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14	CENTRAL DISTR	ICT OF CALIFORNIA
15	CENTRAL DISTR	ICI OF CALIFORNIA
16	DOMINIQUE PARRISH, EVAN WOOD, LUDWIG COMBRINCK, and TRINE E. UTNE individually,	Case No.: 8:19-cv-01148-AG-KES SECOND AMENDED CLASS ACTION
17 18	and on behalf of a class of similarly situated individuals,	COMPLAINT FOR:
10	Plaintiffs,	(1) Violations of California's Consumers Legal Remedies Act
19 20	V.	 (2) Violations of Unfair Competition Law (3) Breach of Implied Warranty pursuant to Song-Beverly Consumer Warranty
	VOLKSWAGEN GROUP OF	Act
21 22	AMERICA, INC. a Delaware limited liability company,	 (4) Breach of Express Warranty (5) Breach of Implied Warranty under the
23	Defendant.	Magnuson-Moss Warranty Act (6) Violation of the Pennsylvania Unfair Trade Practices and Consumer
24		Protection Law (7) Breach of Pennsylvania Express
25		Warranty (8) Breach of Pennsylvania Implied
26		Warranty (9) Violations of Utah Consumer Sales
27		Practices Act (10) Breach of Utah Implied Warranty
28		(11) Unjust Enrichment
20		DEMAND FOR JURY TRIAL

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1. Plaintiffs Dominique Parrish ("Parrish"), Evan Wood ("Wood"),
Ludwig Combrinck ("Combrinck") and Trine E. Utne ("Utne") (collectively
"Plaintiffs") bring this action for themselves and on behalf of all persons in th
United States who purchased or leased any 2019-present Volkswagen Jetta or
2018 to present Volkswagen Tiguan equipped with an Aisin AWF8F35 8-Spe
Automatic Transmission ("Class Vehicles") designed, manufactured, marketed
distributed, sold, warranted, and/or serviced by Volkswagen Group of Americ
Inc. ("VWGoA" or "Defendant"). Plaintiffs allege as follows:

INTRODUCTION

- 2. This is a consumer class action concerning a failure to disclose material facts and a safety concern to consumers.
- 3. Volkswagen Group of America, Inc. manufactured, marketed, distributed, and sold the Class Vehicles without disclosing that the Class Vehicles' Aisin AWF8F35 8-Speed Automatic Transmission ("Transmission") was defective.
- 4. The all-new 2019 Volkswagen Jetta made its global debut at the 2018 North American International Auto Show in Detroit Michigan. VWGoA CEO of North American Region touted that it "expect[ed] that this all-new car will continue to resonate with buyers in the compact sedan class. With its combination of great technology, fuel-efficient drivetrains, sporty styling, upscale interior and amenities, and fun-to-drive nature, we expect the Jetta will make a huge splash in the compact sedan market when it goes on sale." While the Jetta has made a splash, the splash is caused by the Transmission leaking oil.
- 5. Prior to that, and in late 2017, VWGoA introduced the all-new 2018 Volkswagen Tiguan and introduced the AWF8F35 to North American

¹ "All-New 2019 Volkswagen Jetta Makes Global Debut at the North American International Auto Show," Volkswagen Press Release, https://media.vw/com/en-us/releases/973.

customers. The vehicle was "[e]ngineered specifically to meet the needs of
American customers...." Hinrich J. Woebcken, CEO of the North American
Region, Volkswagen, stated that the "new Tiguan demonstrates how [VWGoA]
plan[s] to give American customers the usability and versatility they demand
without sacrificing style or Volkswagen's trademark driving dynamics." He
went on to state that "[e]very detail of the Tiguan has been thoughtfully
engineered for our U.S. customers to maximize space and convenience, while
retaining its performance, agility and value."

- 6. Dr. Matthias Erb, Volkswagen Chief Engineering Officer, North American Region, said that VWGoA "knew [] buyers demand good value, and our innovations will prove their value in everyday use." One of those innovations was the Transmission, which Defendant said was a "major boost.... which provides a wide band of drive ratios that allow more efficient running at higher speeds." However, in everyday use, the Class Vehicles have proven to be unreliable, far from an efficiently running vehicle, and a safety hazard to its drivers and others.
- 7. Indeed, the Transmission is defective in that it grates, scuffs, scrapes, grinds, and ultimately suffers broken seals and oil leaks, resulting in catastrophic failure (the "Transmission Defect.") On information and belief, the Transmission Defect arises from the torque converter.
- 8. The Transmission Defect is inherent in each Class Vehicle and was present at the time of sale.
- 9. VWGoA undertook affirmative measures to conceal the Transmission Defect and other malfunctions through, among other things,

² "Volkswagen Reveals the All-New 2018 Long-Wheelbase Tiguan at the North American International Auto Show." Volkswagen Press Release, https://media.vw.com/en-us/releases/825.

³ "All-New 2019 Volkswagen Jetta Uses Advanced, Affordable Technology to Improve Fuel Economy," Volkswagen Press Release, https://media.vw/com/en-us/releases/994.

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- "Technical Tips" issued to its authorized repair facilities. These Technical Tips, similar to Technical Service Bulletins that VWGoA and other vehicle manufacturers issue to their authorized repair facilities and dealers, confirmed VWGoA's knowledge of the Transmission Defect, but disregarded its importance and cited it as "normal operating characteristics".
- Although VWGoA was sufficiently aware of the Transmission 10. Defect from pre-production testing, design failure mode analysis, calls to its customer service hotline, and customer complaints made to dealers. However, this knowledge and information was exclusively in the possession of VWGoA and its network of dealers and, therefore, unavailable to consumers.
- 11. The Transmission Defect is material because it poses a serious safety concern. As attested by Class Members in scores of complaints to the National Highway Traffic Safety Administration ("NHTSA"), and other online forums, the Transmission Defect can impair any driver's ability to control his or her vehicle and greatly increase the risk of collision.
- 12. The Transmission Defect is also material because consumers incur significant and unexpected repair costs. VWGoA's failure to disclose, at the time of purchase, the Transmission's marked tendency to fail is material because no reasonable consumer expects to spend hundreds, if not thousands, of dollars to repair or replace essential transmission components.
- Had VWGoA disclosed the Transmission Defect, Plaintiffs and 13. Class Members would not have purchased the Class Vehicles or would have paid less for them.

THE PARTIES

Plaintiff Dominique Parrish

- 14. Plaintiff Parrish is a California citizen who resides in Irvine, California.
 - On or around May 18, 2018, Plaintiff Parrish purchased a new 2019 15.

Volkswagen Jetta equipped with the Transmission from Norm Reeves Volkswagen Superstore, an authorized VWGoA dealer in Irvine, California.

- 16. Plaintiff Parrish purchased his vehicle primarily for personal, family, or household use.
- 17. Passenger safety and reliability were important factors in Plaintiff Parrish's decision to purchase his vehicle. Before making his purchase, Plaintiff Parrish did an online search for the vehicle, including on "Google" and "Youtube" videos, watched television ads, visited Defendant's website to research the 2019 Jetta, and test drove his vehicle with a dealership salesperson who made no reference to the Transmission Defect. Plaintiff Parrish believed that the Jetta would be a safe and reliable vehicle. Plaintiff Parrish also reviewed the vehicle's Monroney Sticker or "window sticker" which listed official information about the vehicle, which also made no reference to the Transmission Defect.
- 18. VWGoA's omissions were material to Plaintiff Parrish. Had VWGoA disclosed its knowledge of the Transmission Defect before he purchased his vehicle, Plaintiff Parrish would have seen and been aware of the disclosures. Furthermore, had he known of the Transmission Defect, Plaintiff Parrish would not have purchased his vehicle, or would have paid less for it.
- 19. Specifically, on or around August 15, 2018, with approximately 2,418 miles on the odometer of his VW Jetta, Plaintiff Parrish delivered his vehicle to Norm Reeves Volkswagen complaining of "coffee grinder noise from engine or transmission...." The technician test drove the vehicle and determined that it was "normal as designed due to transmission in lower gear no correction" and returned the vehicle to Plaintiff Parrish without performing or attempting to perform any transmission repairs.
- 20. Accordingly, Plaintiff Parrish vehicle continues to exhibit the Transmission Defect, continues to grind and has never been repaired by

1 Defendant.

21. At all times, Plaintiff Parrish, like all Class Members, has driven his vehicle in a manner both foreseeable and in which it was intended to be used.

Plaintiff Evan Wood

- 22. Plaintiff Wood is a Pennsylvania resident who resides in Allentown, Pennsylvania.
- 23. On or around January 1, 2019, Plaintiff Wood purchased a new 2019 Volkswagen Jetta equipped with the Transmission from Young Volkswagen, Inc., an authorized VWGoA dealer in Easton, California.
- 24. Plaintiff Wood purchased his vehicle primarily for personal, family, or household use.
- 25. Passenger safety and reliability were important factors in Plaintiff Wood's decision to purchase his vehicle. Before making his purchase, Plaintiff Wood watched television ads, visited Defendant's website to research the 2019 Jetta, and test drove his vehicle with a dealership salesperson who made no reference to the Transmission Defect. Plaintiff Wood believed that the Jetta would be a safe and reliable vehicle and even spoke with the service manager of Young Volkswagen, Inc. who recommended the vehicle to Plaintiff Wood. Plaintiff Wood also reviewed the vehicle's Monroney Sticker or "window sticker" which listed official information about the vehicle, which also made no reference to the Transmission Defect.
- 26. VWGoA's omissions were material to Plaintiff Wood. Had VWGoA disclosed its knowledge of the Transmission Defect before he purchased his vehicle, Plaintiff Wood would have seen and been aware of the disclosures. Furthermore, had he known of the Transmission Defect, Plaintiff Wood would not have purchased his vehicle, or would have paid less for it.
- 27. Specifically, on April 20, 2019 and with 4,049 miles on the odometer, Plaintiff Wood delivered his vehicle to Ciocca Volkswagen of

- Allentown complaining that "there is a growl noise heard when driving less than 25 MPH, around 200 RPMS in 4th gear upshifting to 5th gear make (sip) the noise, see TSB 32-18-01TT customer found." The assigned technician "confirmed noise, called tech line about eh noise. no faults found in system. tech line referred to noise as torque cover. noise is normal in the vehicle. no repair needed at this time." The vehicle was returned to Plaintiff Wood with no repairs performed.
- 28. Unsatisfied, Plaintiff Wood delivered his vehicle to Young Volkswagen, Inc. two days later on May 2, 2019 and with 4,110 miles on the odometer. Plaintiff Wood complained that "Customer states noise coming from trans Growl/rumble/scrape." The assigned technician determined the "cause" was "normal operation as per tech tip 32-018-01TT" and that "NO CORRECTION WORKING AS PER DESIGNED AND SAME AS ALL 2019 JETTA." The vehicle was thereafter again returned to Plaintiff Wood with no repairs performed.
- 29. Plaintiff Wood would deliver his vehicle to North Penn Volkswagen on May 7, 2019 and with 4,250 miles on the odometer, continuing to complain of the Transmission Defect. Plaintiff Wood complained that "Customer states there is a grinding noise around 25 MPH when holding speed. Customer has also experienced the transmission up shifting into too high of a gear and you have to put he foot to the floor to make the car accelerate." The assigned technician found the cause to be "vehicle found to be operating normally when compared to same or similar type vehicle." The vehicle was returned to Plaintiff Wood a third time without any repairs being performed and continuing the exhibit the

Although the repair order refers to VWGoA's Technical Tip No. 32-18-01TT as a "TSB", the Technical Tip No. 32-18-01TT states that it is "not a technical bulletin[.]" *See* Technical Tip dated October 26, 2018 at https://static.nhtsa.gov/odi/tsbs/2018/MC-10149898-9999.pdf (last accessed September 4, 2019). The Technical Tip is described more fully below in paragraph 77.

Transmission Defect.

30. Accordingly, Plaintiff Wood vehicle continues to exhibit the Transmission Defect, continues to grind and has never been repaired by Defendant.

31. At all times, Plaintiff Wood, like all Class Members, has driven his vehicle in a manner both foreseeable and in which it was intended to be used.

Plaintiff Ludwig Combrinck

- 32. Plaintiff Combrinck is a California citizen who resides in Livermore, California.
- 33. In or around May 30, 2018, Plaintiff Combrinck leased a new 2018 Volkswagen Tiguan equipped with the Transmission from Wynn Volkswagen, an authorized VWGoA dealer in Newark, California.
- 34. Plaintiff Combrinck purchased his vehicle primarily for personal, family, or household use.
- 35. Passenger safety and reliability were important factors in Plaintiff Combrinck decision to purchase his vehicle. Before making his purchase, Plaintiff Combrinck did an online search for the vehicle, including seeing ads for the vehicle, reviewing brochures, and test drove his vehicle with a dealership salesperson who made no reference to the Transmission Defect. Plaintiff Combrinck believed that the Tiguan would be a safe and reliable vehicle. Plaintiff Combrinck also reviewed the vehicle's Monroney Sticker or "window sticker" which listed official information about the vehicle, which also made no reference to the Transmission Defect.
- 36. VWGoA's omissions were material to Plaintiff Combrinck. Had VWGoA disclosed its knowledge of the Transmission Defect before he purchased his vehicle, Plaintiff Combrinck would have seen and been aware of the disclosures. Furthermore, had he known of the Transmission Defect, Plaintiff Combrinck would not have leased his vehicle, or would have paid less for it.

Specifically, on or around August 08, 2019, with approximately

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- 20,316 miles on the odometer of his VW Tiguan, Plaintiff Combrinck delivered his vehicle to Dublin Volkswagen complaining of "Category 3 Oil Leak Between the Engine and the Transmission," as well as "a hard shift from 1-2" and "a clunk noise." The Technician was unable to verify the abnormal shifting or noises, and found that the vehicle "was operating normally when compared to same or similar type vehicle." However, the category 3 oil leak was verified at the bell housing. To correct it the technician "removed air box, battery, battery tray, turbo intake pipe, starter and subframe. Disconnected propeller shaft, removed transmission and drive plate. Found oil is leaking from Driv plate bolts. Replaced drive plate bolts, reassembled and roadtested."
 - 38. Accordingly, Plaintiff Combrinck vehicle continues to exhibit the Transmission Defect, continues to jerk from gears 1-2 and 2-1, feels like its being rear ended, and has never been repaired by Defendant.
 - 39. At all times, Plaintiff Combrinck, like all Class Members, has driven his vehicle in a manner both foreseeable and in which it was intended to be used.

Plaintiff Trine E. Utne

- 40. Plaintiff Utne is a Utah citizen who resides in Salt Lake City, Utah.
- 41. In or around February 23, 2019, Plaintiff Utne leased a new 2019 Volkswagen Tiguan equipped with the Transmission from Volkswagen Southtowne, Inc., an authorized VWGoA dealer in South Jordan, Utah.
- 42. Plaintiff Utne purchased her vehicle primarily for personal, family, or household use.
- 43. Passenger safety and reliability were important factors in Plaintiff Utne decision to purchase her vehicle. Before making her purchase, Plaintiff Utne did an online search for the vehicle, including seeing ads for the vehicle, online searches, including google and visiting VWGoA and the dealership website, reviewing brochures, and test drove his vehicle with a dealership

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27 28 salesperson who made no reference to the Transmission Defect. Plaintiff Utne believed that the Tiguan would be a safe and reliable vehicle. Plaintiff Utne also reviewed the vehicle's Monroney Sticker or "window sticker" which listed official information about the vehicle, which also made no reference to the Transmission Defect.

