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17 UNITED STATES DISTRICT COURT
18 FOR THE CENTRAL DISTRICT OF CALIFORNIA
19 SOUTHERN DIVISION

20 UNITED STATES OF AMERICA,
21 Plaintiff,
22
23 v.
24 3RD GENERATION, INC., and
CALIFORNIA AUTO FINANCE,
25 Defendants.

Case No. SACV 18-523 JVS (PJWx)

CONSENT ORDER

Complaint filed: March 28, 2018
Final Pretrial Conf. Date: July 8, 2019
Trial Date: July 23, 2019

Honorable James V. Selna
United States District Judge

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28

1 **CONSENT ORDER**

2 **I. INTRODUCTION**

3 1. This Consent Order (“Order”) resolves the allegations contained in the
4 United States’ amended complaint that Defendants 3rd Generation, Inc. and California
5 Auto Finance (“Defendants”) violated the Servicemembers Civil Relief Act (“SCRA”),
6 50 U.S.C. §§ 3901–4043, by engaging in a pattern or practice of repossessing motor
7 vehicles from “SCRA-protected servicemembers”¹ without court orders from at least
8 December 16, 2011.

9 2. Defendant 3rd Generation, Inc. is a financial institution located at 311 E.
10 Katella Avenue, Orange, California, in the Central District of California.

11 3. Defendant California Auto Finance is an indirect auto lending company
12 located at 311 E. Katella Avenue, Orange, California, in the Central District of
13 California.

14 4. This Order covers all loans or deficiency balances originated, acquired,
15 and/or serviced by Defendants, or any subsidiaries, predecessors, acquired companies, or
16 successor entities.

17 5. The United States and Defendants are referred to herein as the “Parties.”

18 6. The Parties agree that the Court has jurisdiction over the subject matter of
19 this case pursuant to 28 U.S.C. § 1331, 28 U.S.C. § 1345, and 50 U.S.C. § 4041.

20 7. The Parties agree that, to avoid costly and protracted litigation, the claims
21 against Defendants should be resolved without further proceedings or an evidentiary
22 hearing. Therefore, as indicated by the signatures appearing below, the United States
23 and Defendants agree to the entry of this Order.

24 8. The effective date of this Order will be the date on which it is approved and
25 entered by the Court.

26 _____
27 ¹ For purposes of this Consent Order, the term “SCRA-protected servicemember”
28 includes servicemembers as defined in 50 U.S.C. § 3911(1) and (2) who made a deposit
or at least one installment payment before entering military service. *See* 50 U.S.C. §
3952(a).

(footnote cont’d on next page)

1 **It is hereby ORDERED, ADJUDGED and DECREED:**

2 **II. TERMS AND CONDITIONS**

3 **A. PROHIBITED CONDUCT²**

4 9. Defendants and their affiliates or subsidiaries, and their officers, employees,
5 agents, and representatives (including contractors and vendors that conduct
6 repossessions on behalf of Defendants) are hereby enjoined, except under the
7 circumstances described below in this Order, from repossessing motor vehicles of
8 SCRA-protected servicemembers without a court order, while the servicemembers are in
9 military service,³ provided the servicemembers have paid a deposit on the motor vehicle
10 or installment on the loan while not in military service.

11 **B. COMPLIANCE WITH THE SCRA AND SCRA POLICIES AND**
12 **PROCEDURES**

13 10. Within thirty (30) calendar days after the effective date of this Order,
14 Defendants shall develop SCRA Policies and Procedures for Motor Vehicle
15 Repossessions in compliance with Section 3952(a) of the SCRA, 50 U.S.C. § 3952(a).
16 These policies and procedures must include the following provisions:

17 a. Defendants shall check the Defense Department’s Defense
18 Manpower Data Center (“DMDC”) database located at <https://scra.dmdc.osd.mil/> for all
19 borrowers,⁴ to determine whether they are SCRA-protected servicemembers, at the
20 following times:

21 (i) no more than two (2) business days before they refer a motor
22 vehicle loan for repossession or repossess a motor vehicle themselves;

23 (ii) no more than two (2) days after they (or their agents, including
24 contractors and vendors) obtain possession of a motor vehicle; and

25
26 ² Nothing in this Consent Order shall preclude Defendants from offering greater
27 protections to servicemembers than those afforded by this Consent Order or the SCRA.

