

CANADA

**SUPERIOR COURT
(Class Action)**

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N^o : 500-06-000687-141

MICHAEL GAGNON, residing and domiciled
at [REDACTED]

Petitioner

-vs-

GENERAL MOTORS OF CANADA, a legal
person, having its principal place of business
at [REDACTED]

-and-

GENERAL MOTORS COMPANY, a legal
person, having its principal place of business
at [REDACTED]

Respondents

**MOTION TO AUTHORIZE THE BRINGING OF A CLASS ACTION AND TO ASCRIBE
THE STATUS OF REPRESENTATIVE
(Art. 1002 C.C.P. and following)**

**TO ONE OF THE HONOURABLE JUSTICES OF THE SUPERIOR COURT OF
QUEBEC, SITTING IN AND FOR THE DISTRICT OF MONTREAL, THE PETITIONER
STATES THE FOLLOWING:**

GENERAL PRESENTATION

1. The Petitioner wishes to institute a class action on behalf of the following group, of which he is a member, namely:
 - All residents in Quebec who own, lease or otherwise possess one or more of the following GM vehicles:

- 2005-2007 Chevrolet Cobalt
- 2006-2007 Chevrolet HHR
- 2005-2006 Pontiac Pursuit
- 2005-2007 Pontiac G5
- 2006-2007 Pontiac Solstice
- 2003-2007 Saturn ION
- 2007 Saturn Sky

("Class Vehicles")

(hereinafter, referred to as "Class Member(s)", "Group Member(s)", the "Group", the "Class", the "Member(s)");

The Respondents

2. The Respondent, General Motors Company ("**GM**") is a corporation incorporated in the state of Delaware, USA. GM directs and controls the business actions of General Motors of Canada ("**GM Canada**");
3. The Respondent, General Motors of Canada Limited, wholly owned by GM, is a corporation incorporated under the laws of Canada and carries on business throughout Canada;
4. GM and GM Canada ("Respondents") shared the common purpose of designing, testing, manufacturing, marketing, sales, and distribution of the class vehicles in Canada;

5. The business and interests of the Respondents are inextricably interwoven, therefore, both Respondents are solidarily liable for the acts and omissions of the other;

General Facts:

6. At all material times, the Respondents tested, manufactured, marketed, sold, distributed the following vehicles:
 - 2005-2007 Chevrolet Cobalt
 - 2006-2007 Chevrolet HHR
 - 2005-2006 Pontiac Pursuit
 - 2005-2007 Pontiac G5
 - 2006-2007 Pontiac Solstice
 - 2003-2007 Saturn ION
 - 2007 Saturn Sky
7. The Class Vehicles experience unwanted engine-shutdown due to a defect in the ignition switch, which involuntarily disengages from the "on" position to the "off" position while driving, causing an electrical failure, as it appears more fully in an article from GM news titled "GM Expands Ignition Switch Recall" dated February 25th, 2014, hereby filed as **Exhibit P-1**;
8. The risk of an unwanted engine-shutdown increases if the key ring is carrying more than the car key;
9. When an unwanted engine-shutdown occurs, the vehicle may continue out of control

despite the driver's best efforts to regain control or immobilize the vehicle, thereby significantly increasing the likelihood of an accident;

10. An unwanted engine-shutdown results in the following:

- a) Sudden loss of electrical power;
- b) Sudden loss of power-steering;
- c) Sudden loss of electrical brake-assisting;
- d) Sudden loss of seat-belt restraining function; and/or,
- e) Renders air-bags useless and inoperative in the event of a collision;

11. Without power-steering, the vehicle's steering will still work, but it will be difficult for an individual to turn the steering wheel, let alone maintain full control of their vehicle;

12. Without electrical brake-assisting, the vehicle's brakes will still work but will require significantly increased effort to push down the brake pedal and the vehicle may not be able to stop as quickly or in as short a distance as expected;

13. Without air bags, the driver and passengers are subject to a higher risk of personal injury and death in the event of a collision;