- 44. VWGoA's omissions were material to Plaintiff Utne. Had VWGoA disclosed its knowledge of the Transmission Defect before she leased her vehicle, Plaintiff Utne would have seen and been aware of the disclosures. Furthermore, had she known of the Transmission Defect, Plaintiff Utne would not have purchased his vehicle, or would have paid less for it.
- 45. Specifically, on July 30, 2019, Plaintiff Utne delivered her vehicle to Volkswagen Southtowne, Inc. for an oil change. During her visit, Plaintiff Utne complained that her transmission was having "issues." Dealership personnel took Plaintiff Utne on a test drive, and informed her that the transmission malfunctions may be from using the improper fuel in her vehicle. Plaintiff Utne protested that she uses only the recommended fuel. Her vehicle was returned to her with no repair performed.
- 46. Thereafter, on August 14, 2019, Plaintiff Utne again delivered her vehicle to Volkswagen Southtowne, Inc. with complaints related to the transmission. Specifically, Plaintiff Utne complained that "when at a redlight or stop sign and you hit the pedal it has a one or to second delay before it accelerates. Happens more when it is hotter outside." In response, the dealership performed an ECM Software Update 26M1. The vehicle was then returned to Plaintiff Utne.
- Accordingly, Plaintiff Utne vehicle continues to exhibit the 47. Transmission Defect, including delay in shifting, hesitation, and has never been repaired by Defendant.
 - At all times, Plaintiff Utne, like all Class Members, has driven his 48.

vehicle in a manner both foreseeable and in which it was intended to be used.

Defendant

- 49. Defendant VWGoA is a Limited Liability Company organized and in existence under the laws of the State of New Jersey and registered to do business in the State of California and Pennsylvania. VWGoA's Corporate Headquarters are located at 3800 Hamlin Rd., Auburn Hills, Michigan 48326. VWGoA designs, manufactures, markets, distributes, services, repairs, sells, and leases passenger vehicles, including the Class Vehicles, nationwide, and in California and Pennsylvania. VWGoA is the warrantor and distributor of the Class Vehicles in the United States.
- 50. At all relevant times, VWGoA was and is engaged in the business of designing, manufacturing, constructing, assembling, marketing, distributing, and/or selling automobiles and motor vehicle components in Los Angeles County and throughout the United States of America.

JURISDICTION

- 51. This is a class action.
- 52. Members of the proposed Class are citizens of states different from the home state of Defendant.
- 53. On information and belief, the aggregate claims of individual Class Members exceed \$5,000,000.00 in value, exclusive of interest and costs.
 - 54. Jurisdiction is proper in this Court pursuant to 28 U.S.C. § 1332(d).

VENUE

- 55. VWGoA, through its business of distributing, selling, and leasing the Class Vehicles, has established sufficient contacts in this district such that personal jurisdiction is appropriate. Defendant is deemed to reside in this district pursuant to 28 U.S.C. § 1391(a).
- 56. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b) because Plaintiff Parrish resides in the County of Orange, California. In addition,

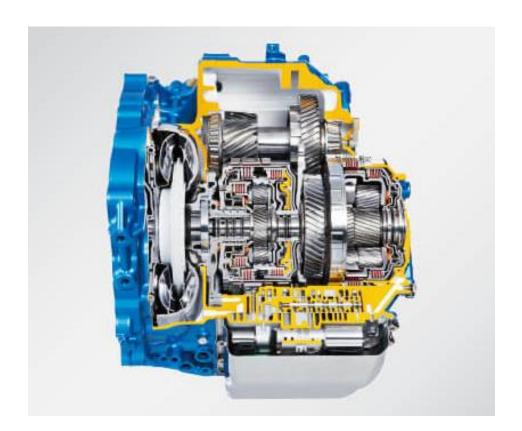
Plaintiff Parrish's Declaration, as required under California Civil Code section 1780(d) but not pursuant to *Erie* and federal procedural rules, reflects that a substantial part of the events or omissions giving rise to the claims alleged herein occurred, or a substantial part of property that is the subject of this action, is situated in Orange County, California. It is attached as Exhibit 1.

FACTUAL ALLEGATIONS

- 57. Since Summer 2017, VWGoA has designed, manufactured, distributed, sold, and leased the Class Vehicles. VWGoA has sold, directly or indirectly, through dealers and other retail outlets, thousands of Class Vehicles in California, Pennsylvania and nationwide. VWGoA warrants and services the Class Vehicles through its nationwide network of authorized dealers and service providers.
- 58. The Transmission in the Class Vehicles is a "Medium Torque Capacity FWD 8-Speed Automatic Transmission". It has wide gear ratios and substantially lower torque loss which should enable enhanced engine performance and fuel efficiency. Further, the Transmission is made compact through a two-stage clutch structure.⁵ It is touted as the world's first 8 speed automatic transmission designed for use in transverse engine applications. Aisin designed the transmission to package in the same space as preceding 6 speed designs, while increasing the total gear spread and reducing gear spacing.⁶
 - 59. The illustration below depicts the Transmission as a cut-out.

⁵ https://www.aisin-aw.co.jp/en/products/drivetrain/lineup/at.html

⁶ https://en.wikipedia.org/wiki/AWF8F35



60. The Transmission has proven to be nothing but problematic. Since its release, the Defective Transmission has been inundated with many customers complaints of grating, scuffing, scraping, grinding, and cracking seals resulting in oil leaks. All of these ultimately cause the catastrophic failure of the Transmission. As such, many customers have had to completely replace their transmissions.

The Transmission Defect Poses a Serious Safety Concern

- 61. The Transmission Defect is material to consumers because it presents a serious safety concern. Class Members have repeatedly reported disturbing failures to the National Highway Traffic Safety Administration ("NHTSA"). The following are complaints reflecting the safety risk posed:
- 62. On NHTSA's website where consumer complaints about 2018 Tiguans are posted,⁷ the following incident posted on June 14, 2018 and dated

 $[\]frac{^{7}https://www.nhtsa.gov/vehicle/2018/VOLKSWAGEN/TIGUAN/SUV/A}{WD\#complaints}.$

1 June 14, 2018 was reported: MY EVERYDAY EXPERIENCE WITH THIS 2 **INCLUDES** HESITATION VEHICLE ACCELERATING QUICKLY. JERKING 3 FORCEFULLY WHEN ACCELERATING SLOWLY RANDOM JERKING WHILE DRIVING. IT SEEMS AS THOUGH, EVEN AS AN AUTOMATIC CAR, I 4 CAN FEEL EVERY GEAR CHANGE. ESPECIALLY 5 ON THE FREEWAY, I FEEL EXTREMELY UNSAFE WHEN I ATTEMPT A LANE CHANGE. WHEN I PUT 6 MY FOOT ON THE GAS TO QUICKLY SPEED UP, VEHICLE HESITATES AND DOES 7 MATCH WHAT I AM DOING ON THE PEDAL. THE HESITATION IS ESPECIALLY DANGEROUS FOR 8 THE ROAD. VEHICLES ON EXTREMELY ANXIOUS WHEN DRIVING MY 9 VEHICLE BECAUSE I DO NOT FEEL IN CONTROL. WORRY THAT, AT ANY POINT, IT WILL 10 HESITATE OR JERK FORCEFULLY, AND CAUSE HARM TO ME, MY PASSENGERS, AND/OR THOSE IN OTHER VEHICLES AROUND ME. 11 12 PLEASE NOTE THAT THIS IS AN ONGOING PROBLEM. THIS WAS NOT A ONE-TIME OCCURRENCE. THIS DOES NOT JUST OCCUR 13 WHEN DRIVING AT CERTAIN SPEEDS. 14 HESITATION AND JERKING OCCUR DAILY. 15 63. On August 10, 2018 the following incident dated July 18, 2018 was 16 reported: 17 VEHICLES HESITATES TO START FROM A SLOW OR DEAD STOP. WILL NOT ACCELERATE AS IT SHOULD. NOTICEABLE LAG WHEN SHIFTING 18 AND ACCELERATING. ENGINE MISFIRING AT 19 ONLY 3000 MILES. VERY DANGEROUS WHEN TURNING INTO TRAFFIC OR MERGING ON TO 20 HIGHWAYS. VEHICLE GIVES A FALSE SENSE OF ACCELERATING THEN STOPS. THIS HAPPENS 21 RELIABLY OVER AND OVER. 22 On August 20, 2019, the following incident dated August 18, 2019 64. 23 was reported: 24 I WAS DRIVING ON INTERSTATE 95 NORTH IN THE FAST LANE (AT 70 MPH), WHEN THE 25 "ENGINE EXCEEDS 4000 RPM" WARNING CAME ON THE DASH BOARD/SYSTEM READ OUT AND 26 LOST CAR **POWER** AND STARTED DECELERATING (TO 40 MPH). I CONTINUED TO 27 PUSH THE GAS PEDAL BUT THE CAR CAME TO A COMPLETE STOP. I PUT ON MY FLASHERS AND 28 RESTARTED THE CAR AND COASTED TO THE

SHOULDER. I PUT THE PARK, STOPPED THE CAR 1 AND WAITED AND RESTARTED THE CAR. WE ENTERED THE HIGHWAY AGAIN AND AS I TRIED TO ACCELERATE, THE CAR HESITATED 2 AND DECELERATED AGAIN. THIS TIME I MOVED 3 OVER TO THE RIGHT SHOULDER, STOPPED AND GOT OUT OF THE CAR. MY HUSBAND'S FRIEND 4 WAS IN THE CAR WITH ME AND MY HUSBAND WAS FOLLOWING BEHIND US. I CALLED MY 5 INSURANCE COMPANY AND EXPLAINED TO THEM WHAT WAS HAPPEING WITH THE CAR AND THEY CAME AND TOWED THE CAR TO 6 OURISMAN LAUREL VOKLSWAGON. I LEFT A 7 NOTE AND A KEY IN THE DROP OFF SERVICE BOW AND NOW 24 HOURS LATER I HAVE NOT 8 CALL FROM ANY RECEIVED PERSONNEL. IT SEEMS FROM REVIEWING 9 OTHER COMPLAINTS, THAT SEVERAL PEOPLE (MORE THAN 20) HAVE HAD THE SAME ISSUE. 10 65. On April 15, 2019, the following incident dated April 13, 2019 was 11 reported: 12 MY WIFE CALLED ME PANICKED BECAUSE HER 13 2018 VW TIGUAN SEL, WITH 8000 MILES, CUT OUT ON HER WHILE SLOWLY PULLING INTO A 14 BUSY INTERSECTION. SHE DESCRIBED THE PROBLEM AS IF THE CAR LOST COMPLETE 15 POWER FOR A FEW SECONDS, EVEN THOUGH SHE DID NOT HAVE HER FOOT ON THE BREAK 16 AT THE TIME, AND THE CAR WAS NOT ABLE TO ACCELERATE. MY WIFE QUICKLY PUT THE CAR 17 INTO REVERSE, WHERE IT RESPONDED WELL MOVING BACKWARDS, AND THREW ON HER HAZARDS. THE VEHICLE IS LESS THAN 1 YEAR OLD AND SHE IS DEATHLY SCARED OF DRIVING 18 19 NOW. 20 THE VEHICLE IS A HAZARD! WHEN LOOKING ONLINE FOR SIMILAR POWER TRAIN ISSUES, 21 MANY OTHER CUSTOMERS ARE REPORTING A SIMILAR EXPERIENCE. 22 23 66. On NHTSA's website where consumer complaints about 2019 Jettas are posted, the following incident posted on August 15, 2018 and dated July 9, 24 25 2018 was reported: 26 27

⁸ https://www.nhtsa.gov/vehicle/2019/VOLKSWAGEN/JETTA/4%252520DR/FWD#complaints (last viewed June 6, 2019).

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THERE IS AN ISSUE WITH THE TORQUE CONVERTER IN THE 2019 JETTAS (AUTOMATIC). WHEN DRIVING IN LOW RPM'S, THERE IS A LOUD GRINDING SOUND COMING FROM THIS AREA. THIS AFFECTS DRIVE-ABILITY, AS YOU NEED TO DRIVE MORE AGGRESSIVELY TO ELIMINATE THE SOUND. THERE ALSO ARE MULTIPLE REPORTS OF TRANSMISSION FLUID LEAKS. THESE ISSUES ARE ON BRAND-NEW MODELS OF THIS VEHICLE.

67. On December 5, 2018, the following incident dated October 27,

2018 was reported:

WELL AGAIN MY I HAD TO TAKE MY 2019 JETTA BACK TO LUNDE'S IN PEORIA, AZ. AFTER THE TRANSMISSION LEAK WAS FIXED IN AUGUST, I NOTICED ABOUT A MONTH LATER THE CAR WAS JERKING A LOT AND NOT ACCELERATING WHEN I HAD MY FOOT ON THE GAS PEDAL. (LIKE WHEN YOU PUSH ON THE GAS, BUT DISCOVER YOUR CAR IS NEUTRAL AND NOT DRIVE.) THIS BECAME VERY DANGEROUS AND THE DÉLAY TIME WAS GETTING LONGER AND LONGER TO THE POINT WHERE IT WAS ABOUT **MINUTE BEFORE** HALF WOULD ACCELERATE. OR WOULD BE ACCELERATING FINE THEN MID DRIVE OR WHEN TURNING, IT WOULD JUST STOP AND COAST AND NOTHING WOULD HAPPEN WHEN YOU PUSHED YOUR FOOT ON THE GAS OTHER THEN THE CAR REVVING AND NOT MOVING. I TOOK MY JETTA BACK INTO LUNDE'S (AGAIN) AND THEY HAD MY CAR FOR A MONTH. THEY REPLACED THE O RINGS, AS PEOPLE HAVE MENTIONED ON HERE AND I WAS TOLD THAT NOW VW HAS REMADE ALL THE ORINGS TO WORK AND FIT PROPERLY IN THE TRANSMISSION. I PICKED UP MY CAR AT LUNDE'S AND IMMEDIATELY WENT TO GET GAS. I WAS WAITING IN LINE WITH THE CAR IN PARK & STILL RUNNING. WHEN I WENT TO PUT THE CAR IN DRIVE SAID RESTART ENGINE! SO THE CAR SHUT OFF ON ME! I CALLED LUNDE'S BACK AND WAS TOLD IF IT HAPPENS AGAIN TO CALL THEM. WELL, IT DID, AND I DID NOT CALL THEM BACK BECAUSE I OPENED UP A CASE WITH VW OF AMERICA TO TRY TO GET A BUYBACK OR REPLACEMENT VEHICLE. NOW I HAVE TO WAIT TO SEE IF MY AUTO LOAN COMPANY FIRST INVESTORS WILL PROCESS THE SUBSTITUTION OF COLLATERAL REQUEST. THIS WAY I CAN KEEP EVERYTHING THE SAME ON MY LOAN (BC I UPGRADED AND NOW HAVE

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NEGATIVE EQUITY THE BUY BACK OPTION IS NOT FINANCIALLY A GOOD OPTION FOR ME) SO OF COURSE MY AUTO LOAN COMPANY STATES "THEY DO NOT DO THAT ANYMORE". SO NOW I AM GOING BACK AND FORTH WITH THEM SO I AM NOT STUCK IN AN UNSAFE CAR. DO NOT BUY A 2019 JETTA UNTIL VW GETS IT FIGURED OUT ON ALL THE FAULTY PARTS AND DO NOT GET AN AUTO LOAN WITH 1ST INVESTORS. WHY IS THIS CAR NOT RECALLED YET?