28 ³ For purposes of this Order, the term “military service” is defined by 50 U.S.C. §
3911(2).

⁴ For purposes of this Order, the term “borrower” includes co-borrowers.

1 (iii) no more than (2) business days before they (or their agents,
2 including contractors and vendors) dispose of a motor vehicle.

3 b. If Defendants learn (from a check of the DMDC database or
4 otherwise) that the borrower is an SCRA-protected servicemember, they shall neither
5 refer the loan for repossession nor conduct the repossession themselves without first
6 obtaining a court order or a valid SCRA waiver pursuant to 50 U.S.C. § 3918 and
7 subparagraph (e).

8 c. If Defendants discover (from the DMDC database or otherwise) after
9 repossessing but before disposing of a motor vehicle that the borrower is an SCRA-
10 protected servicemember, Defendants shall, within seventy-two (72) hours of the
11 discovery: (1) attempt to contact the borrower with an offer to return the vehicle within
12 seventy-two (72) hours; (2) reverse on the borrower's account all of the charges resulting
13 from the repossession; and (3) correct any negative credit reporting related to the
14 repossession. If Defendants cannot contact the borrower within seventy-two (72) hours,
15 Defendants shall return the vehicle to the location where repossession occurred, unless:
16 (1) return to such location presents a significant risk of damage to, or impoundment of,
17 the vehicle; (2) the borrower has previously informed Defendants that the vehicle has
18 been abandoned; or (3) the vehicle was recovered under circumstances suggesting that
19 the vehicle had been abandoned. If the vehicle is not returned immediately to the
20 borrower, Defendants shall make no fewer than three (3) additional attempts to reach the
21 borrower using each form of contact information in their files, and shall return the
22 vehicle within twenty-four (24) hours of a borrower's request for return without charging
23 any fees. The vehicle shall not be sold or otherwise disposed of until the contact
24 attempts referenced in this subparagraph have been made and Defendants have obtained
25 a court order or valid SCRA waiver pursuant to 50 U.S.C. § 3918 and subparagraph (e).

26 d. If Defendants file a complaint for repossession in court and the
27 borrower does not make an appearance in the case, Defendants will file an affidavit of
28 military service with the court as required by Section 3931(b)(1) of the SCRA, 50 U.S.C.

1 § 3931(b)(1). Before seeking entry of default, Defendants will search the DMDC
2 database and review information in their possession or control to determine if the
3 borrower is SCRA-protected. If Defendants learn that the borrower is SCRA-protected,
4 they will file an affidavit stating that “the defendant is in military service,” and will
5 attach the most recent military status report from the DMDC or a copy of the military
6 orders or other documentation to the affidavit.

7 e. Defendants cannot rely on a servicemember’s waiver of rights under
8 Section 3952(a) of the SCRA unless they obtain a written agreement that complies with
9 Section 3918 of the SCRA, 50 U.S.C. § 3918. If Defendants initiate the waiver process
10 with the servicemember, they must do so at least thirty (30) calendar days in advance of
11 any anticipated repossession by sending a notice and a copy of the proposed waiver to
12 the servicemember. To the extent Defendants exercise this right, they shall use a notice
13 that prominently incorporates the language and layout of the form attached as Exhibit A.
14 If the servicemember initiates the waiver process by offering to surrender the vehicle
15 voluntarily or indicating an intent to abandon the vehicle, Defendants shall not repossess
16 the vehicle until Defendants have provided a copy of the notice of the type described in
17 Exhibit A and received a signed waiver.