14. The defect in the ignition renders the Class vehicles dangerous to operate, and subjects owners, passengers, and third parties, to an increased risk of personal injury and death;

15. According to a chronology of events that GM filed on February 24, 2014 with the U.S. National Highway Traffic Safety Administration, GM knew of the defective ignition switch problem as early as 2004, and was told of at least one fatal crash in March of 2007;

16. In an amended submission to the U.S. National Highway Traffic Safety Administration on March 12, 2014, GM said it had identified an issue with the ignition switch in 2001 pre-production testing on the Saturn ION, as it appears more fully in a copy of an article titled "UPDATE 3-GM waited on Ion recall despite awareness of fatal crashes" dated March 14th, 2014, hereby filed as **Exhibit P-2** ;

17. In 2006, the Respondents issued a Technical Service Bulletin, 2006 TSB (#05-02-35-007A: Information on Inadvertent Turning of Key Cylinder, Loss of Electrical System and No DTCs (Oct 25, 2006)), which dismisses the issue as a mechanical fault;

18. The Technical Service Bulletin listed the following vehicles as experiencing a possible inadvertent turning of the key cylinder and sudden loss of electric system and dynamic traction control:

- 2005-2007 Chevrolet Cobalt
- 2006-2007 Chevrolet HHR
- 2005-2006 Pontiac Pursuit
- 2007 Pontiac G5
- 2006-2007 Pontiac Solstice
- 2003-2007 Saturn ION
- 2007 Saturn Sky

19. The Respondents knew of the defective ignition switch problem as early as 2001, was told of at least one fatal crash in March of 2007, but failed to warn consumers and the regulatory authorities in the United States, Canada, and elsewhere, and only issued a recall in 2014;

20. On February 13, 2014, the Respondents recalled 780,000 vehicles due to the issues with the ignition problem, including:

- 2005-07 Chevrolet Cobalt
- 2005-07 Pontiac G5;

21. On February 25, 2014, the Respondents further recalled 588,000, including:

- 2003-07 Saturn ION
- 2006-07 Chevrolet HHR
- 2007 Pontiac Solstice
- 2006-07 Saturn Sky

22. In Canada, 235,855 vehicles of the aforementioned models and years have since been subject to recall;

23. The U.S. National Highway Safety Administration has linked the defects to 31 serious crashes and 13 front-seat deaths;

24. According to the Center for Auto Safety, referencing data compiled by U.S.-based Friedman Research Corporation, from 2003 until 2012, 303 people died in collisions after airbags failed to deploy in certain Chevrolet Cobalt and Saturn Ion models;

FACTS GIVING RISE TO AN INDIVIDUAL ACTION BY THE PETITIONER

25. The Petitioner, Michael Gagnon, is a resident of Windsor, Quebec;

26. In 2005, the Petitioner purchased a new 2005 Saturn Ion;

27. Since purchasing the vehicle, the Petitioner experienced a sudden, unintended engine shut-downs on two occasions;

28. The Petitioner has experienced psychological and emotional distress knowing that his vehicle is unsafe;
29. The Petitioner therefore has suffered and continues to suffer damages due to the defect affecting his 2005 Saturn Ion;
30. Had the Petitioner known about this serious danger and/or defect, he would not have purchased his vehicle;
31. In addition, due to the defect in the ignition, the Petitioner's vehicle's resale value has diminished;
32. The damages suffered by the Petitioner are a direct and proximate result of the Respondents' conduct;
33. As a consequence of the foregoing, the Petitioner is justified in claiming damages;

FACTS GIVING RISE TO AN INDIVIDUAL ACTION BY EACH OF THE MEMBERS OF THE GROUP

34. Every Member of the Group owns, leases or otherwise possesses one of the motor vehicles comprised in the Class Vehicles;
35. Each Member of the Group is justified in claiming at least one or more of the following:
 - a) Resiliation of the sale or lease of the Vehicle and reimbursement of the purchase price or lease amounts paid, including but not limited to taxes, license and registration fees, security deposit, down payment, etc., or subsidiarily, damages for the diminished value (or resale value) of the Class Vehicles;
 - b) Damages for the costs associated with the defects or repairs to the Class Vehicles;
 - c) Damages for any injury suffered and costs related to said injuries;