68. On January 13, 2019, the following incident dated December 1,

2018 was reported:

IT APPEARS THAT THE MAJORITY AND OR ALL OF THE NEW 2019 VOLKSWAGEN JETTA'S HAVE TORQUE CONVERTER DEFECTS. THE DEFECT CAUSES THE VEHICLE TO EMIT A LOUD SCRAPE AND GRINDING NOISE WHICH CAN DISTRACT THE DRIVER. THE COULD CAUSE DRIVERS TO PULL OVER AND POTENTIALLY CAUSE AN ACCIDENT.

THE NEW 2019 VOLKSWAGEN JETTA THAT I HAVE BEEN DRIVING HAS BEEN TO THE SHOP 3 TIMES DUE TO THIS SOUND THE TRANSMISSION IS MAKING ON THIS VEHICLE. I HAVE BEEN TOLD THAT IT'S A 'NORMAL CHARACTERISTIC OF THE CAR. HOWEVER, THIS NEEDS TO REVIEWED BY A 3RD PARTY AS PROPERLY FUNCTIONING AND SAFE TRANSMISSIONS DO NOT GRIND OR SCRAPE AS THESE NOISES GENERALLY MEAN THAT INTERNAL DAMAGE IS OCCURRING INSIDE OF THE VEHICLE'S TRANSMISSION. VOLKSWAGEN ALLOWED ME TO REVIEW A DOCUMENT STATING THEY WERE AWARE OF THE TORQUE CONVERTER ISSUE WITH THIS CAR, HOWEVER, THEY ARE CLAIMING IT'S NORMAL. AGAIN, SAFE TORQUE CONVERTERS DO NOT GRIND OR SCRAPE. HERE'S THE ID TO THE VOLKSWAGEN DOCUMENT THAT CAN BE REQUESTED FROM VW: 32-18-01TT.

THE 2019 VW JETTA THAT I HAVE WAS TAKEN TO A 3RD PARTY TRANSMISSION EXPERT AND I WAS TOLD THAT IT WAS A SERIOUS DEFECT AND THEY DID NOT FEEL SAFE TO DRIVE THE CAR FOR EXTENDED PERIODS OF TIME. I FEEL THE SAME WAY, HOWEVER, I'M BEING TOLD BY VW AND THEIR DEALERSHIPS THAT GRINDING TRANSMISSIONS ARE NORMAL AND SAFE WHICH CONTRADICTS REALITY. GRINDING

TRANSMISSIONS ON NEW VEHICLES ARE NOT 1 SAFE, THEY'RE DEFECTIVE AND SAYING THAT THEY ARE NORMAL IS LEGALLY CONCERNING. 2 PLEASE LOOK INTO THE SAFETY AND VALUE 3 IMPLICATIONS OF THIS ISSUE FOR A NEW 2019 VOLKSWAGEN JETTA'S. I AM VERY CONCERNED FOR MY SAFETY AND JUST WANT 4 THE PROBLEM FIXED BY VOLKSWAGEN. THEY HAVE REFUSED TO HELP ME 3 TIMES AND I HAVE BEEN GIVEN A RUN AROUND BY VW 5 6 REGIONAL CARE PROVIDERS WITH THIS ISSUE, TOO (IT'S BEEN A TERRIBLE EXPERIENCE 7 DEALING WITH VW AT TRYING TO GET THE VEHICLE BOUGHT BACK FOR SUCH A BAD 8 DEFECT). 9 69. On January 22, 2019, the following incident dated January 22, 2019 10 was reported: 11 12 8 SPEED AUTOMATIC TRANSMISSION HAS A METALLIC GRINDING OR SCRAPING NOISE WHEN OPERATING AT LOW RPM'S DURING 13 ACCELERATION. SPECIFICALLY AFTER 14 TRANSITION TO 5TH GEAR. THE POWERTRAIN NOTICEABLY HESITATES DURING **DURING** 15 ACCELERATION WHEN SOUND IS ACTIVE. AFOREMENTIONED 16 ONLY A MATTER OF TIME BEFORE THIS TRANSMISSION FAILS AND LEAVES ME IN THE MIDDLE OF A BUSY INTERSECTION. IT'S AN 17 EXTREMELY COMMON ISSUE ON THE 2019 18 VOLKSWAGEN **JETTA THAT** MANUFACTURER REFUSES TO ACKNOWLEDGE 19 AS AN ACTUAL PROBLEM. THEY CLAIM THE SCRAPING AND GRINDING SOUND IS 20 CHARACTERISTIC" OF THE CAR, "NORMAL WHICH IS TOTALLY NONSENSICAL. 21 70. On January 31, 2019, the following incident dated December 10, 22 23 2018 was reported: 24 GRINDING NOISE COMING 25 TRANSMISSION DURING DRIVING, TYPICALLY WHEN GOING BETWEEN 20-40 MPH. THERE ARE NUMEROUS COMPLAINTS OF THIS DEFECT, 26 THE MANUFACTURER STATES NORMAL. HOWEVER, IT DOES APPEAR TO BE A DEFECT WITH THE TORQUE CONVERTER THAT COULD AFFECT THE SAFETY OF DRIVER AND 27 28

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PASSENGERS, AND SHORTEN THE LIFE OF THE TRANSMISSION, WHILE ALSO REDUCING THE RESALE VALUE OF THE CAR. I TOOK THE CAR TO THE DEALER AND WAS TOLD THAT IT WAS NORMAL BECAUSE THE SOUND EXISTED ON ALL JETTAS. HOWEVER, JUST BECAUSE THE SAME SAFETY DEFECT APPEARS ACROSS AN ENTIRE MODEL OF CAR DOES NOT MAKE IT NORMAL, IT MAKES IT WIDESPREAD. THERE ARE OVER 13 COMPLAINTS NOW ABOUT THE VW POWER TRAIN, AND MOST OF THEM ARE REGARDING THIS SPECIFIC ISSUE. PLEASE START AN INVESTIGATION. ALSO, THE PDF DOCUMENT OF VWS RESPONSE TO THIS ISSUE IS NOT ABLE TO BE VIEWED ON YOUR WEBSITE, THE LINK IS BROKEN OR DOC IS MISSING.

71. On February 11, 2019, the following incident dated February 4, 2019 was reported:

BRAND NEW VEHICLE WITH 300 MILES. FROM THE DAY I PICKED IT UP WITH 37 MILES, IT GRINDS EVERY TIME IT ACCLERATES INTO 3RD **GEAR** AUTOMATIC TRANS. DEALERSHIP CONTACTED, SERVICE MGR STATED THIS IS "NORMAL" FOR THIS TRANSMISSION. ALSO STATED HIS HANDS ARE TIED ON WHAT HE CAN DO BECAUSE VW HAS CALLED THIS "NORMAL. HE ALSO SAID HE IS LIMITED IN WHAT HE CAN DO AT THE LOCAL LEVEL BECAUSE "WE DIDN'T MAKE THE CAR." THIS DOES NOT SOUND "NORMAL" TO ME. I AM CONCERNED THAT MY VEHICLE WILL INCUR LONG-TERM DAMAGE, WHICH COULD LEAD TO A SIGNIFICANT PUBLIC SAFETY RISK. IT ALSO REPRESENTS A POTENTIAL FINANCIAL RISK FOR MYSELF AND RISK. OTHER UNKNOWING BUYERS. THE REP. WHO SOLD ME THE CAR SAID HE WAS UNAWARE OF THIS ISSUE BUT THE SERVICE REP. CLEARLY AWARE. I AM VERY CONCERNED THAT THE TRAIL OF DISCLOSURE WAS NOT EXTENDED BEYOND THE SERVICE DESK TO SALES AND, IN TURN, TO BUYERS LIKE MYSELF.

72. On March 3, 2019, the following incident dated September 3, 2018 was reported:

2019 VW JETTA S GRINDING/RATTLING/GROANING NOISE FROM THE TORQUE CONVERTER. WHEN I BROUGHT

Page 18

THE CAR IN FOR THE 10,000 SERVICE, I TOLD 1 MANAGER SERVICE TRANSMISSION WAS MAKING GRINDING AND GROANING NOISES. THE SERVICE MANAGER 2 SAID THAT THEY COULD NOT GET THE CAR TO 3 MAKE THE NOISE AND IT IS JUST A NORMAL VERY CONCERNED AMFURTHER USE OF THE VEHICLE IS UNSAFE AND 4 WILL CAUSE THE TRANSMISSION TO FAIL 5 WHILE DRIVING. RECALLING OR BUYING BACK THESES THE VEHICLES WILL HELP CONSUMERS 6 **INJURIES** AVOID POTENTIAL AND FURTHER FINANCIAL HARDSHIPS. 7 73. 8 On March 15, 2019, the following incident dated November 5, 2018 9 was reported: 10 THE CAR PRODUCES A NOTICEABLE GRINDING 11 NOISE WHENEVER I AM ACCELERATING IN BOTH ECO AND NORMAL MODES. THERE IS A 12 GRINDING FEELING IN THE PEDAL WHEN THE GRINDING NOISE OCCURS. VEHICLE FEEL UNSAFE. MAKES IT 13 VOLKSWAGEN REFUSES TO ACKNOWLEDGE THE PROBLEM. I 14 FEEL AS THOUGH THE TRANSMISSION MAY GIVE OUT AT ANY TIME. 15 16 74. On April 26, 2019, the following incident dated March 1, 2019 was 17 reported: 18 I'VE HAD THE 2019 JETTA FOR ROUGHLY 30 19 NOW. I'VE NOTICED STRANGE GRINDING NOISE COMING FROM THE ENGINE 20 AROUND 30 MPH WHEN ACCELERATING UNDER LIGHT LOAD. AS IF A DRIVER ATTEMPTS TO 21 SHIFT WHILE THE CLUTCH IS NOT ENGAGED, THE CAR PRODUCES A GRINDING NOISE (BUT 22 THIS CARE IS AN AUTOMATIC). SO I DECIDED TO TAKE IT INTO VW TO BE LOOKED AT 23 (YOUNG VW). THEY SAID AND I QUOTE "NOISE IS NORMAL ÓPERATION OF THE DRIVE SYSTEM WHEN ACCELERATING." THAT JUST DOESN'T 24 SEEM RIGHT TO ME.. MY HUSBAND HAS A 25 REASONABLE **AMOUNT** OF **AUTOMOTIVE** KNOWLEDGE AND HAS MADE AN ASSERTIONS 26 THAT THE ISSUES IS RELATED TO THE THE TRANSMISSION PACKAGE; IN HIS OPINION ANY 27 ISSUE WITH THE TORQUE AT LOW RPMS. 28 VW REFUSES TO EVEN LOOK AT THE ISSUE, AT

THIS TIME.

WE WORRY IS THE CAR IS DEFECTIVE AND IT DAMAGES THE VALUE OF THE VEHICLE AND WORSE IT'S A SAFETY ISSUE AS IT CAUSES ACCELERATED HEATING AND FAILURE RATE FOR THE ENTIRE TRANSMISSION SYSTEM.

MY HUSBAND HAS RESEARCHED THE ISSUE ON GOOGLE, DOCUMENT ID: 32-18-01TT PROVES THAT VW AG KNOWS THIS ISSUE IS A DEFECT PART, THEY CLAIM THAT IT'S 'A NORMAL CHARACTERISTIC OF THE VEHICLE' HOWEVER, THE DOCUMENT LITERALLY MENTIONS THE TERM 'SCRAPING'.

HE HAS ALSO TESTED THE CAR, AND IF HE PUT THIS CAR IN MANUAL MODE AND RIGHT BEFORE 4TH GEAR HITS 2000 RPM, SWITCH TO 5TH GEAR AND LET IT DROP TO AROUND 1300-1400 RPM AND ACCELERATE LIGHTLY (ESPECIALLY ON AN INCLINE); YOU'LL HEAR A LOUD SOUND THAT SCRAPES ALL THE WAY TO 2000 RPM.

75. In addition to sudden transmission failures, the Transmission Defect presents a further safety concern because it causes the driver to lose all transmission inputs, including acceleration. Unpredictable acceleration is unsafe, particularly when changing lanes, merging onto highways, and turning left across oncoming traffic.

VWGoA Had Superior and Exclusive Knowledge of the Transmission Defect

- 76. Since Summer 2017, VWGoA has designed, manufactured, distributed, sold, and leased the Class Vehicles. VWGoA issued the first Technical Tip regarding the Transmission Defect on October 26, 2018, within months of the Class Vehicles being offered for sale on the market.
- 77. As stated, VWGoA first issued Technical Tip 32-18-1TT entitled "Transmission Noise or Scraping Sound When Shifting Gears" issued on October 26, 2018, and later issued a revised version on April 16, 2019. It states: "Scraping, grating or scuffing noise from between the engine and transmission

when at lower speeds in higher gears. Commonly heard when shifting into 5th gear at speeds of 20-25 mph, under light load. Noise can be heard in most gear changes under the right conditions."

- 78. According to the original and later update, Defendant VWGoA determined that the Transmission Defect was a "normal operating characteristic of the torque converter stator as the torque clutch is applied." No actual repairs were suggested or allowed. Importantly, this Technical Tip was not, and is not, disseminated to owners or prospective buyers.
- 79. Federal law requires automakers like VWGoA to be in close contact with NHTSA regarding potential auto defects, including imposing a legal requirement (backed by criminal penalties) compelling the confidential disclosure of defects and related data by automakers to NHTSA, including field reports, customer complaints, and warranty data. *See TREAD Act*, Pub. L. No. 106-414, 114 Stat.1800 (2000).
- 80. Automakers have a legal obligation to identify and report emerging safety-related defects to NHTSA under the Early Warning Report requirements. *Id.* Similarly, automakers monitor NHTSA databases for consumer complaints regarding their automobiles as part of their ongoing obligation to identify potential defects in their vehicles, including those which are safety-related. *Id.* Thus, VWGoA knew or should have known of the many complaints about the Transmission Defect logged by NHTSA ODI. The content, consistency, and disproportionate number of those complaints alerted, or should have alerted, VWGoA to the Transmission Defect.
- 81. With respect solely to the Class Vehicles, the following are but a few examples of the many complaints concerning the Transmission Defect which are available through NHTSA's website, www.safercar.gov. Many of the complaints reveal that VWGoA, through its network of dealers and repair technicians, has been made aware of the Transmission Defect. In addition, the

complaints indicate that despite having knowledge of the Transmission Defect
and even armed with knowledge of the exact vehicles affected, VWGoA often
refused to diagnose the defect or otherwise attempt to repair it while Class
Vehicles were still under warranty. When VWGoA did attempt repairs, it merely
replaced the Transmission with a similarly defective Transmission.

82. On the NHTSA website the following incident dated January 1.

82. On the NHTSA website the following incident dated January 1, 2018 was reported on March 28, 2018:

THE CAR DOES NOT GET MORE THAN 316 MILES TO A FULL TANK. IT ALSO FEELS LIKE THE TRANSMISSION IS JERKING YOU FORWARD WHICH CAUSES THE CAR TO BE REALLY SLUGGISH. THIS IS ALSO DANGEROUS WHEN TRYING TO PULL OUT ON A BUSY STREET. I TO THE DEALERSHIP AND DROVE IT CAME BACK AND TOLD ME I SHOULD ONLY FILL UP AT CERTAIN GAS STATIONS. THEY GAVE ME A LIST AND SAID I HAVE TO USE ONLY PREMIUM GAS I. THE CAR AND ONLY FILL THESE STATIONS IF I WANT EXPECTED GAS MILEAGE.