18 f. Upon receiving a notice of impoundment by a non-related third-party,
19 Defendants may take possession of the vehicle even if the borrower is protected by the
20 SCRA. However, Defendants must comply with any applicable state laws and must not
21 dispose of the vehicle until they have made reasonable efforts to contact the
22 servicemember and have obtained a court order or valid SCRA waiver as required in 50
23 U.S.C. § 3918 and subparagraph (e). Defendants shall designate specific employees who
24 have been specifically trained on the protections of the SCRA and who are responsible
25 for the intake of and response to servicemembers’ inquiries regarding the SCRA. These
26 employees shall be referred to as Defendants’ “SCRA customer service representatives.”
27 The Defendants shall ensure that they have a designated telephone number, and
28 electronic mail address, at which servicemembers may reach the SCRA customer service

1 representatives, who will address questions or concerns regarding the SCRA. The
2 Defendants shall also include a page on their website(s) detailing eligibility for, and
3 relief provided by, the SCRA (including repossession protections and interest rate
4 reductions), and providing the designated telephone number and electronic mail address
5 for borrowers to obtain SCRA relief or raise questions or concerns regarding such relief.

6 11. No later than thirty (30) calendar days after the effective date of this Order,
7 Defendants shall provide a copy of the proposed SCRA Policies and Procedures required
8 under Paragraph 10 to counsel for the United States.⁵ The United States shall respond to
9 Defendants' proposed SCRA Policies and Procedures within forty-five (45) calendar
10 days of receipt. If the United States objects to any part of Defendants' SCRA Policies
11 and Procedures, the Parties shall confer to resolve their differences. If the Parties cannot
12 resolve their differences after good faith efforts to do so, either party may bring the
13 dispute to this Court for resolution. Defendants shall implement the SCRA Policies and
14 Procedures within fifteen (15) calendar days of the United States' notification to
15 Defendants that it has approved the SCRA Policies and Procedures.

16 12. If, at any time during the term of this Order, Defendants propose to change
17 their SCRA Policies and Procedures, they shall first provide a copy of the proposed
18 changes to counsel for the United States. If the United States does not deliver written
19 objections to Defendants within forty-five (45) calendar days of receiving the proposed
20 changes, the changes may be implemented. If the United States objects to the proposed
21 changes within the forty-five (45) day period, the specific changes to which the United
22 States objects shall not be implemented until the objections are resolved pursuant to the
23 process described in Paragraph 11.

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27 ⁵ All materials required by this Order to be sent to counsel for the United States
28 shall be sent electronically by e-mail to the following addresses:
nicole.siegel2@usdoj.gov and matthew.nickell@usdoj.gov.

C. TRAINING

1
2 13. Defendants shall provide SCRA compliance training to all employees and
3 contractors involved in servicing delinquent motor vehicle loans (including terminating
4 motor vehicle leases for servicemembers), or repossessing motor vehicles (hereinafter
5 together “covered individuals”), within forty-five (45) calendar days after Defendants’
6 training program is approved by the United States pursuant to Paragraph 15. Defendants
7 shall provide training to each covered individual on: (a) the terms of the SCRA with
8 respect to repossessions; (b) Defendants’ SCRA Policies and Procedures (both those
9 required pursuant to Paragraph 10, and all others adopted by Defendants) specific to the
10 individual’s responsibilities associated with that individual’s position; (c) the terms of
11 this Order; and (d) the contact information for the SCRA customer service
12 representatives described in Paragraph 10(f). Defendants shall also follow these training
13 procedures for any employee or contactor who subsequently becomes a covered
14 individual within thirty (30) calendar days of his or her hiring, promotion, or transfer.

15 14. During the term of this Order, Defendants shall provide annual SCRA
16 training, with the same content as described in Paragraph 13, to covered individuals with
17 respect to their responsibilities and obligations under the SCRA, the SCRA Policies and
18 Procedures, and this Order.

19 15. Within forty-five (45) calendar days of the United States’ approval of the
20 SCRA Policies and Procedures pursuant to Paragraph 11, Defendants shall provide to the
21 United States the curriculum, instructions, and any written material included in the
22 training required by Paragraphs 13 and 14. The United States shall have forty-five (45)
23 calendar days from receipt of these documents to object to Defendants’ training
24 materials. If the United States objects, the Parties shall confer to resolve their
25 differences. In the event they are unable to do so, either party may bring the dispute to
26 this Court for resolution.

27 16. The covered individuals may undergo the training required by Paragraphs
28 13 and 14 via live training, computer-based training, web-based training, or interactive

1 digital media. If the training is conducted in any format other than live training,
2 Defendants shall ensure that covered individuals have the opportunity to have their
3 questions answered by an SCRA customer service representative within two (2) business
4 days of the training. Any expenses associated with the training program required by
5 Paragraphs 13 and 14 shall be borne by Defendants.