- d) Damages for loss of use and enjoyment of their Class Vehicles;
 - e) Damages for trouble, inconvenience and loss of time;
 - f) Damages for anxiety and fear;
 - g) Punitive and/or exemplary damages;
36. All of these damages to the Group Members are a direct and proximate result of the Respondents' conduct;

CONDITIONS REQUIRED TO INSTITUTE A CLASS ACTION

The composition of the group makes the application of Article 59 or 67 C.C.P. impractical or impossible for the reasons detailed below:

37. The number of persons included in the Group is estimated to be in the thousands. According to the Recall Update, there are 235,855 vehicles in Canada as part of the recalls by the Respondents;
38. The names and addresses of all persons included in the Group are not known to the Petitioner but are known to the Respondents;
39. In addition, given the costs and risks inherent in an action before the Courts, many people will hesitate to institute an individual action against the Respondents. Even if the Group Members themselves could afford such individual litigation, the Court system could not as it would be overloaded. Furthermore, individual litigation of the factual and legal issues raised by the conduct of Respondents would increase delay and expense to all parties and to the Court system;
40. These facts demonstrate that it would be impractical, if not impossible, to contact each and every Member of the Class to obtain mandates and to join them in one action;

41. In these circumstances, a class action is the only appropriate procedure for all of the Members of the Group to effectively pursue their respective rights and have access to justice;

The questions of fact and law which are identical, similar, or related with respect to each of the Class Members:

42. The recourses of the Group Members raise identical, similar or related questions of fact or law, namely:
- a) Is there a latent defect in the ignition of Class Vehicles?
 - b) Is there a safety defect in the Class Vehicles?
 - c) Are the Class Vehicles fit for the purpose they were intended?
 - d) Did the Respondents know or should the Respondents have known about these defects affecting the Class Vehicles?
 - e) Did the Respondents fail, refuse or neglect to adequately disclose the defect to consumers before they purchased or leased the Class Vehicles, or thereafter?
 - f) Have the Group Members suffered damages as a result of the defect in question?
 - g) Are the Respondents liable to pay compensatory damages to Group Members stemming from the defect?
 - h) What are the categories of damages for which the Respondents are responsible to pay to Group Members, and in what amount?
 - i) Are Respondents liable to pay any other compensatory, moral, punitive and/or exemplary damages to Group Members, and if so in what amount?

43. The interests of justice favour that this motion be granted in accordance with its conclusions;

NATURE OF THE ACTION AND CONCLUSIONS SOUGHT

44. The action that the Petitioner wishes to institute for the benefit of the members of the Class is an action in damages for product liability;
45. The conclusions that the Petitioner wishes to introduce by way of a motion to institute proceedings are:

GRANT Plaintiff's action against Defendants;

ORDER the resiliation of the sale or lease of the Class Vehicles purchased or leased by the Class Members;

ORDER and CONDEMN Defendants to reimburse the purchase price or lease amounts paid by the Class Members, and any other amounts paid by Group Members in connection with the purchase or lease, plus interest as well the additional indemnity since the date of purchase or lease;

OR SUBSIDIARILY, CONDEMN Defendants to pay damages to the Group Members equivalent to the amount of loss of resale value or diminished value of the Class Vehicle as a result of the existence and/or repair of the defect;

CONDEMN Defendants to reimburse to the Group Members any costs or fees paid in relation to the defect or repair thereof;

CONDEMN Defendants to pay compensatory damages to the Group Members for the loss of use and enjoyment of the Class Vehicles, trouble, inconvenience, loss of time, anxiety and fear, and other moral damages;

CONDEMN Defendants to pay punitive and/or exemplary damages to the Group Members, to be determined by the Court;

GRANT the class action of Petitioner on behalf of all the Members of the Group;

ORDER the treatment of individual claims of each Member of the Group in accordance with articles 1037 to 1040 C.C.P.;

