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8	UNITI	ED STATES I	DISTRICT COU	RT	
9	FOR THE CE	ENTRAL DIS	TRICT OF CAL	IFORNIA	
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13	UNITED STATES OF AMERI	ICA,	Case No. 2:24-c	v-03818	
14	Plaintiff,				
15	v.				
16	HYUNDAI CAPITAL AMERI	CA,	CONSENT OR	DER	
17	Defendant.				
18			Hon.		
19			United States D	istrict Judge	
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Case 2:24-cv-03818-MEMF-AS

I. INTRODUCTION

 This Consent Order resolves the allegations contained in the United States' Complaint that Hyundai Capital America ("Defendant") violated the Servicemembers Civil Relief Act ("SCRA"), 50 U.S.C. § 3901, *et seq.*, by unlawfully repossessing 26 motor vehicles leased or owned by SCRA-protected servicemembers without obtaining the required court orders.

2. Defendant Hyundai Capital America is a wholly-owned subsidiary of Hyundai Motor America and Kia America, and is one of the top-10 captive auto-finance companies in the United States. Defendant has its headquarters in the Central District of California.

3. This Consent Order covers all motor vehicle repossessions occurring from April 15, 2015, through the effective date of this Consent Order in connection with motor vehicle finance or lease transactions or deficiency balances originated, acquired, and/or serviced by Defendant, or any of its subsidiaries, predecessors, acquired companies, or successor entities.

4. The United States and Defendant (collectively, the "Parties") agree that the Court has jurisdiction over the subject matter of this case pursuant to 28 U.S.C. § 1331, 28 U.S.C. § 1345, and 50 U.S.C. § 4041.

5. The Parties agree that, to avoid costly and protracted litigation, the claims against Defendant should be resolved without further proceedings or an evidentiary hearing. Therefore, as indicated by the signatures appearing below, the Parties agree to the entry of this Consent Order. Defendant neither admits nor denies any of the allegations in the United States' Complaint.

6. The effective date of this Consent Order will be the date on which it is approved and entered by the Court.

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It is hereby ORDERED, ADJUDGED and DECREED:

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INJUNCTIVE RELIEF¹ П. 1 2 7. Defendant and its affiliates, subsidiaries, officers, employees, agents, and 3 representatives (including contractors and vendors acting on behalf of Defendant) shall 4 be required to comply fully with all relevant provisions of the SCRA prohibiting the repossession of motor vehicles of "SCRA-protected servicemembers"² without a court 5 6 order. 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 ¹ Nothing in this Consent Order shall preclude Defendant from offering greater protections to 22 servicemembers than those afforded by the Consent Order or the SCRA. ² For purposes of this Consent Order, the term "SCRA-protected servicemember" means 23 servicemembers as defined in 50 U.S.C. § 3911(1) and (2) who made a deposit on the motor vehicle or 24 at least one installment payment on the purchase or lease before entering military service. See 50 U.S.C. § 3952(a). The SCRA grants additional periods of protection for reservists ordered to report for 25 military service and persons ordered to report for induction. 50 U.S.C. § 3917. Therefore, for purposes of this Consent Order, these "early alert" periods shall be included in the periods of protection for 26 servicemembers at the time of repossession. However, since such periods are not included in the definition of "military service" in 50 U.S.C. § 3911, they are not considered military service at the time 27 of payment of a deposit on the motor vehicle or installment payment on the motor vehicle finance or

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lease transaction.

III. SCRA POLICIES AND PROCEDURES

A. Motor Vehicle Repossessions

8. Within sixty (60) calendar days of the effective date of this Consent Order,
Defendant shall send to the United States proposed SCRA policies and procedures for
motor vehicle repossessions in compliance with Section 3952(a) of the SCRA, 50 U.S.C.
§ 3952(a). These policies and procedures – which must apply to Defendant and
Defendant's agents – must include the following provisions:

a. To determine whether the borrower³ or lessee is an SCRA-protected servicemember, Defendant shall (1) search the Defense Department's Defense Manpower Data Center (DMDC) database, located at https://scra.dmdc.osd.mil/, for evidence of SCRA eligibility by either last name and social security number or last name and date of birth, and (2) review any military service information (including orders) they have received from borrowers or lessees, at the following times: (i) no more than two (2) business days before it refers a motor vehicle for repossession; (ii) no more than two (2) days after it (or its agents, including contractors and vendors) obtains possession of the motor vehicle; and (iii) no more than (2) business days before it (or its agents, including contractors and vendors) disposes of the motor vehicle.

b. If Defendant is informed via military service information received from a borrower or lessee, or via the periodic electronic check of the DMDC described above, that the borrower or lessee is an SCRA-protected servicemember, it shall neither refer the motor vehicle finance or lease transaction for repossession nor conduct the repossession itself without first obtaining a court order or a valid SCRA waiver pursuant to subparagraph (e); provided, however, that Defendant may take possession of (but may not sell or otherwise dispose of) the vehicle without a court order even if the borrower or lessee is protected by the

³ For purposes of this Consent Order, the term "borrower" includes co-borrowers.