6 17. Defendants shall secure a signed statement in the form attached as Exhibit
7 B⁶ from each covered individual at the trainings required by Paragraphs 13 and 14
8 acknowledging that: (1) he or she has received, read, and understands the Order and the
9 SCRA Policies and Procedures adopted and approved pursuant to Paragraph 11 as they
10 apply to his or her responsibilities; (2) has had the opportunity to have his or her
11 questions about these documents answered; and (3) agrees to abide by them. For the
12 duration of this Order, copies of those signed statements shall be provided to the United
13 States upon request. Defendants shall also certify in writing to counsel for the United
14 States that the covered individuals have successfully completed the training required by
15 Paragraphs 13 and 14.

16 **D. COMPENSATION**

17 18. Defendants have provided the United States with a list of repossessions they
18 conducted between December 16, 2011 and December 7, 2018. Defendants represent
19 that they conducted no repossessions within that date range that are not included in that
20 list. Based on this list, the United States has determined that Defendants conducted two
21 motor vehicle repossessions that violated the SCRA. These repossessions involved the
22 vehicles of U.S. Army Specialist Omar Martinez and U.S. Army Private Andrea Starks.

23 19. The United States alleges that on October 11, 2014, Specialist Martinez
24 bought a used 2005 Acura RSX and financed it with a 22.95% interest loan from
25 Defendants. On August 30, 2016, Specialist Martinez entered the U.S. Army, and began
26 basic training in a remote area without regular cell phone access. Several weeks prior to

27 _____
28 ⁶ The electronic signature of a covered employee shall be deemed satisfactory for
purposes of verifying completion of the training required under this Order.

1 leaving for active duty training, Specialist Martinez had informed the Defendants that he
2 was entering military service, and that he would be unable to communicate with the
3 Defendants during training. Nonetheless, on September 7, 2016, Defendants repossessed
4 his vehicle without a court order. Shortly after the repossession, Specialist Martinez was
5 assigned to live at the Fort Benning military base, which was seven miles away from the
6 town and most stores. The repossession severely damaged Specialist Martinez's credit,
7 and as a result he was unable to purchase a new vehicle and instead had to rely on
8 rideshares and taxis to take care of personal needs such as buying groceries. In March
9 2018, Specialist Martinez deployed to Afghanistan, where he served until November
10 2018.

11 20. The United States alleges that in September 2015, Private Starks purchased
12 a used 2006 Chevrolet HHR and financed it with a 24% interest loan from Defendants.
13 In April 2016, Private Starks informed Defendants that she would be entering the U.S.
14 Army on May 9, 2016. Yet, Defendants repossessed her vehicle on that same date.
15 Defendants then pursued Private Starks for a deficiency balance. Private Starks also
16 suffered additional damages due to the negative credit history resulting from the
17 repossession.

18 21. Defendants deny the allegations contained in Paragraphs 19 and 20.
19 Nevertheless, to avoid the delay, uncertainty, inconvenience and expense of protracted
20 litigation, Defendants agree to the terms of the agreement contained herein.

21 22. Defendants shall provide \$30,000.00 in compensation to Specialist Omar
22 Martinez.

23 23. Private Andrea Starks has already reached a separate private settlement with
24 Defendants.

25 24. In order to receive any compensation under Paragraphs 22 and 28, SCRA-
26 protected servicemembers and co-lessees must complete a copy of the Release attached
27 as Exhibit C.

1 25. Within ten (10) days of notification by the United States that a Release has
2 been received, Defendants shall deliver to counsel for the United States a check payable
3 to the aggrieved person.

4 26. When counsel for the United States has received a check from Defendants
5 payable to the aggrieved person, counsel for the United States shall deliver the check to
6 the aggrieved person and the original, signed Release to counsel for Defendants.

7 27. Defendants will not be entitled to a set-off, or any other reduction, of the
8 amount of compensation required by Paragraphs 22 and 28, because of any debts
9 allegedly owed by the recipients.