RENDER any other order that this Honourable Court shall determine and that is in the interest of the Members of the Group;

THE WHOLE with interest and additional indemnity provided for in the Civil Code of Quebec and with full costs and expenses including expert's fees and publication fees to advise members;

46. Petitioner suggests that this class action be exercised before the Superior Court in the District of Montreal for the following reasons:
- a) Many Group Members are domiciled in the District of Montreal;
 - b) The Respondents have a business establishment in the District of Montreal;
 - c) Many of the Class Vehicles were purchased or leased by Class Members in District of the Montreal;
 - d) The Petitioner's counsel is domiciled in the District of Montreal;
47. The Petitioner, who is requesting to obtain the status of representative, will fairly and adequately protect and represent the interest of the Members of the Group, since Petitioner:
- a) owns a 2005 Saturn Ion which is affected by the defect alleged above, and is thus a Member of the Group;

- b) understands the nature of the action and has the capacity and interest to fairly and adequately protect and represent the interests of the Members of the Group;
- c) is available to dedicate the time necessary for the present action before the Courts of Quebec and to collaborate with Class attorneys in this regard;
- d) is ready and available to manage and direct the present action in the interest of the Group Members that the Petitioner wishes to represent, and is determined to lead the present file until a final resolution of the matter, the whole for the benefit of the Class;
- e) does not have interests that are antagonistic to those of other members of the Group;
- f) has given the mandate to the undersigned attorneys to obtain all relevant information to the present action and intend to keep informed of all developments;
- g) is, with the assistance of the undersigned attorneys, ready and available to dedicate the time necessary for this action and to collaborate with other Members of the Group and to keep them informed;

48. The present motion is well-founded in fact and in law;

FOR THESE REASONS, MAY IT PLEASE THE COURT:

GRANT the present motion;

AUTHORIZE the bringing of a class action in the form of a motion to institute proceedings in damages;

ASCRIBE the Petitioner the status of representative of the persons included in the Group herein described as:

- All residents in Quebec who own, lease or otherwise possess one or more of the following GM vehicles:
 - 2005-2007 Chevrolet Cobalt
 - 2006-2007 Chevrolet HHR
 - 2005-2006 Pontiac Pursuit
 - 2005-2007 Pontiac G5
 - 2006-2007 Pontiac Solstice
 - 2003-2007 Saturn ION
 - 2006-2007 Saturn Sky;

IDENTIFY the principle questions of fact and law to be treated collectively as the following:

- a) Is there a latent defect in the ignition of Class Vehicles?
- b) Is there a safety defect in the Class Vehicles?
- c) Are the Class Vehicles fit for the purpose they were intended?
- d) Did the Respondents know or should the Respondents have known about these defects affecting the Class Vehicles?
- e) Did the Respondents fail, refuse or neglect to adequately disclose the defect to consumers before they purchased or leased the Class Vehicles, or thereafter?
- f) Have the Group Members suffered damages as a result of the defect in question?

- g) Are the Respondents liable to pay compensatory damages to Group Members stemming from the defect?
- h) What are the categories of damages for which the Respondents are responsible to pay to Group Members, and in what amount?
- i) Are Respondents liable to pay any other compensatory, moral, punitive and/or exemplary damages to Group Members, and if so in what amount?

IDENTIFY the conclusions sought by the class action to be instituted as being the following:

GRANT Plaintiff's action against Defendants;

ORDER the resiliation of the sale or lease of the Class Vehicles purchased or leased by the Class Members;

ORDER and CONDEMN Defendants to reimburse the purchase price or lease amounts paid by the Class Members, and any other amounts paid by Group Members in connection with the purchase or lease, plus interest as well the additional indemnity since the date of purchase or lease;

OR SUBSIDIARILY, CONDEMN Defendants to pay damages to the Group Members equivalent to the amount of loss of resale value or diminished value of the Class Vehicle as a result of the existence and/or repair of the defect;

CONDEMN Defendants to reimburse to the Group Members any costs or fees paid in relation to the defect or repair thereof;