83. On July 5, 2018, the following incident also dated July 5, 2018 was reported:

THE VEHICLE HAS A START/STOP FEATURE THAT IS ON BY DEFAULT AND IS DANGEROUS WAITING TO **MAKE** A TURN. TEMPORARILY SHUTS THE CAR DOWN AND RESTARTS UPON RELEASE OF THE BRAKE PEDAL TO MOVE THE CAR FORWARD WHICH CAUSES SEVERE HESITATION EXCELLERATION. TO MAKE MATTERS WORSE THE TRANSMISSION IN THIS VEHICLE JERKS AND HESITATES. WHEN IT DOES FINALLY KICK IN IT CAUSES THE CAR TO SURGE FORWARD TO FAST AND MAKES IT DIFFICULT TO DRIVE AND IN TURN. HANDLE **EPECIALLY** ONCOMING TRAFFIC. HAVE ALMOST BEEN T-BONED A FEW TIMES DUE TO BOTH OF THESE ISSUES. WE DONT FEEL SAFE IN THIS VEHICLE!! THESE ISSUES NEED TO BE ADDRESSED BY VOLKSWAGON **BEFORE SOMEONE** SERIOUSLY HURT. WE LOVE THE STYLING AND LOOK OF OUR TIGUAN BUT FEEL TRANSMISSION AND START/STOP ISSUES ARE VERY UNSAFE!!

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Page 23

HAVE THE LOANER VEHICLE INDEFINITELY. I

CALLED VOLKSWAGEN CUSTOMER CARE TO 1 OPEN A CASE TO SEE IF I CAN GET A BUYBACK OPTION BECAUSE THE DEALER STATED THERE IS NOTHING MORE THEY CAN DO AT THIS 2 POINT. 3 87. On November 2, 2018, the following incident dated July 9, 2018 4 5 was reported: 6 THERE IS A LOUD AND PROMINENT GRINDING 7 **THAT PRESENTS ITSELF** NOISE ACCELERATING. USUALLY THROUGH 5TH 8 **MINIMIZED** CAN BY IT BEACCELERATING VERY AGGRESSIVELY. BUT 9 ANY LESS AND THE GRINDING NOISE WILL BE HEARD. 10 88. On November 7, 2018, the following incident dated October 30, 11 12 2018 was reported: 13 GRIND NOISE AT 30 MPH, DIMINISHES AFTER 14 THAN STARTS AGAIN MORE FAINTLY AFTER 40 MPH. OCCASIONAL HARD DOWN SHIFTS WHEN 15 COMING TO A STOP. 16 89. On December 5, 2018, the following incident dated October 27, 17 2018 was reported: 18 19 WELL AGAIN MY I HAD TO TAKE MY 2019 JETTA BACK TO LUNDE'S IN PEORIA, AZ. AFTER THE 20 TRANSMISSION LEAK WAS FIXED IN AUGUST, I NOTICED ABOUT A MONTH LATER THE CAR 21 WAS JERKING A LOT AND NOT ACCELERATING WHEN I HAD MY FOOT ON THE GAS PEDAL. (WHEN YOU PUSH ON THE GAS, BUT 22 DISCOVER YOUR CAR IS NEUTRAL AND NOT 23 DRIVE.) THIS BECAME VERY DANGEROUS AND THE DÉLAY TIME WAS GETTING LONGER AND 24 LONGER TO THE POINT WHERE IT WAS ABOUT **BEFORE** MINUTE WOULD 25 ACCELERATE. OR WOULD BE ACCELERATING FINE THEN MID DRIVE OR WHEN TURNING, IT 26 WOULD JUST STOP AND COAST AND NOTHÍNG WOULD HAPPEN WHEN YOU PUSHED YOUR 27 FOOT ON THE GAS OTHER THEN THE CAR REVVING AND NOT MOVING. I TOOK MY JETTA 28 BACK INTO LUNDE'S (AGAIN) AND THEY HAD

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MY CAR FOR A MONTH. THEY REPLACED THE O RINGS, AS PEOPLE HAVE MENTIONED ON HERE AND I WAS TOLD THAT NOW VW HAS REMADE ALL THE ORINGS TO WORK AND FIT PROPERLY IN THE TRANSMISSION. I PICKED UP MY CAR AT LUNDE'S AND IMMEDIATELY WENT TO GET GAS. I WAS WAITING IN LINE WITH THE CAR IN PARK & STILL RUNNING. WHEN I WENT TO PUT THE CAR IN DRIVE SAID RESTART ENGINE! SO THE CAR SHUT OFF ON ME! I CALLED LUNDE'S BACK AND WAS TOLD IF IT HAPPENS AGAIN TO CALL THEM. WELL, IT DID, AND I DID NOT CALL THEM BACK BECAUSE I OPENED UP A CASE WITH VW OF AMERICA TO TRY TO GET A BUYBACK OR REPLACEMENT VEHICLE. NOW I HAVE TO WAIT TO SEE IF MY AUTO LOAN COMPANY FIRST INVESTORS WILL PROCESS THE SUBSTITUTION OF COLLATERAL REQUEST. THIS WAY I CAN KEEP EVERYTHING THE SAME ON MY LOAN (BC I UPGRADED AND NOW HAVE NEGATIVE EQUITY THE BUY BACK OPTION IS NOT FINANCIALLY A GOOD OPTION FOR ME) SO OF COURSE MY AUTO LOAN COMPANY STATES "THEY DO NOT DO THAT ANYMORE". AM GOING BACK AND FORTH WITH THEM SO I AM NOT STUCK IN AN UNSAFE CAR. DO NOT BUY A 2019 JETTA UNTIL VW GETS IT FIGURED OUT ON ALL THE FAULTY PARTS AND DO NOT GET AN AUTO LOAN WITH 1ST INVESTORS. WHY IS THIS CAR NOT RECALLED YET?

90. On December 31, 2018, the following incident dated December 17, 2018 was reported:

TL* THE CONTACT OWNS A 2019 VOLKSWAGEN JETTA. WHILE DRIVING 25 MPH OR HIGHER, THE CONTACT HEARD A LOUD BUZZING AND CONTACT **COMING GRINDING** SOUND **FROM** THETRANSMISSION. THE CONTACT TOOK THEVEHICLE **SUNRISE** VOLKSWAGEN (931 TO SUNRISE HWY, LYNBROOK, NY 11563, (516) 596-5970) TO HAVÉ THE TRANSMISSION CHECKED. BUT AN APPOINTMENT COULD NOT BE MADE UNTIL JANUARY 18, 2019. THE MANUFACTURER STATED THAT THEY WOULD CONTACT NHTSA. THE FAILURE MILEAGE WAS 250. *DT

CONSUMER WAS TOLD BY THE DEALER NO "REPAIR" WOULD BE NEEDED THAT THEY FELT IT IS NORMAL. *JB

91. On January 13, 2019, the following incident dated December 1,

2018 was reported:

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IT APPEARS THAT THE MAJORITY AND OR ALL OF THE NEW 2019 VOLKSWAGEN JETTA'S HAVE TORQUE CONVERTER DEFECTS. THE DEFECT CAUSES THE VEHICLE TO EMIT A LOUD SCRAPE AND GRINDING NOISE WHICH CAN DISTRACT THE DRIVER. THE COULD CAUSE DRIVERS TO PULL OVER AND POTENTIALLY CAUSE AN ACCIDENT.

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THE NEW 2019 VOLKSWAGEN JETTA THAT I HAVE BEEN DRIVING HAS BEEN TO THE SHOP 3 TIMES DUE TO THIS SOUND THE TRANSMISSION IS MAKING ON THIS VEHICLE. I HAVE BEEN TOLD THAT IT'S A 'NORMAL CHARACTERISTIC OF THE CAR. HOWEVER, THIS NEEDS TO REVIEWED BY A 3RD PARTY AS PROPERLY FUNCTIONING AND SAFE TRANSMISSIONS DO NOT GRIND OR SCRAPE AS THESE NOISES GENERALLY MEAN THAT INTERNAL DAMAGE IS OCCURRING INSIDE OF THE VEHICLE'S

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TRANSMISSION. VOLKSWAGEN ALLOWED ME TO REVIEW A DOCUMENT STATING THEY WERE AWARE OF THE TOROUE CONVERTER ISSUE WITH THIS CAR, HOWEVER, THEY ARE CLAIMING IT'S NORMAL. AGAIN, SAFE TORQUE

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CONVERTERS DO NOT GRIND OR SCRAPE. THE VOLKSWAGEN HERE'S THE ID TO DOCUMENT THAT CAN BE REQUESTED FROM

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VW: 32-18-01TT.

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THE 2019 VW JETTA THAT I HAVE WAS TAKEN TO A 3RD PARTY TRANSMISSION EXPERT AND I WAS TOLD THAT IT WAS A SERIOUS DEFECT AND THEY DID NOT FEEL SAFE TO DRIVE THE CAR FOR EXTENDED PERIODS OF TIME. I FEEL THE SAME WAY, HOWEVER, I'M BEING TOLD BY VW AND THEIR DEALERSHIPS THAT GRINDING TRANSMISSIONS ARE NORMAL AND WHICH CONTRADICTS REALITY. GRINDING TRANSMISSIONS ON NEW VEHICLES ARE NOT GRINDING

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SAFE, THEY'RE DEFECTIVE AND SAYING THAT THEY ARE NORMAL IS LEGALLY CONCERNING.

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PLEASE LOOK INTO THE SAFETY AND VALUE IMPLICATIONS OF THIS ISSUE FOR A NEW 2019 VOLKSWAGEN JETTA'S. AMΙ VERY CONCERNED FOR MY SAFETY AND JUST WANT THE PROBLEM FIXED BY VOLKSWAGEN. THEY HAVE REFUSED TO HELP ME 3 TIMES AND I HAVE BEEN GIVEN A RUN AROUND BY VW REGIONAL CARE PROVIDERS WITH THIS ISSUE, TOO (IT'S BEEN A TERRIBLE EXPERIENCE

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DEALING WITH VW AT TRYING TO GET THE VEHICLE BOUGHT BACK FOR SUCH A BAD DEFECT).

92. On January 22, 2019, the following incident dated January 22, 2019 was reported:

8 SPEED AUTOMATIC TRANSMISSION HAS A METALLIC GRINDING OR SCRAPING NOISE WHEN OPERATING AT LOW RPM'S DURING ACCELERATION. SPECIFICALLY AFTER THE TRANSITION TO 5TH GEAR. THE POWERTRAIN **HESITATES** NOTICEABLY DURING ACCELERATION WHEN THIS AFOREMENTIONED SOUND IS ACTIVE. IT'S ONLY A MATTER OF TIME BEFORE TRANSMISSION FAILS AND LEAVES ME IN THE MIDDLE OF A BUSY INTERSECTION. IT'S AN EXTREMELY COMMON ISSUE ON THE 2019 VOLKSWAGEN **JETTA** THAT MANUFACTURER REFUSES TO ACKNOWLEDGE AS AN ACTUAL PROBLEM. THEY CLAIM THE SCRAPING AND GRINDING SOUND IS A "NORMAL CHARACTERISTIC" OF THE CAR, WHICH IS TOTALLY NONSENSICAL.

Customer Complaints on Third-Party Websites

- 93. Consumers similarly complained about the defect on various online forums. Below are some examples.
- 94. In a forum for 2019 Jettas on vwvortex.com, one commenter began a thread titled "Wierd noise" with a post dated June 17, 2018 as follows:

I've been an owner of my new 2019 Jetta SE for about two weeks. I've noticed something strange though that idk if anyone else might have with there vehicles as well. Starting my car from 0mph to about 25mph to 35 mph I hear a wierd noise. Like I can hear the gears shift oddly. I never had a 1.4t or even a new car period, so I ignored it thinking it can a feature for safety or so. But it bothers the heck out of me.. it feels as if the 2nd or 3rd gear shift makes this noise.. the performance isn't effected at all.. just this noise is wierd. Anybody out there have this issue

⁹ https://forums.vwvortex.com/showthread.php?9205505-Wierdnoise&highlight=Aisin+transmission (last viewed June 6, 2019).

at all?

95. A consumer responded on this thread on July 11, 2018:

I also am experiencing this issue in my 2019 R-Line. Purchased it under 3 weeks ago. The noise was really bothering me... took it to the dealer a few days after purchase and they told me it was "normal DSG noise." Another few days go by and it was bothering me again so I test drove another Jetta. It made the same noise. I then learned that this car doesn't actually have a DSG so I took it to a different dealer to get a second opinion. THEY FOUND A TRANSMISSION FLUID LEAK -LEVELS WERE PRETTY LOW AND LIKELY CAUSING DAMAGE!!!! They are still trying to figure out the extent of the issue and working towards a resolution. Needless to say i'm not a happy camper...especially this being my first new car and first(last?) Volkswagen. I wonder if this noise is directly related and this transmission leak could be a wide spread issue????

96. In the reviews section for 2019 Jettas on Edmunds.com,¹⁰ a consumer wrote on December 1, 2018:

Poor quality have had 5 issues in less than 5 months. Dealer says one issue is normal, the grinding of brakes. You can judge for yourself if you'd like, my review is on youtube Under "Volkswagen VW 2019 Jetta review with all 5 issues". The issue I'm most concerned with is the brakes and you can hear the "normal" 3 minutes into the video. Everyone I know says it's not regular. 30 years of driving and never heard. It's great having a warranty but when you bring it in for the third time and they say there's nothing wrong it's pointless. They even said other customers have complained but that's how Volkswagens sound. Crazy. Of course there's the other issues including a back panel popping off and a recall for water leaks. Very very disappointed. Did I say very?

97. On Edmunds.com, another consumer wrote on March 11, 2019:

This is the worst car I've ever had! My car has been in the shop around 9 times and I have only owned it for 8 months! Numerous problems with my crash sensors, and

Page 28

¹⁰¹⁰ https://www.edmunds.com/volkswagen/jetta/2019/consumer-reviews/?pagesize=50&sorting=created%3Adesc (last viewed June 6, 2019).

blind spot monitor sensors going off at the wrong time, so unsafe! I have expressed to my local dealer numerous times that the car has a steady murmur coming from the engine and it took me 3 separate trips to the dealer for them to hear the noise, they looked at me like I was crazy until other customers reported the noise as well. My car sat in the shop for a little over a week just for them to tell me nothing was wrong with it. The last time I took it to the dealer they had told me VW Corporate was aware of the issue and were actively working on a solution. Well, fast forward 2 months later I still have not hear a thing back about it. I also just found out there are 3 current recalls on the car so I am beyond frustrated that my car is currently been in the shop. Too bad I am stuck with the car for another 3 years.

98. On Edmunds.com, another consumer wrote on March 13, 2019:

If I could turn back time... I never would have leased this VW! I should run as soon as I figured out that no one at the dealership knew how to properly register a lease. But I didn't, so now I'm stuck...Don't miss your first oil change, because the car is leaking transmission fluid from faulty materials in and around the transcooler. Oh and be prepared for all of the recalls to need to be fixed when you arrive for that first oil change. Shortly after the oil change, you can expect the heat to stop working. Be prepared for everyone to laugh at your brand new car and the sound it makes at around 30-40mph because of faulty materials again... oh but VW will deny that part... it's normal for a 2019 to growl and grind. SMH I'm sure I'll be able to comment on here dozens and dozens of times before my lease runs out... If only I could turn back time...