SCRA to the extent Defendant learns facts giving rise to a reasonable belief the vehicle has been subject to abandonment, receives notice of or otherwise learns of impoundment by a non-related third party, or otherwise learns facts giving rise to a reasonable belief that taking possession of the vehicle will mitigate the risk of additional or increasing third-party liens against the vehicle.

c. If (1) Defendant discovers, from a check of the DMDC database or otherwise, after obtaining possession but before disposing of a motor vehicle, that the borrower or lessee was an SCRA-protected servicemember at the time of repossession or (2) Defendant takes action to recover a vehicle as permitted under subparagraph (b), it shall attempt to contact the borrower or lessee within twentyfour (24) hours of discovery and offer to arrange to return the vehicle, obtain a voluntary surrender and waiver of SCRA benefits, or if the customer does not wish to receive the vehicle but will not provide a written waiver, seek a court order for disposition, and, except to the extent otherwise provided for herein, shall reverse on the borrower or lessee's account all of the charges resulting from the repossession. Defendant shall also correct any negative credit reporting related to the repossession. If Defendant cannot make contact with the borrower or lessee within twenty-four (24) hours, Defendant shall return the vehicle to the location where possession was taken, unless: (1) return to such location presents a significant risk of damage to the vehicle; (2) return to such location presents a significant risk that the vehicle will be impounded; (3) the borrower or lessee has previously informed Defendant that the vehicle has been abandoned; (4) the vehicle was recovered under circumstances suggesting that the vehicle had been abandoned; or (5) returning the vehicle to the location where possession was taken would subject the vehicle to another lien (e.g., mechanics lien). If the vehicle is not returned immediately to the borrower or lessee, or the location where possession was taken, Defendant shall make additional attempts to reach the borrower or lessee based upon contact information in its files, and shall return the

vehicle within twenty-four (24) hours of a borrower or lessee's request for return, without charging any repossession-related fees. Defendant shall not be required to waive any amounts paid to third parties to release the vehicle from impoundment or otherwise obtain release of the vehicle to Defendant or Defendant's agent and may seek to collect such amounts from the borrower or lessee. Defendant shall not sell or otherwise dispose of the vehicle until it has made all the contact attempts referenced in this subparagraph and has obtained a court order or valid SCRA waiver pursuant to subparagraph (e).

d. If Defendant files a complaint for repossession in court and the
borrower or lessee does not make an appearance in the case, Defendant will file an
affidavit of military service with the court as required by Section 3931(b)(1) of the
SCRA, 50 U.S.C. § 3931(b)(1). Before seeking entry of default, Defendant will
search the DMDC database and review information in its possession or control to
determine if the borrower or lessee is SCRA-protected. If Defendant learns that
the borrower or lessee is SCRA-protected, it will file an affidavit stating that "the
defendant is in military service," attaching the most recent military status report
from the DMDC or a copy of the military orders or other documentation to the
affidavit.

e. If Defendant seeks or obtains a waiver under a written agreement as provided in 50 U.S.C. § 3918, it shall use a notice and waiver in the form attached as Exhibit A.

B. Review and Approval of Policies and Procedures

9. No later than sixty (60) calendar days after the effective date of this Consent
Order, Defendant shall provide a copy of its proposed SCRA policies and procedures in
accordance with Paragraph 8 to counsel for the United States.⁴ The United States shall

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 ⁴ All notices and materials required by this Consent Order to be sent to counsel for the United
 States shall be sent by overnight delivery service addressed as follows: Chief, Housing & Civil
 Enforcement Section, Civil Rights Division, United States Department of Justice, 150 M Street, N.E.,

respond to Defendant's proposed SCRA policies and procedures within forty-five (45) 1 2 calendar days of receipt. If the United States objects to any part of Defendant's policies 3 and procedures, the Parties shall confer to resolve their differences. If the Parties cannot 4 resolve their differences after good faith efforts to do so, either Party may bring the dispute to this Court for resolution. If the United States does not deliver written 5 objection to Defendant within forty-five calendar days of receiving the policies and 6 7 procedures, the policies and procedures may be implemented. Defendant shall begin the 8 process of implementing the SCRA policies and procedures within thirty (30) calendar 9 days of approval or non-objection by the United States or 75-days after submission to the United States, whichever is earlier. 10

10. If, at any time during the term of this Consent Order, Defendant proposes to materially change its SCRA policies and procedures, it shall first provide a copy of the proposed changes to counsel for the United States. If the United States does not deliver written objections to Defendant within forty-five (45) calendar days of receiving the proposed changes, the changes may be implemented. If the United States makes any objections to the proposed changes within the forty-five (45)-day period, the specific changes to which the United States objects shall not be implemented until the objections are resolved pursuant to the process described in Paragraph 9.