CONDEMN Defendants to pay compensatory damages to the Group Members for the loss of use and enjoyment of the Class Vehicles, trouble, inconvenience, loss of time, anxiety and fear, and other moral damages;

CONDEMN Defendants to pay punitive and/or exemplary damages to the

Group Members, to be determined by the Court;

GRANT the class action of Petitioner on behalf of all the Members of the Group;

ORDER the treatment of individual claims of each Member of the Group in accordance with articles 1037 to 1040 C.C.P.;

RENDER any other order that this Honourable Court shall determine and that is in the interest of the Members of the Group;

THE WHOLE with interest and additional indemnity provided for in the Civil Code of Quebec and with full costs and expenses including expert's fees and publication fees to advise members;

DECLARE that all Members of the Group that have not requested their exclusion from the Group in the prescribed delay to be bound by any judgment to be rendered on the class action to be instituted;

FIX the delay of exclusion at 30 days from the date of the publication of the notice to the Members;

ORDER the publication of a notice to the Members of the Group in accordance with Article 1006 C.C.P.;

THE WHOLE with costs to follow.

MONTREAL, March 19, 2014

MERCHANT LAW GROUP LLP

MERCHANT LAW GROUP LLP

Attorneys for the Petitioner

NOTICE OF PRESENTATION

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

and

GENERAL MOTORS COMPANY
300 Renaissance Center,
Detroit, Michigan, United States of America
48265;

TAKE NOTICE that the Petitioner has filed this MOTION TO AUTHORIZE THE BRINGING OF A CLASS ACTION AND TO ASCRIBE THE STATUS OF REPRESENTATIVE in the office of the Superior Court of the Judicial District of Montréal.

The Motion will be presented before one of the Honourable Judges of the Superior Court of Québec, District of Montréal, on **April 21, 2014** at **9:00 AM**, in room **2.16** of the Courthouse of Montréal situated at 1 Notre Dame East, Montréal, Québec. On that date, the Court may exercise such powers as are necessary to ensure the orderly progress of the proceeding or the Court may hear the case.

MONTREAL, March 19, 2014

MERCHANTS LAW GROUP LLP

MERCHANT LAW GROUP LLP
Attorneys for the Petitioner

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N^o : 500-06-000 -

SUPERIOR COURT
(Class Action)

MICHAEL GAGNON

Petitioner

-vs-

GENERAL MOTORS OF CANADA

and

GENERAL MOTORS COMPANY

Respondents

LIST OF EXHIBITS

- EXHIBIT P-1: GM expands ignition switch recall;
- EXHIBIT P-2: Update 3-GM waited on Ion recall despite awareness of fatal crashes.

Montreal, March 19, 2014

Copie conforme / True Copy

(s) / (sgd.) Merchant Law Group, LLP
Merchant Law Group, LLP

Merchant Law Group LLP
Merchant Law Group LLP
Attorneys for the Petitioner



GM Expands Ignition Switch Recall

2014-02-25

- Chevrolet HHR, Pontiac Solstice, and Saturn Ion and Sky included
- Company Launches Process Review

DETROIT – General Motors is expanding the recall of certain 2003-2007 model year vehicles to correct a condition with the ignition switch that may allow the key to unintentionally move or switch to the “accessory” or “off” position, turning off the engine and most of the electrical components on the vehicle.

In addition to 2005-2007 Chevrolet Cobalts and Pontiac G5 and Pontiac Pursuit sold in Canada only, GM is separately recalling 2003-2007 Saturn Ions, 2006-2007 Chevrolet HHRs, and 2006-2007 Pontiac Solstice and 2007 Saturn Sky models. The affected U.S. vehicle population, including those vehicles recalled Feb. 13, totals 1,367,146.

This expanded vehicle population raises the number of reported incidents involving frontal crashes, in which the recall condition may have caused or contributed to the non-deployment of the frontal airbags, to 31 involving 13 front-seat fatalities.

As part of the recall, GM is taking steps to address customer concerns and working with its suppliers to increase parts production and accelerate availability.

