

GM seeks court protection from ignition lawsuits

NEW YORK, USA: General Motors (GM) plans to ask a bankruptcy court to rule that it is protected from lawsuits arising from faulty ignitions tied to 13 deaths and numerous crashes.



GM is to ask a New York court for protection from damages claims arising from the deaths of 13 people because of manufacturing defects. Image: Andrey Burmakin [Fotolia](#)

In a federal court filing in Corpus Christi, Texas, GM said it plans to ask the New York court which oversaw its 2009 bankruptcy to determine whether it can be sued for liabilities arising from the company's operations pre-bankruptcy.

The bankruptcy reorganisation, which came after the US government rescued the largest US car manufacturer the previous year, split the company into "Old GM" and "New GM".

The company's filing said that the bankruptcy court's original restructuring plan made clear that liabilities like the ignition-switch problem remain with Old GM and that third parties cannot sue New GM for them.

Ignition-switch lawsuits filed in the Corpus Christi court relate "to a vehicle designed, manufactured, originally sold, and advertised by Old GM; a potentially defective component part allegedly existing in an automobile sold in 2006, before New GM even existed," the company argued.

GM said it will ask the bankruptcy court for a definitive ruling on the liability of New GM in all ignition cases.

"The 2009 bankruptcy decision had already expressly enjoined third parties from asserting claims against New GM that remained with Old GM," the company said.

GM said it wants the Corpus Christi trial halted so it can consolidate into one all of the lawsuits arising from the faulty

ignitions. These cases would be heard by a California judge.

It said it expects the bankruptcy court judge to rule that it is protected from the legal action.

"If the court rules that New GM is partly liable for damages, its ruling will inevitably narrow and fundamentally alter the nature of the cases," GM said, adding that was even more reason to halt the Texas proceedings.

Source: AFP via I-Net Bridge

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