99. In the reviews section for 2019 Jettas on cars.com,¹¹ a consumer wrote on August 28, 2018:

Have owned 2019 Jetta for 5 weeks. First week was fine.. 2nd week I noticed an audible noise coming from the transmission. (Like a grinding noise) when driving in standard mode. It has gotten worse in the past 2 weeks. I took the car in to local vw dealer. We took it for a test drive and technician said he does hear and feel it. I waited 2 more hours for service mgr to come tell me its normal??? xxx? Im sorry, but a brand new car does NOT make strange noises in the 20-30mph range). I come to

¹¹¹¹ https://www.cars.com/research/volkswagen-jetta-2019/consumer-reviews/ (last viewed June 6, 2019).

find out a week later, others are now experiencing this same issue and VW continues to "blow it off" as 1 Normal? I think vw has a major issue going on and they dont want to admit it at this point. 6 year warranty or not, driving aound and when your family asks you what they 3 strange noise is I just shrug it off... Embarassed to have purchased this car. I will be going thru VW channels to return this car and get Refunded... AVOID the 2019 4 VW's w/8 speed transmissions. Check out ywvortex web 5 site.. Many folks on there now voicing their concerns over this future recall. 6 7 100. On cars.com, another consumer wrote on October 4, 2018: I was super excited to get a brand new car... my excitement quickly died when the car started making 9 noises. Between 30-40 mph, the car makes a growling 10 noise - very loud and obvious People are asking what it is - so embarrassing! Then the backup camera went out twice! I took the car to VW, they beat around the bush 11 and won't look at it, said I can come back another day... 12 even though I made an appointment 3 days prior. 'I will never drive a VW again - I'll be telling everyone I know 13 about this - it's about time this company goes out of business. 14 15 101. On cars.com, another consumer wrote on October 23, 2018: 16 The car is extremely slow and makes a terrible rattle 17 noise each time you accelerate, which is normal according to Volkswagen. The brakes require a firm 18 press to come to a full stop, which makes driving extremely uncomfortable combined with 19 underpowered the car is. The interior is very cheap. I've had the car for 6 months and it rattles like it's five years 20 old. The only thing this car has going for it is the excellent gas mileage. Otherwise, I can't wait to get rid 21 of this car. 22 On cars.com, another consumer wrote on November 26, 2018: 23 24 Quiet ride except for the grinding noise in the transmission switching from 4 th to 5th gear Buyer 25 beware Dealer has no idea how to fix the problem 26 103. On cars.com, another consumer wrote on December 3, 2018: 27 28 I have owned the Jetta for approximately 90 days. It has

been to the dealer 3 times for a faulty transmission and passenger window that does not go up and down. Each time the dealer keeps the car for one week and returns it in the same condition. The transmission lurches forward from 1st to 2nd gears and drags between other gears. There are hundreds of complaints online by 2019 Jetta owners having the same transmission issues. The VW Dealer is indifferent to repairing the car and VW Corporate is downright INDIFFERENT, unprofessional and spends a lot of energy dodging complaints than honoring consumers commitment and safety. A defective transmission is dangerous. VW Corporate still hasn't issued a recall. I am invoking the LEMON LAW, which is a hassle. Meanwhile, legal action against the dealer is my only recourse to get rid of this LEMON.

104. On cars.com, another consumer wrote on December 5, 2018:

Loved the car when I test drove it. Then, unfortunately, within 1 week heard this horrible grinding noise which VW said was normal. They wouldn't do anything for me. I ended up trading it in (losing a lot of money) because I was afraid that the grinding noise would end up causing a dangerous situation.

105. In a forum for 2019 Jettas titled "Grinding Noise" on carcomplaints.com, a consumer wrote on August 1, 2018:

I purchased my 2019 Volkswagen Jetta SEL-Premium brand new. The 8 speed automatic transmission emits a grinding noise that sounds metallic when up-shifting under normal or light acceleration. Vibrations and resonance can be felt in in the accelerator pedal and floorboard. I have not taken the vehicle to the dealership at this time as I do not want to waste my time sitting around for several hours, only to be told by a service advisor that Volkswagen feels the sound and transmission behavior is "Normal" as that is their OFFICIAL stance on the matter as of November 2018. The sound is NOT NORMAL Volkswagen, do something to fix these garbage transmissions that your engineering team haphazardly chose to implement into the MK7 Jetta!

106. In the "Grinding Noise" forum on carcomplaints.com, another

¹² https://www.carcomplaints.com/Volkswagen/Jetta/2019/transmission/grinding_noise.shtml (last viewed June 6, 2019).

consumer wrote on August 30, 2018:

I recently bought a 2019 Jetta S with 8 speed auto and having the same grind/gurgle type noise at 30 mph. Only seems to happen when the rpm's are under 2000. I also get a similar sound when I hold the speed steady between 40 and 50 mph. Seem to occur in Eco mode and normal mode, but not in sport mode, or just not noticeable.

I took it back to the dealer and had a tech go with me on a drive. He said that it was "normal" that the turbo valve was releasing air. They did not document the issue. This still bothers me, I called customer care to open a case and have another appointment with a different dealer and will make sure this gets documented.

Update after service appointment today, 9/12/18 19 Jetta S Automatic

Had the car looked at by a different dealer today. Tech took it for a ride than he drove with me. He does confirm there is a noise present. When we went out for our drive, I drove the car in all 3 modes. The noise is most present in Eco mode. In Drive mode it is still there but is a little better. In Sport mode I really do not notice it at all. At this time the tech feels that the noise issue is normal due to the 8 speed transmission being hooked up to a small 1.4t engine. He also mentioned giving the car more time to break-in and see if there are any changes once I get closer to 2,000 miles.

I just wonder how much damage this torque converter vibration is doing to the rest of the engine and transmission. This was my first VW ever, probably my last one too.

107. In another forum titled "Transmission Fluid Leak" on carcomplaints.com,¹³ a consumer wrote on July 27, 2018:

I had not even made my first car payment when I brought my car in for a flat tire. It was then that the dealer discovered a large transmission leak. No lights went on in my 2019 Jetta to indicate there was leak let alone a problem. I had a loaner car for 2 and half weeks because the dealer stated they did not know when the 2019 transmission fluid would be released from Volkswagen. Not only did my new Jetta have a huge leak, and needed

Page 32

¹³ https://www.carcomplaints.com/Volkswagen/Jetta/2019/transmission/transmission_fluid_leak.shtml (last viewed June 6, 2019).

to repair the transmission with new parts, but I had to 1 wait a long time. 2 108. In the "Transmission Fluid Leak" forum on carcomplaints.com, 3 another consumer wrote on October 27, 2018: 4 5 DO NOT PURCHASE A 2019 VW JETTA UNTIL THEY FIGURE THE NEW PROBLEM OUT. 6 I purchased a new 2019 Jetta Execline from Pickering 7 Volkswagen on Oct 20, 2018. Drove the car and noticed noises coming from the left side of the engine. The sales 8 manager at the dealership informed me that they know about noises but that is normal. When the noises became 9 even more annoying, the car was taken in on Sat Oct 27, 2018 (one week later) as I cannot accept that this is 10 normal. 11 When the car was on the hoist the mechanic said the transmission seals were leaking and showed me it 12 dripping. Also, the two drive shafts were making clicking noises when each drive shaft was turned by hand 13 even slightly. If you rotate the wheels, there was a distinct clicking noise and he said this is the second time 14 it has happened where the new cars have bad seals, but that the clicking noises this problem has happened 15 before. I asked why wouldn't you tell your customers that there is a problem before I bought the car, and there was 16 no answer by John Callaghan. 17 The sales manager said that he knew there is noise complaints with the new car, but that was normal. NORMAL my @\$\$. The service manager did his best to 18 smooth things over by saying he was working for me, but 19 he also is aware that the noises have been something they experience but aren't telling the purchasers because it's 20 not on every sale. 21 CHECK CAREFULLY BEFORE YOU BUY FROM PICKERING VW, THEY MAY NOT TELL YOU EVERYTHING ABOUT YOUR CAR PURCHASE, AND THEN SAY THEY CAN'T DO ANYTHING 22 23 ABOUT TAKING THE CAR BACK AS THEY ONLY SELL THE CAR. WHAT B.S. 24 I believe that the new 2019 Jetta may have another 25 problem like the diesel problem where they are selling cars even though they know there are mechanical and 26 potential safety issues with the car. 27 DO NOT BUY A 2019 JETTA UNTIL VW FIGURES THIS OUT AND REPLACES THE BAD CARS OR 28 FIXES THEM ALL!!

- 109. VWGoA had superior and exclusive knowledge of the Transmission Defect and knew or should have known that the defect was not known or reasonably discoverable by Plaintiffs and Class Members before they purchased or leased the Class Vehicles.
- 110. Plaintiffs are informed and believe, and based thereon allege, that before Plaintiffs purchased their respective Class Vehicles, and since early 2018, VWGoA knew about the Transmission Defect through sources not available to consumers, including pre-release testing data, early consumer complaints to VWGoA and its dealers, testing conducted in response to those consumer complaints, high failure rates of the Transmission, the data demonstrating the inordinately high volume of replacement part sales, and other aggregate data from VWGoA dealers about the problem.
- 111. VWGoA is experienced in the design and manufacture of consumer vehicles. As an experienced manufacturer, VWGoA conducts tests, including pre-sale durability testing, on incoming components, including the Transmission, to verify the parts are free from defect and align with VWGoA's specifications. Thus, VWGoA knew or should have known the Transmission was defective and prone to put drivers in a dangerous position due to the inherent risk of the Transmission Defect.
- 112. Additionally, Defendant should have learned of this widespread defect from the sheer number of reports received from dealerships. Defendant VWGoA's customer relations department, which interacts with individual dealerships to identify potential common defects, has received numerous reports regarding the Transmission Defect, which led to the release of the Technical Tips. VWGoA's customer relations department also collects and analyzes field

¹⁴ Akweli Parker, *How Car Testing Works*, HowSTUFFWORKS.COM, http://auto.howstuffworks.com/car-driving-safety/safety-regulatory-devices/car-testing.htm ("The idea behind car testing is that it allows manufactures to work out all the kinks and potential problems of a model before it goes into full production.") (last viewed June 5, 2019).

data including, but not limited to, repair requests made at dealerships, technical reports prepared by engineers who have reviewed vehicles for which warranty coverage is being requested, parts sales reports, and warranty claims data.

- 113. Defendant's warranty department similarly analyzes and collects data submitted by its dealerships to identify warranty trends in its vehicles. It is Defendant's policy that when a repair is made under warranty the dealership must provide VWGoA with detailed documentation of the problem and a complete disclosure of the repairs employed to correct it. Dealerships have an incentive to provide detailed information to Defendant, because they will not be reimbursed for any repairs unless the justification for reimbursement is sufficiently detailed.
- 114. The existence of the Transmission Defect is a material fact that a reasonable consumer would consider when deciding whether to purchase or lease a Class Vehicle. Had Plaintiffs and other Class Members known of the Transmission Defect, they would have paid less for the Class Vehicles or would not have purchased or leased them.
- 115. Reasonable consumers, like Plaintiffs, expect that a vehicle's transmission is safe, will function in a manner that will not pose a safety risk, and is free from defects. Plaintiffs and Class Members further reasonably expect that VWGoA will not sell or lease vehicles with known safety defects, such as the Transmission Defect, and will disclose any such defects to its consumers when it learns of them. They did not expect VWGoA to conceal and fail to disclose the Transmission Defect to them, and to then continually deny its existence.

VWGoA Has Actively Concealed the Transmission Defect

116. Despite its knowledge of the Transmission Defect in the Class Vehicles, VWGoA actively concealed the existence and nature of the defect from Plaintiffs and Class Members. Specifically, VWGoA failed to disclose or

actively concealed at and after the time of purchase, lease, or repair:

- (a) any and all known material defects or material nonconformity of the Class Vehicles, including the defects pertaining to the Transmission;
- (b) that the Class Vehicles, including the Transmission, were not in good in working order, were defective, and were not fit for their intended purposes; and
- (c) that the Class Vehicles and the Transmission were defective, despite the fact that VWGoA learned of such defects as early as early 2018.
- 117. When consumers present their Class Vehicles to an authorized VWGoA dealer for Transmission repairs, rather than repair the problem under warranty, VWGoA dealers either inform consumers that their vehicles are functioning properly or conduct repairs that merely mask the Transmission Defect.
- 118. VWGoA has caused Class Members to expend money at its dealerships to diagnose, repair or replace the Class Vehicles' Transmission and/or related components, despite VWGoA's knowledge of the Transmission Defect.

VWGoA Has Unjustly Retained A Substantial Benefit

- 119. On information and belief, Plaintiffs allege that Defendant unlawfully failed to disclose the alleged defect to induce them and other putative Class Members to purchase or lease the Class Vehicles.
- 120. Plaintiffs further allege that Defendant thus engaged in deceptive acts or practices pertaining to all transactions involving the Class Vehicles, including Plaintiffs'.
- 121. As discussed above therefore, Plaintiffs allege that Defendant unlawfully induced them to purchase their respective Class Vehicles by

concealing a material fact (the defective Transmission) and that they would have paid less for the Class Vehicles, or not purchased them at all, had they known of the defect.

122. Accordingly, Defendant's ill-gotten gains, benefits accrued in the form of increased sales and profits resulting from the material omissions that did - and likely will continue to - deceive consumers, should be disgorged.

CLASS ACTION ALLEGATIONS

- 123. Plaintiffs bring this lawsuit as a class action on behalf of themselves and all others similarly situated as members of the proposed Class pursuant to Federal Rules of Civil Procedure 23(a) and 23(b)(3). This action satisfies the numerosity, commonality, typicality, adequacy, predominance, and superiority requirements of those provisions.
 - 124. The Class and Sub-Class are defined as:

<u>Class:</u> All individuals in the United States who purchased or leased any Class Vehicle.

<u>California Sub-Class</u>: All members of the Class who reside in the State of California.

<u>CLRA Sub-Class</u>: All members of the California Sub-Class who are "consumers" within the meaning of California Civil Code § 1761(d).

<u>Implied Warranty Sub-Class</u>: All members of the Class who purchased or leased their vehicles in the State of California.

<u>Pennsylvania Sub-Class</u>: All members of the Class who reside in the State of Pennsylvania.

<u>Utah Sub-Class</u>: All members of the Class who reside in the State of Utah.

125. Excluded from the Class and Sub-Classes are: (1) Defendant, any entity or division in which Defendant has a controlling interest, and their legal representatives, officers, directors, assigns, and successors; (2) the Judge to whom this case is assigned and the Judge's staff; (3) any Judge sitting in the

presiding state and/or federal court system who may hear an appeal of any judgment entered; and (4) those persons who have suffered personal injuries as a result of the facts alleged herein. Plaintiffs reserve the right to amend the Class and Sub-Class definitions if discovery and further investigation reveal that the Class and Sub-Class should be expanded or otherwise modified.

