

\$15 Billion Volkswagen Litigation Settlement Given Preliminary Approval

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Federal Judge Gives Preliminary Approval To \$15 Billion Volkswagen Litigation Settlement - Citing 'enormous effort' by attorneys, judge allows record settlement to move forward; owners of VW diesel cars rigged to cheat on emissions tests will be able to sell them back

On Tuesday, US District Judge Charles Breyer gave preliminary approval to a nearly \$15 billion settlement agreement in a lawsuit over Volkswagen's emissions cheating scandal. As part of the settlement, Volkswagen is agreeing to spend as much as \$10 billion to buy back or repair hundreds of thousands of Volkswagens and Audi vehicles with 2-liter diesel engines.

The price Volkswagen will pay for the buyback option will be the September 2015 National Automobile Dealers Association Clean Trade In value, which is the value before the emissions accusations became public. The Volkswagen litigation settlement will also pay vehicle owners \$5,100 to \$10,000 above the cost of repairs or buying back their vehicles.

In addition, the German car maker has agreed to pay \$2.7 billion for environmental mitigation and \$2 billion to promote zero-emissions vehicles.

Experts say the settlement is a great deal for consumers. "Financially, consumers are going to do far better than if diesel-gate never happened," Ernie Garcia, chief executive officer of Carvana, an online used car dealer in 14 U.S. cities, told Bloomberg. "My guess is most of them will be able to make a decision on this very quickly."

Volkswagen is still on the hook for billions more in government penalties in the emissions cheating scandal, and this settlement doesn't cover approximately 85,000 vehicles with 3-liter engines. The automaker has admitted that its diesel vehicles were programmed to turn on emissions controls during emissions tests and turn them off on the road, providing better mileage and performance, but emitting up to 40 times the legal levels of nitrogen oxide.

\$15 BILLION VOLKSWAGEN LITIGATION SETTLEMENT GIVEN PRELIMINARY APPROVAL

Bailey Glasser attorney Ben Bailey serves on the Plaintiffs Steering Committee for the Volkswagen multidistrict class-action litigation.

In addition to Bloomberg, the preliminary approval of the settlement was covered in The New York Times, Reuters, USA Today, and other major media outlets.

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Practice Areas

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