



Volkswagen Settlement Consumer Q&A

What is the Volkswagen settlement?

The Volkswagen settlement is a comprehensive settlement of many claims relating to the Volkswagen's "Dirty Diesel" emission fraud case. On June 28, 2016, the Environmental Protection Agency ("EPA"), the Federal Trade Commission ("FTC"), and the plaintiffs' attorneys leading the class action lawsuits against Volkswagen ("VW") all announced their settlements with the company. Among other things, the settlements provide consumers with the option to either sell affected vehicles back to Volkswagen, or to have the vehicles repaired to fix the emissions violations.

On that same day, the States' Attorneys General also announced a settlement with Volkswagen in which the company agreed to pay over \$570 million in penalties for their violations of the States' consumer protection laws.

The details of the settlement are available at www.VWCourtSettlement.com, and through the Federal Trade Commission website, www.ftc.gov/VWSettlement. Additional online resources will likely be made available by VW and the court.

Which vehicles are covered by these Settlement Agreements?

Although the diesel emissions fraud involved "defeat devices" installed in both 2.0 liter and 3.0 liter engine cars and SUVs, **the current settlement covers only vehicles with the 2.0 liter engines**. VW, the state attorneys general, federal regulators, and the consumer class action lawyers continue to negotiate about what relief will be available later to owners of the 3.0 liter engines. There are 7,721 2.0 liter cars currently registered in Tennessee, and approximately 11,448 affected vehicles (including 3.0 liter vehicles) overall in the state.

The specific 2.0 liter engine vehicles covered by the settlement are the following vehicles purchased or leased in the United States:

Model Year	Vehicle Make and Model
2009	VW: Jetta, Jetta Sportwagen
2010	VW: Golf, Jetta, Jetta Sportwagen Audi: A3
2011	VW: Golf, Jetta, Jetta Sportwagen Audi: A3
2012	VW: Golf, Jetta, Jetta Sportwagen, Passat Audi: A3
2013	VW: Beetle, Beetle Convertible, Golf, Jetta, Jetta Sportwagen, Passat Audi: A3
2014	VW: Beetle, Beetle Convertible, Golf, Jetta, Jetta Sportwagen, Passat
2015	VW: Beetle, Beetle Convertible, Golf, Golf Sportwagen, Jetta, Passat Audi: A3



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Consumers can enter the VIN number of their cars on the website to determine if they are eligible to participate in the settlement. See www.VWCourtSettlement.com.

What options do consumers have under the settlements?

Consumers who **purchased** an affected vehicle have the option of either:

- 1) selling it back to VW, or
- 2) having it fixed with an Approved Emissions Modification.

Under either option, consumers will also receive additional restitution from VW.

Consumers who **leased** an affected vehicle have a similar option and can either:

- 1) terminate the lease with no penalty, or
- 2) have the car fixed with an Approved Emissions Modification.

Under either option, lessees will also receive additional restitution from VW.

How does the buyback work?

For car owners who choose the buyback option, VW will pay the National Automobile Dealers Association ("NADA") value of the car as of September 2015, when the VW fraud became public, plus an additional cash payment as "Owner Restitution." The minimum Owner Restitution payment for any vehicle—to be paid on top of the vehicle value—will be a minimum of \$5,100, and some class members may receive as much as \$10,000 in restitution if they choose the buyback option.

What if a consumer already sold an affected vehicle?

For those owners who sold the car after September 18, 2015, the settlement equitably divides the Owner Restitution payment approximately 50/50 between the previous owner before September 18, 2015 and the current owner.

What if a consumer wants to keep an affected vehicle and get it fixed so that it meets emissions standards?

Car owners who want to keep their vehicle and get it fixed and modified to meet the EPA emissions requirements will need to wait for final EPA approval of VW's proposed engine modifications. Once a modification is approved, consumers can bring their vehicle into a local dealership to be fixed at no cost to them; they also will receive at that time an Owner Restitution payment as described above. This arrangement means owners who keep their cars will receive between \$5,100 - \$10,000 each, in addition to the repairs, at no cost. VW will also offer extended warranties and disclosures of the modifications made to fix the emissions problem.



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Note that the EPA approval process might not be complete for many months, perhaps as late as 2018 for some engine models. Consumers who want to keep their vehicles will therefore need to wait to find out whether their car can be fixed with an Approved Emission Modification.

What if it turns out that a vehicle cannot be fixed?

If a modification for a particular engine type ultimately is not approved, owners who waited for a potential repair and fix would be eligible to get a buyback on the same terms as described above.

What about leased vehicles?

Lessees may terminate their leases without any termination fee and receive a cash restitution payment equal to approximately half of what the owner of the identical car would receive under the buyback plan. Consumers with an active lease who want to hold on to their cars may choose to wait to see whether there will be an approved emissions modification (or “fix”) for their car, as described above. If those lessees elect to keep their cars under their leases with the repairs, they too will receive restitution.

What is the timing?

By late July 2016, the VW settlement website will allow consumers to enter their Vehicle Identification Number (“VIN”) and mileage to see the exact Vehicle Value and Owner (or Lessee) Restitution amount for their vehicle, based on its model year, trim line, and factory options.

VW has committed to processing approximately 5,000 bought back cars per week. VW has agreed to begin the buyback program immediately after the Multi District Litigation Court grants final approval of the settlement, most likely by the end of the summer of 2016. Please see the website for the most current details: www.VWCourtSettlement.com.

Can consumers still drive their vehicles while waiting for a fix or buyback?

For now, yes. However, once an acceptable emissions system modification is acceptable, we encourage owners and lessees to either obtain the emissions fix or sell their vehicle back to VW.

How do consumers participate in the buyback or repair programs?

The summary here is not intended to provide specific guidance on participating in the VW Restitution program, as the state of Tennessee is not administering the program, nor is Tennessee processing any claims or handling any disputes. Consumers who have an affected vehicle should receive notice from VW beginning fifteen days after the Court’s approval of the Consent Decree explaining in more detail the process for obtaining a fix or buyback. In the meantime, consumers who believe they have an affected vehicle should go to the VW or FTC websites listed above and follow the appropriate steps to determine eligibility and to participate in any of the available remedies. In addition, many consumers will receive notices from the federal court regarding their rights as potential beneficiaries



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of the private class action lawsuits filed against VW. Those court class action notices will contain important information about the legal rights of VW owners and lessees, including instructions for participating in the program or opting out.

How does a consumer opt out of the class action settlement?

The State of Tennessee is not a party to the class action. If a consumer wants to opt out he/she should review the procedures found at www.VWCourtSettlement.com. The Attorney General Settlement does not waive any private right of action.

What does the remediation fund provide Tennessee?

To address the injury to the state's environment, the State is eligible to apply for programs to reduce emissions. Tennessee's allocation is \$42,407,793.83.

How was Tennessee's payment amount determined?

Tennessee is basically receiving \$1,100 per vehicle plus some funds to cover Tennessee's work on the Leadership Committee of the Multistate investigation of VW. Tennessee's total amount is \$15,837,029.38. This is in addition to the remediation fund allocation and Tennessee consumer restitution.

Can VW continue the same conduct in the future?

The settlements include injunctive relief to prevent VW from engaging in similar advertising and sales practices in the future. VW would be subject to heightened penalties and contempt if they violated those provisions.