GM will notify all affected customers that in addition to recalling their vehicles and performing repairs at no charge to them, GM and its dealers will work with customers on an individual, case-by-case basis to minimize inconvenience associated with the recall.

“Ensuring our customers’ safety is our first order of business,” said GM North America President Alan Batey. “We are deeply sorry and we are working to address this issue as quickly as we can.”

Going beyond required written notification, GM, through its customer care centers and social media teams, is using customer records and communications channels to notify affected customers of the recall and additional actions the company is willing to take to relieve their concerns and minimize inconvenience.

GM is recalling these vehicles because the ignition switch torque performance may not meet GM specifications. If the torque performance is not to specification, and the key ring is carrying added weight or the vehicle goes off road or experiences some other jarring event, the ignition switch may inadvertently be moved out of the “run” position.

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.

Dealers will replace the ignition switch to prevent the unintentional or inadvertent key movement. Until this correction is performed, customers should use only the ignition key with nothing else on the key ring. As always, customers should drive responsibly and use their safety belts.

On Monday, the company submitted to the National Highway Traffic Safety Administration a detailed chronology associated with its initial recall of the ignition switch torque performance condition in Chevrolet Cobalts and Pontiac G5s and Pursuits. The chronology outlines events that happened during the time that elapsed between receiving the first field reports and issuing a recall.

"The chronology shows that the process employed to examine this phenomenon was not as robust as it should have been," said Batey. "Today's GM is committed to doing business differently and better. We will take an unflinching look at what happened and apply lessons learned here to improve going forward."

About General Motors Co.

General Motors Co. (NYSE:GM, TSX: GMM) and its partners produce vehicles in 30 countries, and the company has leadership positions in the world's largest and fastest-growing automotive markets. GM, its subsidiaries and joint venture entities sell vehicles under the Chevrolet, Cadillac, Baojun, Buick, GMC, Holden, Jiefang, Opel, Vauxhall and Wuling brands. More information on the company and its subsidiaries, including OnStar, a global leader in vehicle safety, security and information services, can be found at <http://www.gm.com>.

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GENERAL MOTORS

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UPDATE 3-GM waited on Ion recall despite awareness of fatal crashes

Wed, Mar 12 2014

- * U.S. Senate announces its own probe of GM, NHTSA over recall
- * Senate, House say criminal investigation could complicate their probes
- * Faulty ignition switches linked to 12 deaths
- * Hit to GM stock "overdone" -analyst

By Ben Klayman, Richard Cowan and Paul Lienert

DETROIT/WASHINGTON, March 12 (Reuters) - General Motors Co waited more than two weeks to expand a major recall to include the Saturn Ion and other compact cars, even though its engineers were aware of four fatalities in crashes involving the model, GM said in filings published on Wednesday.

In an amended submission to the U.S. National Highway Traffic Safety Administration, GM also said it had identified an issue with the ignition switch, the central failing in the recall of more than 1.6 million cars, in 2001 preproduction testing on the Ion.

That is three years earlier than the company previously had reported. Before Wednesday, GM had said that it became aware of the problem in 2004, in the Chevrolet Cobalt.

GM says the switch has been connected with at least 34 crashes and is linked to at least 12 deaths. Congress, regulators and GM itself are investigating why it took the company so long to recall the cars.

GM issued its first recall of more than 600,000 Chevrolet Cobalts on Feb 7 of this year. On Feb 25 it expanded the recall by nearly 750,000 vehicles to include the Ion and several other compact models that shared the faulty ignition switch that could cause the engine to shut down and disable the airbags, sometimes at high speed.

Asked why GM had waited before expanding the recall, a spokesman on Wednesday told Reuters the company had decided to conduct a "more in-depth analysis" of vehicles listed in previous communications with car dealers. That led to the second round of the recall.

A GM document released earlier on Wednesday said that even after the vehicles in its ignition-switch recall are repaired, owners should avoid weighing down their key rings with anything more than the key and fob.

Also on Wednesday, U.S. Senator Claire McCaskill said a Senate subcommittee plans to hold a hearing in early April on GM's recall.