10 28. In the event that Defendants determine that there are additional
11 repossessions that were not in compliance with the SCRA, Defendants will notify the
12 United States and undertake remedial compensation actions on those accounts under the
13 terms of this Order.

14 29. Specialist Omar Martinez and any aggrieved persons identified in
15 accordance with Paragraph 28 shall have six (6) months after Defendants have issued
16 them checks to cash or deposit their compensation checks. During the term of this
17 Order, Defendants shall, upon request of counsel for the United States, reissue any
18 checks that are not cashed or deposited prior to their expiration.

19 **E. CREDIT REPAIR AND OTHER RELIEF**

20 30. Within fifteen (15) days of the entry of this Order, Defendants shall request
21 that the three major credit bureaus, and any other credit bureaus to which they report,
22 delete trade lines for accounts belonging to the servicemembers and any co-borrowers
23 identified in Paragraphs 19 and 28.

24 31. With respect to the servicemembers identified in Paragraphs 19 and 28,
25 Defendants shall not pursue, must indemnify the servicemembers and their co-
26 borrower(s) against any third party's pursuing, and must refund any amounts the
27 servicemembers and their co-borrower(s) have paid toward, any deficiency that was
28 remaining on their loans after repossession.

1 32. Defendants shall provide the United States with evidence of all requests
2 made pursuant to Paragraph 30 within 30 days of making said requests.

3 **F. CIVIL PENALTY**

4 33. Within ten (10) calendar days of the effective date of this Order, Defendants
5 shall pay a total of Fifty Thousand Dollars (\$50,000.00) to the United States Treasury as
6 a civil penalty pursuant to 50 U.S.C. § 4041(b)(3) and 28 C.F.R. 85.5 to vindicate the
7 public interest. The payment shall be in the form of an electronic funds transfer pursuant
8 to written instructions to be provided by the United States.

9 34. In the event that Defendants, their agents, or their employees engage in any
10 future violation(s) of the SCRA, such violation(s) shall constitute a “subsequent
11 violation” under 50 U.S.C. § 4041(b)(3)(B).

12 **G. ADDITIONAL REPORTING AND RECORDKEEPING REQUIREMENTS**

13 35. For the duration of this Order, Defendants shall retain all records relating to
14 their obligations hereunder, including their records with respect to all loans for which a
15 servicemember has sought SCRA relief, whether that relief was granted by Defendants,
16 all records related to servicemembers, all records involving repossessions from
17 individuals who were servicemembers at the time of repossession, and all records related
18 to compliance activities as set forth herein. The United States shall have the right to
19 review and copy any such records, including electronic data, upon reasonable request
20 during the term of this Order.

21 36. During the term of this Order, Defendants shall notify counsel for the
22 United States of any SCRA or military-related complaints every six (6) months.
23 Defendants shall provide a copy of any written complaint with the notification. Whether
24 regarding a written or oral SCRA complaint, the notification to the United States shall
25 include the full details of the complaint, including the complainant’s name, address, and
26 telephone number, and the full details of all actions Defendants took to resolve the
27 complaint. Defendants shall also promptly provide the United States all information
28 they may request concerning any such complaint. If the United States raises any

1 objections to Defendants' actions, the Parties shall meet and confer to consider
2 appropriate steps to address the concerns raised by the United States' review. If the
3 Parties are unable to come to an agreement regarding such obligations or concerns, either
4 party may bring the dispute to this Court for resolution.

5 **III. SCOPE OF THE CONSENT ORDER**

6 37. The provisions of this Order shall apply to Defendants and any subsidiaries,
7 predecessors, acquired companies, or successor entities. They shall also apply to the
8 officers, employees, agents, representatives, assigns, successors-in-interest, and all
9 persons and entities in active concert or participation with all of those entities, including
10 with respect to any loans they acquired from December 16, 2011 to the effective date of
11 this Order.

12 38. In the event that Defendants are acquired by or merge with another entity,
13 Defendants shall, as a condition of such acquisition or merger, obtain the written
14 agreement of the acquiring or surviving entity to be bound by any obligations remaining
15 under this Order for the remaining term of this Order.