IV. TRAINING

11. Within forty-five (45) calendar days after the United States' approval of the SCRA policies and procedures pursuant to Paragraph 9, Defendant shall provide to the United States the curriculum, instructions, and any written materials included in the training required by Paragraphs 12 and 13. The United States shall have forty-five (45) calendar days from receipt of these documents to raise any objections to Defendant's

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<sup>Washington, DC 20002, Attn: DJ 216-12C-13, and via electronic mail to the U.S. Department of
Justice, care of the undersigned counsel for the United States. To the extent such items contain PII of a
servicemember, co-borrower, or third party, the Parties will arrange for a secure transfer of such
information.</sup>

training materials, and, if it raises any, the Parties shall confer to resolve their differences. If the Parties cannot resolve their differences after good faith efforts to do 2 so, either Party may bring the dispute to this Court for resolution.

12. Defendant shall provide SCRA compliance training, within forty-five (45) calendar days after Defendant's training program is approved or otherwise not objected to by the United States pursuant to Paragraph 11, to any employees who: (a) provide customer service to borrowers or lessees in connection with their motor vehicle finance or leases; or (b) are involved in the repossession of motor vehicles. Defendant shall provide to each covered employee: (a) training on the terms of the SCRA with respect to repossessions; (b) training on Defendant's SCRA policies and procedures (both those required pursuant to Paragraph 8 and all others adopted by Defendant) specific to the employee's responsibilities associated with that employee's position; and (c) training on the terms of this Consent Order. Defendant shall also follow these training procedures for any employee who subsequently becomes a covered employee within thirty (30) calendar days of their hiring, promotion, or transfer.

13. During the term of this Consent Order, Defendant shall provide annual SCRA training, with the same content as described in Paragraph 12, to covered employees with respect to their responsibilities and obligations under the SCRA, Defendant's SCRA policies and procedures, and this Consent Order.

14. The covered employees may undergo the training required by Paragraphs 12 and 13 via live training, computer-based training, web-based training, or interactive digital media. If the training is conducted in any format other than live training, Defendant shall ensure that covered employees have the opportunity to have their questions answered by a company contact that Defendant identifies as having SCRA expertise within five (5) business days of the training. Any expenses associated with the training program required by Paragraphs 12 and 13 shall be borne by Defendant.

15. Defendant shall secure a signed statement in the form attached as Exhibit B 28 from each covered employee at the training required by Paragraphs 12 and 13

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acknowledging that they have received, read, and understand the Consent Order and
Defendant's SCRA policies and procedures specific to the employee's responsibilities
associated with the motor vehicle finance or lease transaction being serviced, have had
the opportunity to have their questions about these documents answered, and agree to
abide by them. Defendant shall also certify in writing to counsel for the United States
that the covered employees successfully completed the training required by Paragraphs
12 and 13 in the status reports submitted pursuant to Paragraph 36 of this Consent Order.
Such statements may be signed electronically using a methodology that uniquely
identifies each person so signing. For the duration of this Consent Order, copies of the
signed statements shall be provided to the United States upon request.

V. COMPENSATION

16. The United States has reviewed accounts for which Defendant conducted motor vehicle repossessions without a court order between April 15, 2015, and May 21, 2023. The United States alleges that Defendant conducted 26 motor vehicle repossessions between April 15, 2015 and May 21, 2023, that violated the SCRA. The United States has provided a list of those repossessions to Defendant.

17. For each account identified pursuant to Paragraph 16, Defendant shall provide the following compensation:

a. An amount of \$10,000 for each servicemember-owner listed on the account;

b. For retail accounts, any lost equity in the repossessed motor vehicle, as calculated by: subtracting any outstanding principal, interest, and other amounts owing by the borrowers (excluding any fees associated with the repossession), plus any liens at the time of repossession and any disbursements made to the servicemember or a third-party other than a lien holder from the proceeds of the repossession sale (exclusive of any fees associated with the repossession) from the retail value of the motor vehicle at the time of repossession as identified in the National Automobile Dealers Association ("NADA") Guide; taking into account vehicle condition and/or mileage as determined as part of the sale and reconditioning process; and

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Interest accrued on this lost equity, calculated from the date of the c. repossession sale until the date payment is issued, at the rate set forth in 28 U.S.C. § 1961.

Defendant shall provide the United States with all records used to make the payment calculations described in this Paragraph for the United States' review and approval. In cases where Defendant has already taken remedial actions with respect to a repossession that violated the SCRA, the United States shall consider such remedial actions and adjust the compensation to be awarded. In the event of a dispute regarding the compensation to be awarded, the Parties will meet and confer prior to bringing the matter to the Court.