"We have to get to the bottom of this," said McCaskill, a Missouri Democrat. "We need to find out who dropped ball and put millions of Americans at risk."

The failure is believed to be caused when weight on the ignition key, road conditions or some other jarring event causes the ignition switch to move out of the "run" position, turning off the engine and most of the car's electrical components mid-drive, with sometimes catastrophic results.

GM said in an earlier filing Wednesday that it will offer loaner cars in some cases to unhappy owners affected by the recall.

The company also said it is not buying back affected vehicles if owners ask for that, but is offering a \$500 cash allowance, through April 30, to buy a 2013, 2014 or 2015 model-year vehicle.

On Tuesday, a source said federal prosecutors have opened a probe of GM, examining whether the company is criminally liable for failing to properly disclose problems with some of its vehicles that led to the recall.

PARALLEL PROBES

The New York office of the Federal Bureau of Investigation is involved in the probe, a source familiar with the matter told Reuters on Wednesday.

The federal probe by the FBI and the U.S. attorney in Manhattan adds to a growing list of U.S. authorities examining the recall.

McCaskill said the Senate Commerce Committee's consumer protection subcommittee will examine the responses of GM

and the federal traffic safety administration, NHTSA to the discovery of faulty ignition switches. She told Reuters that the congressional probe is "more challenging" now that the Justice Department also has opened its own investigation.

"While we would like to get as much information as possible and have General Motors as witnesses," McCaskill said her panel's review is "really about how NHTSA has handled this and what are the challenges that NHTSA faces in being an effective cop on the beat."

She said she has concerns about whether NHTSA had insufficient expertise and also about a lack of transparency at the agency. She did not know which GM executives would be called to testify.

Safety advocates have criticized NHTSA for failing to catch the GM issue and failing to demand a recall despite tracking the problems at different points over the past decade.

Kelley Blue Book senior analyst Karl Brauer said NHTSA's lack of action suggests the agency's own review process may be ineffective despite changes made after the high-profile Ford-Firestone tire recall in 2000.

However, NHTSA's chief said U.S. auto-safety regulators did not force GM to recall the cars sooner because the connection between defective ignition switches and failing airbags was not clear.

"If we had that information, if GM had provided us with timely information, we would have been able to take a different course with this," David Friedman, acting administrator for NHTSA, told Bloomberg on Wednesday in Washington.

Transportation Secretary Anthony Foxx told reporters in Washington on Wednesday that he had a "high level of confidence" in NHTSA, "but we'll continue watching as facts unfold and see where we are."

Foxx said his department is having a "dialogue" with the U.S. Department of Justice about the GM recall. "They're looking at the same information we're looking at. They will make that determination."

The U.S. House Energy and Commerce Committee also has ordered GM and NHTSA to turn over information about the automaker's ignition-switch problems. A House committee aide said on Wednesday that while the Justice probe may complicate what information can be received, the committee expects NHTSA and GM to comply with information requests.

GM has declined to comment on news of the criminal probe, but has said it is cooperating on all the various probes.

"We are fully cooperating with NHTSA and will do so with the Congress, too," GM spokesman Greg Martin said in an email on Wednesday. "We welcome the opportunity to help both parties have a full understanding of the facts."

GM faces a fine of up to \$35 million from NHTSA, and several analysts have estimated the recall could cost the company \$70 million to \$280 million.

The automaker has not disclosed what the recall will cost. Analysts agreed that the biggest costs could come from lawsuits likely to result from the recall and probe.

Barclays analyst Brian Johnson said in a research note that Tuesday's 5 percent stock decline was "overdone" as the \$3.2 billion hit to the company's market cap was likely well above any potential settlements with the U.S. Department of Justice, state attorneys general and plaintiffs' lawyers.

However, Johnson added that it was unclear what might make the stock rise in coming months as continued media headlines were likely to weigh heavily on GM shares.

GM shares fell 0.9 percent to close at \$34.86 on the New York Stock Exchange on Wednesday.

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