defeat device software. These payments resolve consumer protection claims raised by a coalition of 43 states and other jurisdictions against Volkswagen. Alabama served on the executive committee of this coalition.

The state attorneys general's investigation confirmed that Volkswagen equipped more than one-half million diesel vehicles sold in the United States with "defeat device" software intended to circumvent applicable emissions standards for certain air pollutants and actively concealed the existence of the defeat device software from regulators and the public. Volkswagen made false statements to consumers in their marketing and advertising, misrepresenting the cars as environmentally friendly—or "green"—when in fact, Volkswagen knew the vehicles emitted harmful oxides of nitrogen (NO_x) at rates many times higher than the law permitted.



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“Today’s settlement will compensate consumers and require Volkswagen to make appropriate repairs to vehicles, as well as providing environmental restitution,” said Attorney General Strange. “It also holds Volkswagen to account for its wrongdoing and sends a strong warning to others that such deception will not be tolerated.”

The principal components of today’s sweeping settlements include:

- Volkswagen is required to repurchase or modify each of the 4,385 2.0 liter diesel vehicles that Volkswagen and its affiliates falsely marketed and sold in Alabama. As part of the settlement, a VW and Audi 2.0 liter engine diesel car owner can sell the car back to VW at the pre-scandal fair market value, or wait to see if VW and Audi develop acceptable emissions fixes; whether cars are sold back to Volkswagen or fixed, the car owner will also receive a cash payment of at least \$5,100 over and above the market value of the car. Under this agreement, which is subject to the approval of the federal court presiding over the class action litigation and the FTC and EPA’s lawsuits, Volkswagen is to set aside up to \$10 billion to address car owner claims. (Note: The current settlement does not address the relief to be received by owners of the 6-cylinder, 3.0 liter engine diesel SUVs and luxury sedans sold in the U.S. by VW, Audi and Porsche.)
- Volkswagen will pay \$2.7 billion into an Environmental Mitigation Fund. This Fund, which also is subject to court approval, is to be used by all States, the District of Columbia and Puerto Rico to address the harm caused to the environment by Volkswagen’s unlawful diesel vehicles.
- Volkswagen will invest \$2 billion in the United States over the next 10 years for the development of Zero Emission Vehicles and supporting infrastructure.
- Volkswagen will pay more than \$570 million directly to the States for the companies’ repeated violations of the states’ and other jurisdictions’ laws prohibiting unfair and deceptive marketing and trade practices.
- Volkswagen also will pay \$20 million to the states for their costs in investigating this matter and to establish a fund that state attorneys general can draw from in future consumer fraud investigations, including possible violations by automobile manufacturers.
- The States maintain the right to seek penalties for Volkswagen’s violations of state environmental laws, such as Alabama’s law against tampering with a vehicle’s emissions system.

To determine if your Volkswagen or Audi vehicle is eligible for the settlement, please visit www.VWCourtSettlement.com

and enter your VIN number. The same website will contain additional details on today's series of settlements.