- 126. <u>Numerosity</u>: Although the exact number of Class Members is uncertain, and can only be ascertained through appropriate discovery, the number is significant enough such that joinder is impracticable. The disposition of the claims of these Class Members in a single action will provide substantial benefits to all parties and to the Court. The Class Members are readily identifiable from information and records in Defendant's possession, custody, or control, as well as from records kept by the Department of Motor Vehicles.
- 127. Typicality: Plaintiffs' claims are typical of the claims of the Class in that Plaintiffs, like all Class Members, purchased or leased a Class Vehicle designed, manufactured, and distributed by VWGoA. The representative Plaintiffs, like all Class Members, have been damaged by Defendant's misconduct in that they have incurred or will incur the cost of repairing or replacing the defective Transmission and/or its components. Furthermore, the factual bases of VWGoA's misconduct are common to all Class Members and represent a common thread resulting in injury to the Class.
- 128. <u>Commonality</u>: There are numerous questions of law and fact common to Plaintiffs and the Class that predominate over any question affecting Class Members individually. These common legal and factual issues include the following:
 - (a) Whether Class Vehicles suffer from defects relating to the Transmission;
 - (b) Whether the defects relating to the Transmission constitute an unreasonable safety risk;

1	(c)	Whether Defendant knew about the defects pertaining to the
2		Transmission and, if so, how long Defendant has known of
3		the defect;
4	(d)	Whether the defective nature of the Transmission constitutes a
5		material fact;
6	(e)	Whether Defendant has had an ongoing duty to disclose the
7		defective nature of the Transmission to Plaintiffs and Class
8		Members;
9	(f)	Whether Plaintiffs and the other Class Members are entitled
10		to equitable relief, including a preliminary and/or a permanent
11		injunction;
12	(g)	Whether Defendant knew or reasonably should have known of
13		the defects pertaining to the Transmission before it sold and
14		leased Class Vehicles to Class Members;
15	(h)	Whether Defendant should be declared financially responsible
16		for notifying the Class Members of problems with the Class
17		Vehicles and for the costs and expenses of repairing and
18		replacing the defective Transmission and/or its components;
19	(i)	Whether Defendant is obligated to inform Class Members of
20		their right to seek reimbursement for having paid to diagnose,
21		repair, or replace their defective Transmission and/or its
22		components;
23	(j)	Whether Defendant breached the implied warranty of
24		merchantability pursuant to the Magnuson-Moss Warranty
25		Act;
26	(k)	Whether Defendant breached the implied warranty of
27		merchantability pursuant to the Song-Beverly Act
28	(1)	Whether Defendant breached its express warranties under

UCC section 2301; and

- (m) Whether Defendant breached written warranties pursuant to the Magnuson-Moss Warranty Act.
- 129. <u>Adequate Representation</u>: Plaintiff swill fairly and adequately protect the interests of the Class Members. Plaintiffs have retained attorneys experienced in the prosecution of class actions, including consumer and product defect class actions, and Plaintiffs intend to vigorously prosecute this action.
- all suffered, and will continue to suffer, harm and damages as a result of Defendant's unlawful and wrongful conduct. A class action is superior to other available methods for the fair and efficient adjudication of the controversy. Absent a class action, most Class Members would likely find the cost of litigating their claims prohibitively high and would therefore have no effective remedy. Because of the relatively small size of the individual Class Members' claims, it is likely that only a few Class Members could afford to seek legal redress for Defendant's misconduct. Absent a class action, Class Members will continue to incur damages, and Defendant's misconduct will continue unabated without remedy or relief. Class treatment of common questions of law and fact would also be a superior method to multiple individual actions or piecemeal litigation in that it will conserve the resources of the courts and the litigants and promote consistency and efficiency of adjudication.

FIRST CAUSE OF ACTION

(Violation of California's Consumers Legal Remedies Act, California Civil Code § 1750, et seq.) (On Behalf of the CLRA Sub-Class)

- 131. Plaintiffs Parrish and Combrinck incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.
 - 132. Plaintiffs Parrish and Combrinck bring this cause of action on behalf

of themselves and the CLRA Sub-Class (CLRA Sub-Class).

133. Defendant is a "person" as defined by California Civil Code § 1761(c).

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134. Plaintiffs Parrish and Combrinck and the CLRA Sub-Class members are "consumers" within the meaning of California Civil Code § 1761(d) because they purchased their Class Vehicles primarily for personal, family, or household use.

- 135. By failing to disclose and concealing the defective nature of the Transmission from Plaintiffs Parrish and Combrinck and prospective CLRA Sub-Class members, Defendant violated California Civil Code § 1770(a), as it represented that the Class Vehicles and their Transmission had characteristics and benefits that they do not have, and represented that the Class Vehicles and their Transmission were of a particular standard, quality, or grade when they were of another. *See* Cal. Civ. Code §§ 1770(a)(5) & (7).
- 136. Defendant's unfair and deceptive acts or practices occurred repeatedly in Defendant's trade or business, were capable of deceiving a substantial portion of the purchasing public, and imposed a serious safety risk on the public.
- 137. Defendant knew that the Class Vehicles and their Transmission suffered from an inherent defect, were defectively designed, and were not suitable for their intended use.
- 138. As a result of their reliance on Defendant's omissions, owners and/or lessees of the Class Vehicles, including Plaintiffs Parrish and Combrinck, suffered an ascertainable loss of money, property, and/or value of their Class Vehicles. Additionally, as a result of the Transmission Defect, Plaintiffs Parrish and Combrinck and the CLRA Sub-Class members were harmed and suffered actual damages in that the Class Vehicles' Transmission and its components are substantially certain to fail before their expected useful life has run.

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- 139. Defendant was under a duty to Plaintiffs Parrish and Combrinck and the CLRA Sub- Class members to disclose the defective nature of the Transmission and/or the associated repair costs because:
 - (a) Defendant was in a superior position to know the true state of facts about the safety defect in the Class Vehicles' Transmission:
 - Plaintiffs Parrish and Combrinck and the CLRA Sub-Class (b) members could not reasonably have been expected to learn or discover that their Transmission had a dangerous safety defect until it manifested; and
 - (c) Defendant knew that Plaintiffs Parrish and Combrinck and the CLRA Sub-Class members could not reasonably have been expected to learn of or discover the safety defect.
- 140. In failing to disclose the defective nature of Transmission, Defendant knowingly and intentionally concealed material facts and breached its duty not to do so.
- 141. The facts Defendant concealed from or failed to disclose to Plaintiffs Parrish and Combrinck and the CLRA Sub-Class members are material in that a reasonable consumer would have considered them to be important in deciding whether to purchase or lease the Class Vehicles or pay less. Had Plaintiffs Parrish and Combrinck and the CLRA Sub-Class members known that the Class Vehicles' Transmission was defective, they would not have purchased or leased the Class Vehicles or would have paid less for them.
- 142. Plaintiffs Parrish and Combrinck and the CLRA Sub-Class members are reasonable consumers who do not expect the transmission installed in their vehicles to exhibit problems such as the Transmission Defect. This is the reasonable and objective consumer expectation relating to a vehicle's transmission.

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- 143. As a result of Defendant's conduct, Plaintiffs Parrish and Combrinck and the CLRA Sub-Class members were harmed and suffered actual damages in that, on information and belief, the Class Vehicles experienced and will continue to experience problems such as the Transmission Defect.
- 144. As a direct and proximate result of Defendant's unfair or deceptive acts or practices, Plaintiffs Parrish and Combrinck and the CLRA Sub-Class members suffered and will continue to suffer actual damages.
- 145. Plaintiffs Parrish and Combrinck and the CLRA Sub-Class members are entitled to equitable relief.
- 146. Plaintiff provided Defendant with notice of its violations of the CLRA pursuant to California Civil Code § 1782(a). Defendant failed to provide appropriate relief for their violations of the CLRA. Accordingly, Plaintiffs seek monetary, compensatory, and punitive damages, in addition to injunctive and equitable relief.

SECOND CAUSE OF ACTION

(Violation of California Business & Professions Code § 17200, et seq.) (On Behalf of the California Sub-Class)

- 147. Plaintiffs Parrish and Combrinck incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.
- 148. Plaintiffs Parrish and Combrinck bring this cause of action on behalf of themselves and the California Sub-Class (CA Sub-Class).
- 149. As a result of their reliance on Defendant's omissions, owners and/or lessees of the Class Vehicles, including Plaintiffs Parrish and Combrinck, suffered an ascertainable loss of money, property, and/or value of their Class Vehicles. Additionally, as a result of the Transmission Defect, Plaintiff Parrish and the CA Sub-Class members were harmed and suffered actual damages in that the Class Vehicles' Transmission and/or its components are substantially certain to fail before their expected useful life has run.

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150. California Business & Professions Code § 17200 prohibits acts of
"unfair competition," including any "unlawful, unfair or fraudulent business act
or practice" and "unfair, deceptive, untrue or misleading advertising."

- 151. Plaintiffs Parrish and Combrinck and the CA Sub-Class members are reasonable consumers who do not expect their transmission to exhibit problems such as loss of power, premature wear, and frequent replacement or repair.
- 152. Defendant knew the Class Vehicles and their Transmissions were defectively designed or manufactured, would fail prematurely, and were not suitable for their intended use.
- 153. In failing to disclose the Transmission Defect, Defendant has knowingly and intentionally concealed material facts and breached its duty not to do so.
- 154. Defendant was under a duty to Plaintiffs Parrish and Combrinck and the CA Sub-Class members to disclose the defective nature of the Class Vehicles and their Transmission because:
 - Defendant was in a superior position to know the true state of (a) facts about the safety defect in the Class Vehicles' Transmission; and
 - Defendant actively concealed the defective nature of the Class (b) Vehicles and their Transmission from Plaintiff Parrish and the CA Sub-Class.
- 155. The facts Defendant concealed from or failed to disclose to Plaintiffs Parrish and Combrinck and the CA Sub-Class members are material in that a reasonable person would have considered them to be important in deciding whether to purchase or lease Class Vehicles. Had they known of the Transmission Defect, Plaintiffs Parrish and Combrinck and the other CA Sub-Class members would have paid less for Class Vehicles equipped with the

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allegations contained in the preceding paragraphs of this Complaint.

- 164. Plaintiffs Parrish and Combrinck bring this cause of action against Defendant on behalf of himself and the Implied Warranty Sub-Class (IW Sub-Class).
- 165. Defendant was at all relevant times the manufacturer, distributor, warrantor, and/or seller of the Class Vehicles. Defendant knew or had reason to know of the specific use for which the Class Vehicles were purchased or leased.
- 166. Defendant provided Plaintiffs Parrish and Combrinck and the IW Sub-Class members with an implied warranty that the Class Vehicles and their components and parts are merchantable and fit for the ordinary purposes for which they were sold. However, the Class Vehicles are not fit for their ordinary purpose of providing reasonably reliable and safe transportation because, inter alia, the Class Vehicles and their Transmission suffered from an inherent defect at the time of sale and thereafter and are not fit for their particular purpose of providing safe and reliable transportation.
- 167. Defendant impliedly warranted that the Class Vehicles were of merchantable quality and fit for their intended use. This implied warranty included, among other things: (i) a warranty that the Class Vehicles and their Transmission, which were manufactured, supplied, distributed, and/or sold by VWGoA, would provide safe and reliable transportation; and (ii) a warranty that the Class Vehicles and their Transmission would be fit for their intended use.
- 168. Contrary to the applicable implied warranties, the Class Vehicles and their Transmission at the time of sale and thereafter were not fit for their ordinary and intended purpose of providing Plaintiffs Parrish and Combrinck and the IW Sub-Class members with reliable, durable, and safe transportation. Instead, the Class Vehicles are defective, including the defective Transmission.
- 169. The alleged Transmission Defect is inherent and was present in each Class Vehicle at the time of sale.

- 170. As a result of Defendant's breach of the applicable implied warranties, owners and/or lessees of the Class Vehicles suffered an ascertainable loss of money, property, and/or value of their Class Vehicles. Additionally, as a result of the Transmission Defect, Plaintiffs Parrish and Combrinck and the IW Sub-Class members were harmed and suffered actual damages in that the Class Vehicles' Transmission and/or its components are substantially certain to fail before their expected useful life has run.
- 171. Defendant's actions, as complained of herein, breached the implied warranty that the Class Vehicles were of merchantable quality and fit for such use in violation of California Civil Code §§ 1792 and 1791.1.

FOURTH CAUSE OF ACTION

(Breach of Warranty under the Magnuson-Moss Warranty Act, 15 U.S.C. § 2303 et seq.) (On Behalf of the Class)

- 172. Plaintiffs incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.
- 173. Plaintiffs bring this cause of action on behalf of themselves and on behalf of the Class against Defendant.
- 174. Defendant provided all purchasers and lessees of the Class Vehicles with an express warranty described *infra*, which became a material part of the bargain. Accordingly, Defendant's express warranty is an express warranty under California law.
- 175. The Transmission and its component parts were manufactured and/or installed in the Class Vehicles by Defendant and are covered by the express warranty.
- 176. In a section entitled "What's Covered," Defendant's express warranty provides in relevant part that "The Basic Limited Warranty covers the cost of all parts and labor needed to repair any item on your vehicle when it left

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the manufacturing plant that is defective in material, workmanship or factory preparation." The warranty further provides that "You pay nothing for these repairs. These warranty repairs or adjustments—including all parts and labor connected with them—will be made by your dealer at no charge, using new or remanufactured parts."

- 177. According to VWGoA, "The Basic Limited Warranty lasts for 36 months from the date it begins or for 36,000 miles on the odometer, whichever occurs first."
- 178. Defendant also provides a "Powertrain Limited Warranty" that "covers the cost of all parts and labor needed to repair a powertrain component listed in section 2.4.E below that is defective in workmanship and materials." Section 2.4.E., in turn, lists "Transmission: transmission case and all internal parts; torque converter; drive/flex plate; transmission range switch; speed sensors; pressure sensors; transmission control module; bell housing; oil pan; seals and gaskets for listed components only;" as well as "Front wheel drive: transaxle case and all internal parts... differential cover; oil pan; transaxle speed sensors; transaxle solenoid assembly, PRNDL position switch; transaxle electronic controller; torque converter; seals and gaskets for listed components only."
- 179. According to VWGoA, "The Powertrain Limited Warranty lasts for up to 5 years or 100,000 miles on the odometer, whichever occurs first..."
- 180. Defendant breached the express warranties by selling and leasing Class Vehicles with Transmissions that were defective, requiring repair or replacement within the warranty period, and refusing to honor the express warranty by repairing or replacing, free of charge, the Transmission and its component parts, and instead, replacing the defective Transmission and its components with equally defective Transmissions and components. By simply replacing Plaintiffs' and Class Members' defective Transmissions with similarly

defective parts, VWGoA has failed to "repair" the defects as alleged herein.

- 181. Plaintiffs were not required to notify VWGoA of the breach or was not required to do so because affording VWGoA a reasonable opportunity to cure its breach of written warranty would have been futile. Defendant was also on notice of the defect from complaints and service requests it received from Class Members, from repairs and/or replacements of the Transmission, and from other internal sources.
- 182. As a direct and proximate cause of Defendant's breach, Plaintiffs and the other Class members have suffered, and continue to suffer, damages, including economic damages at the point of sale or lease. Additionally, Plaintiffs and the other Class members have incurred or will incur economic damages at the point of repair in the form of the cost of repair.
- 183. Plaintiffs and the other Class members are entitled to legal and equitable relief against Defendant, including actual damages, consequential damages, specific performance, attorneys' fees, costs of suit, and other relief as appropriate.

FIFTH CAUSE OF ACTION

(Breach of Implied Warranty under the Magnuson-Moss Warranty Act, 15 U.S.C. § 2303 et seq.)

