



Volkswagen and Audi 2.0-Liter Emissions Settlement Provides Substantial Compensation to Owners and Lessees, Removes Polluting Vehicles from Road, and Remediates Environmental Damage

Class and government settlements create funding pool of up to \$10.033 billion for affected consumers plus \$4.7 billion for environmental impact to hold VW accountable for emissions conduct

Tuesday, June 28, 2016 - A class-wide settlement filed today by the consumer plaintiffs in the Volkswagen “Clean Diesel” Marketing, Sales Practices, and Products Liability Litigation will provide owners and lessees of Volkswagen and Audi 2.0-liter diesel vehicles substantial compensation through buybacks and lease terminations, government-approved emissions modifications, and cash payments, while fixing or removing these polluting vehicles from the road.

The proposed consumer settlement was filed in the Northern District of California as part of the multidistrict litigation currently being overseen by Judge Charles M. Breyer. If approved by the Court, this will be the largest consumer auto industry class action settlement in U.S. history.

Under the class action settlement agreement, Volkswagen will create a funding pool of up to \$10.033 billion dollars for the class. The settlement will provide consumers the choice of:

- A Buyback or lease termination on approximately 475,000 2.0-liter diesel vehicles.
- If approved by the EPA and California Air Resources Board (or CARB), an emissions modification to ensure the vehicle no longer generates excess nitrogen oxide emissions.

Whether they choose a Buyback or an approved emissions modification, the settlement also offers class members with cash compensation. This is in addition to the vehicle’s Buyback value (NADA) or approved modification. These cash payments are only available to 2.0 liter vehicle owners and lessees who participate in the class action settlement.

Under companion settlements with EPA and CARB, which are incorporated in the class action settlement agreement, Volkswagen will pay an additional \$2.7 billion into a mitigation trust to fund environmental remediation and commit another \$2.0 billion to promote Zero Emissions Vehicle technology. Volkswagen will also be required to pay additional money into a mitigation trust if it fails to remove from commerce or modify at least 85 percent of covered 2.0 liter vehicles by June 30, 2019. Volkswagen has also reached companion agreements with the Federal Trade Commission as well as over 40 State Attorneys General.

“This historic agreement holds Volkswagen accountable for its betrayal of consumer trust, and requires Volkswagen to repair the environmental damage it caused,” said Elizabeth Cabraser, Court-appointed Lead Counsel and chair of the 21 member Plaintiffs’ Steering Committee (PSC), which negotiated the settlement on behalf of class members. “To achieve relief for consumers so swiftly on such a large scale is unprecedented. We are grateful for the leadership of Judge Breyer; the Settlement Master,

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former FBI Director Robert Mueller; and the DOJ, EPA, FTC and CARB during this complex process. We have taken the first step toward achieving the settlements' goals: fairly compensating consumers, undoing the cars' environmental damage through remediation, and fixing or getting these polluting cars off the road."

Vehicle Buyback:

Under the terms of the proposed class settlement, eligible owner class members who choose the Buyback Program will receive a payment equal to the September 2015 National Automobile Dealers Association ("NADA") Clean Trade-In value of the car (before the emissions conduct became public), adjusted for their options and mileage. Certain owners will be eligible for forgiveness of their car loan obligations, and certain lessees will be able to terminate their lease with no penalty. Volkswagen may begin buying back eligible vehicles as early as the fall of 2016, just over one year after the diesel emissions issues were first revealed.

Vehicle Fix:

Alternatively, if owners or lessees prefer, they can wait and see whether an emissions modification is approved by EPA and CARB for their vehicles. If an EPA and CARB-approved emissions modification becomes available, Volkswagen will modify their non-compliant 2.0-liter vehicle free of charge, with extended warranties and "lemon law" protections. If a modification is not approved for a certain vehicle, the Buyback Program will still be available, or a class member can withdraw from the settlement. Volkswagen will be prohibited from re-selling in the U.S. or abroad any vehicle that does not receive an approved emissions modification.

Cash Payments:

Class members will also receive cash payments in addition to the Buyback value or approved modification. The amount is the same whether one participates in the Buyback or modification program. The settlement agreement includes a formula for how this cash payment is determined. For example, most owners who purchased a 2.0-liter vehicle before September 18, 2015 will be eligible for a payment ranging from \$5,100 to approximately \$10,000 per vehicle. This cash is to be paid on top of the September 2015 Clean Trade-in value for class members participating in the Buyback Program. Benefits to class members cannot be reduced by attorneys' fees. Fees and costs must be paid in addition by Volkswagen as approved by the Court.

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