16 39. This Order releases only the claims for violations of Section 3952(a) of the
17 SCRA addressed in the United States' Amended Complaint, ECF No. 10, or identified in
18 this Order. This Order does not release any other claims that may be held or are
19 currently under investigation by any federal agency, or any claims that may be pursued
20 for actions that may be taken by any executive agency established by 12 U.S.C. § 5491
21 or the appropriate Federal Banking Agency (FBA), as defined in 12 U.S.C. § 1813(q),
22 against Defendants, any of their affiliated entities, and/or any of their institution-
23 affiliated Parties, as defined by 12 U.S.C. § 1818 or any other statute or regulation.

24 40. Nothing in this Order will excuse Defendants' compliance with any
25 currently or subsequently effective provision of law or order of a regulator with authority
26 over Defendants that imposes additional obligations on them.

27 41. The Parties agree that, as of the effective date of this Order, litigation is not
28 "reasonably foreseeable" concerning the matters described above. To the extent that

1 either party previously implemented a litigation hold to preserve documents,
2 electronically stored information (ESI), or things related to the matters described above,
3 the party is no longer required to maintain such litigation hold. Nothing in this
4 Paragraph relieves either party of any other obligations imposed by this Order, including,
5 inter alia, Defendants' obligation to preserve documents under Paragraph 35.

6 **IV. MODIFICATIONS, ATTORNEY'S FEES AND COSTS, AND**
7 **REMEDIES FOR NON-COMPLIANCE**

8 42. Any time limits for performance imposed by this Order may be extended by
9 the mutual written agreement of the Parties.

10 43. The Parties shall be responsible for their own attorney's fees and court
11 costs, except as provided for in Paragraph 44.

12 44. The Parties shall endeavor in good faith to resolve informally any
13 differences regarding interpretation of or compliance with this Order prior to bringing
14 such matters to the Court for resolution. However, in the event the United States
15 contends that there has been a failure by a Defendant, whether willful or otherwise, to
16 perform in a timely manner any act required by this Order or otherwise comply with any
17 provision thereof, the United States may move the Court to impose any remedy
18 authorized by law or equity, including, but not limited to, 1) an order requiring the
19 performance of such act or deeming such act to have been performed; and 2) an award of
20 any damages, costs, and attorneys' fees which may have been caused by Defendants'
21 violation or failure to perform; and 3) any additional relief authorized by law or equity.

22 **V. RETENTION OF JURISDICTION**

23 The Duration of this Order shall be five (5) years from the effective date. The
24 Court shall retain jurisdiction for the duration of this Order to enforce its terms, after

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1 which time this case shall be dismissed with prejudice. The United States may move the
2 Court to extend the duration of this Order in the interests of justice.

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4 SO ORDERED, this 12th day of March, 2019.

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9 THE HONORABLE JAMES V. SELNA
10 UNITED STATES DISTRICT JUDGE

11
12 The undersigned hereby apply for and consent to the entry of the Order:

13
14 *For the United States of America:*

15
16 Dated: March 6, 2019

17 NICOLA T. HANNA
18 United States Attorney
19 Central District of California

ERIC S. DREIBAND
Assistant Attorney General
Civil Rights Division

19 DAVID M. HARRIS
20 Assistant United States Attorney
21 Chief, Civil Division

SAMEENA SHINA MAJEED
Chief, Housing and Civil
Enforcement Section

21 KAREN P. RUCKERT
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23 Chief, Civil Rights Section, Civil Division

ELIZABETH A. SINGER
Director, U.S. Attorneys' Fair
Housing Program

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25 MATTHEW NICKELL
26 Assistant United States Attorney
27 Civil Rights Section, Civil Division

24 _____
25 NICOLE M. SIEGEL
26 Trial Attorney
27 United States Department of Justice
28 Civil Rights Division
Housing and Civil Enforcement Section

Attorneys for the United States of America

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For 3rd Generation, Inc. and California Auto Finance:

Dated: March 5, 2019

BLEDSON, DIESTEL, TREPPA & CRANE
LLP

Davis Reilly
*Attorney for Defendants
3rd Generation, Inc., and California Auto
Finance*