(On Behalf of the Class)

- 184. Plaintiffs incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.
- 185. Plaintiffs bring this cause of action on behalf of themselves and the Class against Defendant.
- 186. The Class Vehicles are a "consumer product" within the meaning of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301(1).
- 187. Plaintiffs and Class Members are "consumers" within the meaning of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301(3).

- 188. Defendant is a "supplier" and "warrantor" within the meaning of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301(4)-(5).
- 189. VWGoA impliedly warranted that the Class Vehicles were of merchantable quality and fit for use. This implied warranty included, among other things: (i) a warranty that the Class Vehicles and their Transmission were manufactured, supplied, distributed, and/or sold by VWGoA would provide safe and reliable transportation; and (ii) a warranty that the Class Vehicles and their Transmission would be fit for their intended use while the Class Vehicles were being operated.
- 190. Contrary to the applicable implied warranties, the Class Vehicles and their Transmissions at the time of sale and thereafter were not fit for their ordinary and intended purpose of providing Plaintiffs and Class members with reliable, durable, and safe transportation. Instead, the Class Vehicles are defective, including the defective design of their Transmission.
- 191. Defendant's breach of implied warranties has deprived Plaintiffs and Class members of the benefit of their bargain.
- 192. The amount in controversy of Plaintiffs' individual claims meets or exceeds the sum or value of \$25,000. In addition, the amount in controversy meets or exceeds the sum or value of \$50,000 (exclusive of interests and costs) computed on the basis of all claims to be determined in this suit.
- 193. Defendant has been afforded a reasonable opportunity to cure its breach, including when Plaintiffs and Class members brought their vehicles in for diagnoses and repair of the Transmission.
- 194. As a direct and proximate cause of Defendant's breach of implied warranties, Plaintiffs and Class members sustained and incurred damages and other losses in an amount to be determined at trial. Defendant's conduct damaged Plaintiffs and Class members, who are entitled to recover actual damages, consequential damages, specific performance, diminution in value,

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costs, attorneys' fees, and/or other relief as appropriate.

195. As a result of Defendant's violations of the Magnuson-Moss Warranty Act as alleged herein, Plaintiffs and Class members have incurred damages.

SIXTH CAUSE OF ACTION

(Violation of the Pennsylvania Unfair Trade Practices and Consumer Protection Law – 73 P.S. § 201-1, et seq.) (On Behalf of the Pennsylvania Sub-Class)

- 196. Plaintiff Wood incorporates by reference all preceding allegations as though fully set forth herein
- 197. Plaintiff Wood asserts this claim on behalf of himself and the other members of the Pennsylvania Sub-Class (PA Sub-Class).
- 198. Plaintiff Wood and the PA Sub-Class purchased or leased their Class Vehicles primarily for personal, family or household purposes within the meaning of 73 P.S. § 201-9.2.
- 199. All of the acts complained of herein were perpetrated by Defendant in the course of trade or commerce within the meaning of 73 P.S. § 201-2(3).
- 200. The Pennsylvania Unfair Trade Practices and Consumer Protection Law ("UTPCPL") prohibits unfair or deceptive acts or practices, including: (i) "Representing that goods or services have ... characteristics, [b]enefits or qualities that they do not have;" (ii) "Representing that goods or services are of a particular standard, quality or grade ... if they are of another;" (iii) "Advertising goods or services with intent not to sell them as advertised;" and (iv) "Engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or misunderstanding." 73 P.S. § 201-2(4).
- 201. Defendant engaged in unlawful trade practices, including representing that Class Vehicles have characteristics, uses, benefits, and qualities which they do not have; representing that Class Vehicles are of a particular

standard and quality when they are not; advertising Class Vehicles with the intent not to sell them as advertised; and engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

- 202. In the course of its business, Defendant concealed the Transmission Defect as described herein and otherwise engaged in activities with a tendency or capacity to deceive. Defendant also engaged in unlawful trade practices by employing deception, deceptive acts or practices, fraud, , or concealment, suppression or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale of Class Vehicles.
- 203. Defendant has known of the Transmission Defect and the true nature of its Transmission system when it sold the Vehicles but concealed all of that information.
- 204. By failing to disclose and by actively concealing the Transmission Defect and the true nature of its Transmission system, by marketing its vehicles as safe, reliable, easily operable, efficient, and of high quality, and by presenting itself as a reputable manufacturer that valued safety, cleanliness, performance and efficiency, and stood behind its vehicles after they were sold, Defendant engaged in unfair and deceptive business practices in violation of the UTPCPL.
- 205. Defendant's unfair or deceptive acts or practices were likely to and did in fact deceive reasonable consumers, including Plaintiff Wood and the PA Sub-Class, about the true performance and characteristics of the Class Vehicles.
- 206. Defendant intentionally and knowingly omitted material facts regarding the Class Vehicles with intent to mislead the Plaintiff Wood and the PA Sub-Class.
- 207. Defendant knew or should have known that its conduct violated the UTPCPL.

- 208. Because Defendant fraudulently concealed the Transmission Defect, the value of the Class Vehicles has greatly diminished.
- 209. Defendant's concealment of the true characteristics of the Transmission was material to the Plaintiff Wood and the Pennsylvania Sub-Class.
- 210. The Plaintiff Wood and the PA Sub-Class suffered ascertainable loss caused by Defendant's omissions and its concealment of and failure to disclose material information.
- 211. Defendant had an ongoing duty to all its customers to refrain from unfair and deceptive acts or practices under the UTPCPL. All owners of Class Vehicles suffered ascertainable loss in the form of the diminished value of their vehicles as a result of Defendant's deceptive and unfair acts and practices that occurred in the course of Defendant's business.
- 212. As a direct and proximate result of Defendant's violations of the UTPCPL, the Plaintiff Wood and the PA Sub-Class have suffered injury-in-fact and/or actual damage.
- 213. Defendant is liable to the Plaintiff Wood and the PA Sub-Class for treble their actual damages or \$100, whichever is greater, and attorneys' fees and costs. *See* 73 P.S. § 201-9.2(a). The Plaintiff Wood and the PA Sub-Class are also entitled to an award of punitive damages given that Defendant's conduct was malicious, wanton, willful, oppressive, or exhibited a reckless indifference to the rights of others.

SEVENTH CAUSE OF ACTION

(Breach of Express Warranty pursuant to 13 PA. Const. Stat. §§ 2313 and 2A210.)

(On Behalf of the Pennsylvania Sub-Class)

214. Plaintiffs incorporate by reference and re-allege the allegations contained in this Complaint.

and on behalf of the members of the Pennsylvania Sub-Class.

216. VWGoA is and was at all relevant times a "merchant" with respect

215. Pennsylvania Plaintiffs bring this cause of action on his own behalf

- 216. VWGoA is and was at all relevant times a "merchant" with respect to motor vehicles under 13 Pa. Cons. Stat. §§ 2104 and 2A103(a), and a "seller" of motor vehicles under § 2103(a).
- 217. With respect to leases, VWGoA is and was at all relevant times a "lessor" of motor vehicles under 13 Pa. Cons. Stat. § 2A103(a).
- 218. The Class Vehicles are and were at all relevant times "goods" within the meaning of 13 Pa. Cons. Stat. § 2105(a) and 2A103(a).
- 219. VWGoA provided all purchasers and lessees of the Class Vehicles with the express warranty described herein, which became a material part of the bargain.
- 220. VWGoA provided all purchasers and lessees of Class Vehicles with the VWGoA Warranty.
- 221. According to VWGoA, "The Basic Limited Warranty lasts for 36 months from the date it begins or for 36,000 miles on the odometer, whichever occurs first."
- 222. Defendant also provides a "Powertrain Limited Warranty" that "covers the cost of all parts and labor needed to repair a powertrain component listed in section 2.4.E below that is defective in workmanship and materials." Section 2.4.E., in turn, lists "Transmission: transmission case and all internal parts; torque converter; drive/flex plate; transmission range switch; speed sensors; pressure sensors; transmission control module; bell housing; oil pan; seals and gaskets for listed components only;" as well as "Front wheel drive: transaxle case and all internal parts... differential cover; oil pan; transaxle speed sensors; transaxle solenoid assembly, PRNDL position switch; transaxle electronic controller; torque converter; seals and gaskets for listed components only."

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- 223. According to VWGoA, "The Powertrain Limited Warranty lasts for up to 5 years or 100,000 miles on the odometer, whichever occurs first..."
- 224. VWGoA manufactured and/or installed the Transmission and the transmissions' component parts in the Class Vehicles, and the Transmission and their component parts are covered by the express Warranties.
- 225. The Transmission Defect at issue in this litigation was present at the time the Class Vehicles were sold or leased to Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members.
- 226. Plaintiffs relied on VWGoA's express warranties, which were a material part of the bargain, when purchasing or leasing their Class Vehicles.
- 227. Under the express Warranties, VWGoA was obligated to correct the Transmission Defect in the vehicles owned or leased by Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members.
- 228. Although VWGoA was obligated to correct the Transmission Defect, none of the attempted fixes to the transmissions are adequate under the terms of the Warranties, as they did not cure the defect.
- 229. VWGoA breached the express Warranties by performing illusory repairs. Rather than repairing the vehicles pursuant to the express Warranties, VWGoA falsely informed Pennsylvania Sub-Class Members that there was no problem with their Class Vehicles, performed ineffective procedures including software updates, and/or replaced defective components in the 8L90 and 8L45 transmissions with equally defective components, without actually repairing the Class Vehicles.
- 230. VWGoA and its agent dealers have failed and refused to conform the Transmission to the express Warranties. VWGoA's conduct, as discussed throughout this Complaint, has voided any attempt on its part to disclaim liability for its actions.
 - 231. Moreover, VWGoA's attempt to disclaim or limit these express

Warranties vis-à-vis consumers is unconscionable and unenforceable under the circumstances here. Specifically, VWGoA's warranty limitation is unenforceable because it knowingly sold a defective product without informing consumers about the defect.

- 232. The time limits contained in VWGoA's warranty period were also unconscionable and inadequate to protect Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members. Among other things, Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members had no meaningful choice in determining these time limitations, the terms of which unreasonably favored VWGoA. A gross disparity in bargaining power existed between VWGoA and the Class members, and VWGoA knew or should have known that the Class Vehicles were defective at the time of sale.
- 233. Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members have complied with all obligations under the Warranties, or otherwise have been excused from performance of said obligations as a result of VWGoA's conduct described herein.
- 234. Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members were not required to notify VWGoA of the breach because affording VWGoA a reasonable opportunity to cure its breach of written warranty would have been futile. VWGoA was also on notice of the Transmission Defect from the complaints and service requests it received from Plaintiffs and the Class Members, from repairs and/or replacements of the transmissions or components thereof, and through other internal and external sources.
- 235. Because VWGoA, through its conduct and exemplified by its own service bulletins, has covered repairs of the Transmission Defect if VWGoA determines the repairs are appropriately covered under the Warranties, VWGoA cannot now deny that the Warranties cover the Transmission Defect.
 - 236. Because VWGoA has not been able remedy the Transmission

Defect, any limitation on remedies included in the Warranties causes the Warranties to fail their essential purposes, rendering them null and void.

- 237. As a direct and proximate cause of VWGoA's breach, Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members suffered damages and continue to suffer damages, including economic damages at the point of sale or lease and diminution of value of their Class Vehicles. Additionally, Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members have incurred or will incur economic damages at the point of repair in the form of the cost of repair.
- 238. As a direct and proximate result of VWGoA's breach of express warranties, Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members have been damaged in an amount to be determined at trial.

EIGHTH CAUSE OF ACTION

(Breach of Implied Warranty of Merchantability pursuant to 13 PA. Const. Stat. §§ 2314 and 2A212.)

(On Behalf of the Pennsylvania Sub-Class)

- 239. Plaintiffs incorporate by reference and re-allege the allegations contained in this Complaint.
- 240. VWGoA is and was at all relevant times a "merchant" with respect to motor vehicles under 13 Pa. Cons. Stat. §§ 2104 and 2A103(a), and a "seller" of motor vehicles under § 2103(a).
- 241. With respect to leases, VWGoA is and was at all relevant times a "lessor" of motor vehicles under 13 Pa. Cons. Stat. § 2A103(a).
- 242. The Class Vehicles are and were at all relevant times "goods" within the meaning of 13 Pa. Cons. Stat. § 2105(a) and 2A103(a).
- 243. A warranty that the Class Vehicles were in merchantable condition and fit for the ordinary purpose for which vehicles are used is implied by law under 13 Pa. Cons. Stat. §§ 2314 and 2A212.
 - 244. VWGoA knew or had reason to know of the specific use for which

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the Class Vehicles were purchased or leased. VWGoA directly sold and marketed vehicles equipped with the Transmission to customers through authorized dealers, like those from whom Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members bought or leased their vehicles, for the intended purpose of consumers purchasing the vehicles. VWGoA knew that the Class Vehicles would and did pass unchanged from the authorized dealers to Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members, with no modification to the defective transmissions.

- 245. VWGoA provided Plaintiffs and Class Members with an implied warranty that the Class Vehicles and their components and parts are merchantable and fit for the ordinary purposes for which they were sold.
- 246. This implied warranty included, among other things: (i) a warranty that the Class Vehicles and their transmissions that were manufactured, supplied, distributed, and/or sold by VWGoA were safe and reliable for providing transportation; and (ii) a warranty that the Class Vehicles and their transmissions would be fit for their intended use while the Class Vehicles were being operated.
- 247. Contrary to the applicable implied warranties, the Class Vehicles and their transmissions at the time of sale and thereafter were not fit for their ordinary and intended purpose of providing Plaintiffs and Class Members with reliable, durable, and safe transportation. Instead, the Class Vehicles are defective, including, but not limited to, the defective design and manufacture of their transmissions and the existence of the Transmission Defect at the time of sale or lease and thereafter. VWGoA knew of this defect at the time these sale or lease transactions occurred.
- 248. As a result of VWGoA's breach of the applicable implied warranties, Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members of the Class Vehicles suffered an ascertainable loss of money, property, and/or value of their Class Vehicles. Additionally, as a result of the Transmission

Defect, Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members were harmed and suffered actual damages in that the Class Vehicles' transmission components are substantially certain to fail before their expected useful life has run.

- 249. VWGoA's actions, as complained of herein, breached the implied warranty that the Class Vehicles were of merchantable quality and fit for such use in violation of 13 Pa. Cons. Stat. §§ 2314 and 2A212.
- 250. Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members have complied with all obligations under the warranty, or otherwise have been excused from performance of said obligations as a result of VWGoA's conduct described herein.
- 251. Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members were not required to notify VWGoA of the breach because affording VWGoA a reasonable opportunity to cure its breach of written warranty would have been futile. VWGoA was also on notice of the Transmission Defect from the complaints and service requests it received from Plaintiffs and the Class Members, from repairs and/or replacements of the transmissions or components thereof, and through other internal sources.
- 252. As a direct and proximate cause of VWGoA's breach, Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members suffered damages and continue to suffer damages, including economic damages at the point of sale or lease and diminution of value of their Class Vehicles. Additionally, Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members have incurred or will incur economic damages at the point of repair in the form of the cost of repair.
- 253. As a direct and proximate result of VWGoA's breach of the implied warranty of merchantability, Pennsylvania Plaintiffs and the Pennsylvania Sub-Class Members have been damaged in an amount to be proven at trial.

