

AUTOMOTIVE

## VW repents emissions scandal with \$10B class action payout

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2017 Audi A4

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By STAFF REPORTS

Automotive group Volkswagen has reached a \$10 billion class action settlement after the brand falsified emissions data on nearly half a million diesel models sold in the United States.

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The *Gregg Klein v. Volkswagen Group of America, Inc.* case was filed in federal court in September 2015, days after the automaker copped to deceiving U.S. regulators and consumers. The emissions scandal impacted not only Volkswagen branded diesel vehicles, but also its high-end offerings such as Porsche and Audi, which are owned by the group ([see story](#)).

### Paying up

The case against Volkswagen was filed by MLG Automotive Law and includes a number of "tag-along cases" that were consolidated into one class action suit. The case was overseen by the Honorable Charles Breyer of the U.S. District Court, Northern District of California.

On June 28, MLG and Volkswagen reached a historic settlement of \$10 billion. The settlement is the largest automotive class action settlement in U.S. history.

Per the settlement agreement, Volkswagen will buyback or modify approximately 500,000 affected vehicles. The auto group will also have to pay consumers a civil penalty of at least \$5,100 for each car purchased and \$1,529 for vehicles that were leased.



### *Audi Q4*

Valued at more than \$15 billion, the settlement only resolves class action claims for consumers who drove 2.0-liter diesel engines in the U.S. market. The case does not resolve the claims brought by owners of 3.0-liter engines. A U.S. dealership class action suit is also not resolved by this settlement.

Volkswagen vehicles sold outside the U.S. are not part of the class action settlement either.

"[The class action settlement] marks a historic day in our nation's jurisprudence," said Jonathan Michaels, founding member of MLG Automotive Law, in a statement.

"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," he said. "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 [the June 28] settlement."

Additional details of the court settlement can be read [here](#). Volkswagen has shared the link across its social media accounts to keep its consumers updated.

In recent weeks, the auto industry has seen a number of lawsuits filed.

For example, U.S. electric automaker Tesla Motors is under fire for a term in a goodwill agreement related to a potentially faulty suspension.



### *Tesla Model S*

Consumer-rights law firm Hagens Berman is investigating the agreement, which allegedly restricts the rights of owners in the event of defects or other wrongdoings on the part of Tesla. Mandatory silences are becoming a more common tactic among businesses and have a history in the automotive sector, but the allegations contradict Tesla's transparent and responsible image ([see story](#)).