EXHIBIT A

IMPORTANT NOTICE AFFECTING MILITARY SERVICEMEMBERS

RIGHTS AND PROTECTIONS AFFORDED UNDER THE SERVICEMEMBERS CIVIL RELIEF ACT

Attached to this notice you will find a waiver of rights and protections that may be applicable to you and your dependents pursuant to the Servicemembers Civil Relief Act, 50 U.S.C. § 3901, *et seq.* (the “SCRA”). The SCRA provides military personnel and their dependents with a wide range of legal and financial protections. Among other benefits and protections, the SCRA:

- Prohibits the repossession of a servicemember’s motor vehicle without a court order, as long as a deposit or at least one installment payment was made while the borrower was not in military service.
- Upon notice by the servicemember, imposes a 6% maximum rate of interest that may be charged during military service on loans incurred before the servicemember began his or her current military service.
- Postpones court actions against servicemembers under certain circumstances.

If you choose to sign the attached waiver, 3rd Generation, Inc., doing business as California Auto Finance, will have the option to proceed with a repossession of your motor vehicle without the protections of the SCRA. If you do not sign this waiver, California Auto Finance and /or 3rd Generation, Inc. will be required to provide you the protections of the SCRA if you took out your loan and made a down payment on the motor vehicle, or at least one payment on the loan, when you were not in military service. Additionally, if 3rd Generation, Inc., doing business as California Auto Finance, takes you to court to repossess your motor vehicle, the court may take steps to ensure that a judgment is not entered against you if you are unable to appear.

Before waiving these important statutory rights, you should consult an attorney regarding how best to exercise your rights or whether it is in your interest to waive these rights under the conditions offered by 3rd Generation, Inc., doing business as California Auto Finance.

For More Information:

- **CONSULT AN ATTORNEY:** To understand fully your rights under the law, and before waiving your rights, you should consult an attorney.
- **JAG / LEGAL ASSISTANCE:** Servicemembers and their dependents with questions about the SCRA should contact their unit’s Judge Advocate, or their installation’s Legal Assistance Officer. A military legal assistance office locator for all branches of the Armed Forces is available at <http://legalassistance.law.af.mil/>.
- **MILITARY ONESOURCE:** “Military OneSource” is the U.S. Department of Defense’s information resource. Go to <http://www.militaryonesource.com>.

EXHIBIT B

EMPLOYEE ACKNOWLEDGMENT

I acknowledge that on [INSERT DATE], I was provided training regarding Servicemembers Civil Relief Act (“SCRA”) compliance, a copy of the Consent Order in *United States v. 3rd Generation, Inc. and California Auto Finance*, Case No. CV 8:18-523 JVS (PJWx) (C.D. Cal.), and copies of 3rd Generation, Inc. and California Auto Finance’s SCRA Policies and Procedures applicable to my duties. I have read and understand these documents and have had my questions about these documents and the SCRA answered. I understand my legal responsibilities and shall comply with those responsibilities.

[PRINT NAME]

[SIGNATURE]

[JOB TITLE]

EXHIBIT C

RELEASE

In consideration for the Parties' agreement to the terms of the Consent Order resolving the United States' allegations in *United States v. 3rd Generation, Inc. and California Auto Finance*, Case No. CV 8:18-523 JVS (PJWx) (C.D. Cal.), that Defendants violated the Servicemembers Civil Relief Act, and Defendants' payment to me of \$ [AMOUNT], I, [SERVICEMEMBER OR CO-BORROWER'S NAME], hereby release and forever discharge all claims arising prior to the date of this Release related to the facts at issue in the litigation referenced above and related to the alleged violation of Section 3952(a) of the Servicemembers Civil Relief Act that was the subject of that litigation, that I may have against Defendants and all related entities, parents, predecessors, successors, subsidiaries, and affiliates and all of their past and present directors, officers, agents, managers, supervisors, shareholders, and employees and their heirs, executors, administrators, successors or assigns. I do not release any claims that I may have against any prior servicer(s), not related to Defendants, of my motor vehicle loan.

Executed this _____ day of _____, 2019.

SIGNATURE: _____

PRINT NAME: _____

On this _____ day of _____, 2019, before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which was _____, to be the person whose name is signed on this document, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Notary Public: _____