NINTH CAUSE OF ACTION 1 (Violations of the Utah Consumer Sales Practices Act 2 3 **Utah Code Ann. § 13-11-1** *et seq.*) (On Behalf of the Utah Sub-Class) 4 5 254. Plaintiffs incorporate by reference the allegations contained in the 6 preceding paragraphs of this Complaint. 255. Plaintiff Utne bring this Count on behalf of the Utah Sub-Class 7 Members. 8 9 256. VWGoA qualifies as a "supplier" under the Utah Consumer Sales Practices Act ("Utah CSPA"), Utah Code Ann. § 13-11-3. 10 11 257. Plaintiffs and the Class Members are "persons" under Utah Code Ann. § 13-11-3. Sales of the Class Vehicles to Plaintiffs and the Class were 12 "consumer transactions" within the meaning of Utah Code Ann. § 13-11-3. 13 258. The Utah CSPA makes unlawful any "deceptive act or practice by a 14 supplier in connection with a consumer transaction" under Utah Code Ann. § 13-15 11-4. Specifically, "a supplier commits a deceptive act or practice if the supplier 16 knowingly or intentionally: (a) indicates that the subject of a consumer 17 transaction has sponsorship, approval, performance characteristics, accessories, 18 19 uses, or benefits, if it has not" or (b) indicates that the subject of a consumer transaction is of a particular standard, quality, grade, style, or model, if it is not." 20 Utah Code Ann. § 13-11-4. "An unconscionable act or practice by a supplier in 21 connection with a consumer transaction" also violates the Utah CSPA. Utah 22 Code Ann. § 13-11-5. 23 259. In the course of VWGoA's business, it willingly failed to disclose 24 and actively concealed that the Transmission in the Class Vehicles is defective in 25 that they suffer from the Transmission Defect. VWGoA engaged in unfair and 26 27 deceptive trade practices, in unfair methods of competition, unconscionable acts

or practices, including representing that the Class Vehicles have characteristics,

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uses, benefits, and qualities which they do not have; representing that the Class Vehicles are of a particular standard and quality when they are not; failing to reveal a material fact, the omission of which tends to mislead or deceive the consumer, and which fact could not reasonably be known by the consumer; making a representation of fact or statement of fact material to the transaction such that a person reasonably believes the represented and suggested state of affairs to be other than it actually is; and failing to reveal facts that are material to the transaction in light of the representations of fact made in a positive manner. VWGoA's acts had capacity, tendency, or effect of deceiving or misleading consumers; failed to state a material fact that deceives or tends to deceive; and constitute deception, fraud, false pretense, false promise, or knowing concealment, suppression, or omission of any material fact with intent that Plaintiffs and other Class Members rely upon such concealment, suppression, or omission, in connection with the sale of Class Vehicles. VWGoA engaged in unfair and deceptive business practices in violation of the Utah CSPA.

- 260. In purchasing or leasing the Class Vehicles, Plaintiffs and the other Class Members were deceived by VWGoA's failure to disclose that the Class Vehicles' Transmissions suffer from the Transmission Defect.
- 261. Plaintiffs and Class Members reasonably relied upon VWGoA's omissions. They had no way of knowing that VWGoA's representations and omissions were false and gravely misleading. As alleged herein, VWGoA engaged in extremely sophisticated methods of deception. Plaintiffs and Class Members did not, and could not, unravel VWGoA's deception on their own, as Class Members were not aware of the defective nature of the Transmissions prior to purchase or lease.
- 262. VWGoA's actions as set forth above occurred in the conduct of trade or commerce.

- 263. The facts concealed and omitted by VWGoA were material in that a reasonable consumer would have considered them to be important in deciding whether to purchase or lease the Class Vehicles or pay a lower price. Had Plaintiffs and other Class Members known of the Transmission Defect at the time they purchased or leased their Class Vehicles, they would not have purchased or leased those vehicles, or would have paid substantially less for the vehicles than they did.
- 264. VWGoA's unfair or deceptive acts or practices, fraud, concealment, suppression, or omission of material facts were likely to and did in fact deceive reasonable consumers.
- 265. VWGoA intentionally and knowingly misrepresented material facts regarding the Class Vehicles with intent to mislead Plaintiffs and the Class. \
- 266. VWGoA knew or should have known that its conduct violated the Utah CSPA.
- 267. VWGoA owed to Plaintiffs and the Class a duty to disclose the truth about the Transmission Defect because VWGoA:
 - a. Possessed exclusive knowledge of the design of the Class
 Vehicles and the Transmission Defect in its vehicles, including the uptick in warranty claims it saw;
 - Intentionally concealed the foregoing from Plaintiffs and the Class; and/or
 - c. Made incomplete representations regarding the quality and durability of the Class Vehicles, while purposefully withholding material facts from Plaintiffs and the Class that contradicted these representations.
- 268. Due to VWGoA's specific and superior knowledge that the Transmissions in the Class Vehicles will fail, and Plaintiffs' and other Class Members' reliance on these material omissions, VWGoA had a duty to disclose

to Plaintiffs and the Class Members that their Class Vehicles suffered from the Transmission Defect. These omitted and concealed facts were material because they directly impact the value of the Class Vehicles purchased or leased by Plaintiffs and Class Members.

- 269. VWGoA's conduct proximately caused injuries to Plaintiffs and the other Class Members.
- 270. Plaintiffs and the other Class Members were injured and suffered ascertainable loss, injury in act, and/or actual damages as a proximate result of VWGoA's conduct in that Plaintiffs and the other Class Members overpaid for their Class Vehicles, did not get the benefit of their bargain, their Class Vehicles have suffered a diminution in value, and their vehicles are equipped with a defective Transmission. These injuries are the direct and natural consequence of VWGoA's misrepresentations and omissions.
- 271. VWGoA's violations present a continuing risk to Plaintiffs as well as the other Class Members and the general public. VWGoA's unlawful acts and practices complained of herein affect the public interest.
- 272. Pursuant to Utah Code Ann. § 13-11-4, Plaintiffs and Class Members seek monetary relief against VWGoA measured as the greater of (a) actual damages in an amount to be determined at trial and (b) statutory damages in the amount of \$2,000 for Plaintiffs and each Utah Class Member, reasonable attorneys' fees, and any other just and proper relief available under the Utah CSPA.

TENTH CAUSE OF ACTION

(Breach of Implied Warranty of Merchantability pursuant to Utah Code Ann. § 70A-2-314.)

(On Behalf of the Utah Sub-Class)

273. Plaintiffs incorporate by reference all paragraphs as though fully set forth herein.

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- 274. Plaintiffs bring this Count on behalf of the Utah Sub-Class Members.
- 275. VWGoA was at all times a merchant with respect to motor vehicles within the meaning of the Utah Code Ann. § 70A-2-314.
- 276. Under Utah Code Ann. § 70A-2-314, a warranty that the Class Vehicles were in merchantable condition and fit for the ordinary purpose for which the vehicles are used was implied by law in the transactions when
- 277. Plaintiffs and the Class purchased or leased their Class Vehicles from VWGoA.
- 278. The Class Vehicles, when sold or leased and at all times thereafter, were not in merchantable condition and are not fit for the ordinary purpose for which vehicles are used. Specifically, the Class Vehicles suffered from the Transmission Defect.
- 279. It was reasonable to expect that Plaintiffs and other Class Members may use, consume or be affected by the defective vehicles.
- 280. The Transmissions in the Class Vehicles are inherently defective in that they suffered from the Transmission Defect.
- 281. Plaintiffs and Class Members were and are third-party beneficiaries to the VWGoA's manufacturer's contracts with VWGoA-certified/authorized retailers who sold the Class Vehicles to Plaintiffs and Class Members.
- 282. VWGoA was provided notice of these issues within a reasonable time of Plaintiffs' knowledge of the non-conforming or defective nature of the Class Vehicles, by letters from Plaintiffs' counsel, on behalf of Plaintiffs and the Class, to VWGoA, complaints by Plaintiffs or Class Members to VWGoA either orally or in writing, complaints to VWGoA dealerships, intermediate sellers, or repair facilities either orally or in writing, presentation of the vehicles for repair to dealerships or to intermediate sellers or repair facilities, countless consumer complaints to NHTSA regarding the defect that is the subject of this Complaint,

and/or by the allegations contained in this Complaint.

283. As a direct and proximate result of VWGoA's breach of the implied warranty of merchantability, Plaintiffs and the Class have been damaged in an amount to be proven at trial.

ELEVENTH CAUSE OF ACTION

(For Unjust Enrichment)

(On Behalf of the Class)

- 284. Plaintiffs incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.
- 285. Plaintiffs bring this cause of action on behalf of themselves and the Class.
- 286. As a direct and proximate result of Defendant's failure to disclose known defects, Defendant has profited through the sale and lease of the Class Vehicles. Although these vehicles are purchased through Defendant's agents, the money from the vehicle sales flows directly back to Defendant.
- 287. Additionally, as a direct and proximate result of Defendant's failure to disclose known defects in the Class Vehicles, Plaintiffs and Class Members have vehicles that require repeated, high-cost repairs that can and therefore have conferred an unjust substantial benefit upon Defendant.
- 288. Defendant has been unjustly enriched due to the known defects in the Class Vehicles through the use money paid that earned interest or otherwise added to Defendant's profits when said money should have remained with Plaintiffs and Class Members.
- 289. As a result of the Defendant's unjust enrichment, Plaintiffs and Class Members have suffered damages.

RELIEF REQUESTED

290. Plaintiffs, on behalf of themselves and all others similarly situated, request the Court to enter judgment against Defendant, as follows:

(a) An order certifying the proposed Class and Sub-Classes, 1 designating Plaintiffs as named representatives of the Class, 2 and designating the undersigned as Class Counsel; 3 (a) A declaration that Defendant is financially responsible for 4 5 notifying all Class Members about the defective nature of the Transmission, including the need for periodic maintenance; 6 An order enjoining Defendant from further deceptive 7 (b) distribution, sales, and lease practices with respect to Class 8 9 Vehicles; compelling Defendant to issue a voluntary recall for the Class Vehicles pursuant to 49 U.S.C. § 30118(a); 10 11 compelling Defendant to remove, repair, and/or replace the Class Vehicles' defective Transmission and/or its components 12 with suitable alternative product(s) that do not contain the 13 defects alleged herein; enjoining Defendant from selling the 14 Class Vehicles with the misleading information; and/or 15 16 compelling Defendant to reform its warranty, in a manner deemed to be appropriate by the Court, to cover the injury 17 alleged and to notify all Class Members that such warranty 18 19 has been reformed; A declaration requiring Defendant to comply with the various 20 (c) provisions of the Song-Beverly Act alleged herein and to 21 make all the required disclosures; 22 An award to Plaintiffs and the Class for compensatory, 23 (d) exemplary, and statutory damages, including interest, in an 24 amount to be proven at trial; 25 Any and all remedies provided pursuant to the Song-Beverly 26 (e) Act, including California Civil Code section 1794; 27 Any and all remedies provided pursuant to the Magnuson-28 (f)

Moss Warranty Act; 1 A declaration that Defendant must disgorge, for the benefit of 2 (g) the Class, all or part of the ill-gotten profits it received from 3 the sale or lease of its Class Vehicles or make full restitution 4 5 to Plaintiffs and Class Members; (h) An award of attorneys' fees and costs, as allowed by law; 6 An award of attorneys' fees and costs pursuant to California 7 (i) Code of Civil Procedure § 1021.5; 9 An award of pre-judgment and post-judgment interest, as (j) provided by law; 10 Leave to amend the Complaint to conform to the evidence (k) 11 produced at trial; and 12 Such other relief as may be appropriate under the 13 (1) 14 circumstances. DEMAND FOR JURY TRIAL 15 16 291. Pursuant to Federal Rule of Civil Procedure 38(b) and Central District of California Local Rule 38-1, Plaintiffs demand a trial by jury of all 17 issues in this action so triable. 18 19 Dated: September 4, 2019 Respectfully submitted, 20 **Capstone Law APC** 21 By: /s/ Mark A. Ozzello 22 Mark A. Ozzello Tarek H. Zohdy 23 Cody R. Padgett Trisha K. Monesi 24 Attorneys for Plaintiffs 25 /s/ Russell D. Paul 26 Russell D. Paul 27 Amey J. Park BERGER MONTAGUE PC 28 Page 67

SECOND AMENDED CLASS ACTION COMPLAINT

EXHIBIT 1

1 Mark A. Ozzello (SBN 116595) Mark.Ozzello@capstonelawyers.com 2 Tarek H. Zohdy (SBN 247775) Tarek.Zohdy@capstonelawyers.com Cody R. Padgett (SBN 275553) 3 Cody.Padgett@capstonelawyers.com 4 Trisha K. Monesi (SBN 303512) Trisha.Monesi@capstonelawyers.com 5 Capstone Law APC 6 1875 Century Park East, Suite 1000 Los Angeles, California 90067 Telephone: (310) 556-4811 Facsimile: (310) 943-0396 7 8 Russell D. Paul 9 rpaul@bm.net Amey J. Park apark@bm.net 10 BERGÉR MONTAGUE P.C. 1818 Market Street, Suite 3600 11 Philadelphia, PA 19103 Telephone: (215) 875-3000 Facsimile: (215) 875-4604 12 13 14 Attorneys for Plaintiffs 15 UNITED STATES DISTRICT COURT 16 CENTRAL DISTRICT OF CALIFORNIA 17 Case No.: 18 DOMINIQUE PARRISH and EVAN WOOD, individually, and on behalf 19 of a class of similarly situated individuals, DECLARATION OF DOMINIQUE 20 PARISH IN SUPPORT OF VENUE Plaintiffs, FOR CLASS ACTION COMPLAINT PURSUANT TO CIVIL CODE 21 V. **SECTION 1780(d)** 22 VOLKSWAGEN GROUP OF AMERICA, INC. a Delaware limited 23 liability company, 24 Defendant. 25 26 27 28

DECLARATION IN SUPPORT OF VENUE

- 1. I make this declaration based upon my personal knowledge except as to those matters stated herein that are based upon information and belief, and as to those matters I believe them to be true. I am over the age of eighteen, a citizen of the State of California, and a Plaintiff in this action.
- 2. Pursuant to California Civil Code section 1780(d), this Declaration is submitted in support of Plaintiff's Selection of Venue for the Trial of Plaintiff's Cause of Action alleging violation of California's Consumers Legal Remedies Act against Defendant, Volkswagen Group of America, Inc. ("VWGoA").
- 3. I purchased my 2019 Volkswagen Jetta—the subject vehicle in this lawsuit—from Norm Reeves Volkswagen Superstore, an authorized VWGoA dealer in Irvine, California, which is the County of Orange.
- 4. I am informed and believe that Defendant VWGoA is a corporation organized and in existence under the laws of the State of New Jersey and registered to do business in the State of California. On information and belief, VWGoA conducts business in Orange County, including marketing, distributing, selling, and/or servicing vehicles through its authorized dealerships.
- 5. Based on the facts set forth herein, this Court is a proper venue for the prosecution of Plaintiff's Cause of Action alleging violation of California's Consumers Legal Remedies Act because vehicles a substantial portion of the events giving rise to my claims occurred here. Further, Defendant conducts business in the Central District of California and the County of Orange, California, including, but not limited to, marketing, distributing, selling, and/or servicing Class Vehicles to Class Members.

1	6. I declare under penalty of perjury under the laws of California and
2	the United States of America that the foregoing is true and correct.
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4	Executed on June, 2019 in, California.
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