14 The amount described in Paragraph 17(a) shall be paid entirely to each 18. SCRA-protected servicemember who is identified on the note securing the motor vehicle 15 16 or lease. The amounts described in Paragraph 17(b) and (c) shall be distributed equally 17 among all owners (including any non-SCRA-protected owners) on the title to the motor 18 vehicle.

19. For each account identified pursuant to Paragraph 16, Defendant shall notify each identified servicemember by letter (the form of which is to be approved in advance by the United States) within thirty (30) calendar days of the entry of this Consent Order. Each letter shall enclose the Declaration at Exhibit C and the Release at Exhibit D.

24 20. In order to receive any compensation under Paragraph 17, SCRA-protected 25 servicemembers must complete the Declaration at Exhibit C and the Release at Exhibit D.

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21. Defendant must issue and mail payment to each servicemember in the amount calculated pursuant to Paragraphs 17 and 18, within thirty (30) days of receiving a signed Declaration and Release from the servicemember.

22. All compensation checks may include the phrase "Settlement in Full" in the memorandum section. Defendant shall send a letter (the form of which is to be approved in advance by the United States) containing a Release in the form attached as Exhibit D to each co-owner within thirty (30) days of receiving a signed Declaration and Release from the servicemember on the motor vehicle finance or lease contract. Within thirty (30) days of receiving a properly executed copy of the Release at Exhibit D from the co-owner, Defendant shall issue and mail a compensation check to the co-owner in the amount calculated pursuant to Paragraphs 17 and 18.

23. The servicemembers and co-owners identified pursuant to Paragraph 16 shall have three (3) years from the date of notification to provide the Declaration and Release.

24. Within fourteen (14) days of the effective date of this Consent Order, Defendant shall deposit \$270,000 into an interest-bearing escrow account for the purpose of fulfilling its obligations under Paragraph 17. Defendant shall provide written verification of the deposit to the United States within three (3) business days of depositing the funds described in this Paragraph. Any taxes, costs, or other fees incurred on the escrow funds shall be paid by Defendant. Defendant shall add funds to the escrow account as necessary to meet its obligations under this Consent Order.

25. Defendant shall provide the United States with samples of all letters, and receive the United States' approval of those letters, before mailing any letter required by this Consent Order to individuals entitled to compensation.

26. Defendant shall promptly skip trace and redeliver or reissue any payment or notification that is returned as undeliverable, or that is not deposited, cashed, or returned within six (6) months of the date the initial payment is sent.

27. Servicemembers, co-lessees, and co-owners shall have six (6) months after issuance to cash or deposit their compensation checks. During the term of this Consent Order, Defendant shall, upon the request of a servicemember, co-lessee, or co-owner entitled to compensation, or upon the request of the counsel for the United States, reissue any checks that are not cashed or deposited prior to their expiration.

28. Every six (6) months for a period of three and one-half (3.5) years following the mailing of notices to those who are entitled to compensation, Defendant shall provide the DOJ with an accounting of all releases received, checks issued, checks cashed or deposited (including check copies), and notifications without responses or that were returned as undeliverable.

29. Any amounts in the escrow account required by Paragraph 24 that have not been distributed to aggrieved persons within four (4) years of the date of this Consent Order shall be paid to the United States Treasury in the form of an electronic funds transfer pursuant to written instructions to be provided by the United States.

30. No individual may obtain review by the Parties of the identifications made, and payments disbursed (including the amounts thereof), pursuant to the Consent Order.

VI. OTHER RELIEF

31. Within sixty (60) calendar days following the effective date of this Consent Order, Defendant shall request that all the credit bureaus to which it reports delete trade lines for accounts belonging to servicemember(s) and any co-borrowers (or co-lessees) addressed by this Consent Order. If Defendant timely makes the request for deletion, any failure of the credit bureaus to delete shall not constitute a breach of this Order or otherwise give rise to liability on the part of Defendant for such failure. Further, Defendant shall not pursue, directly or indirectly through any authorized third party further payment on such accounts, and will indemnify the servicemember and his or her co-borrower(s) (or co-lessee(s)) against any such action brought by or on behalf of Defendant by any such authorized third party, and must refund any amounts the

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servicemember and his or her co-borrower(s) (or co-lessee(s)) have paid toward any deficiency that was remaining on the loan or lease after the repossession.

32. Within sixty (60) days after completion of its obligations in Paragraph 31, Defendant shall certify to the United States that it has requested deletion of the tradelines associated with each of the identified accounts.

VII. PAYMENT TO THE UNITED STATES TREASURY

33. Within thirty (30) calendar days of the effective date of this Consent Order, Defendant shall pay a total of \$74,941 to the United States Treasury pursuant to 50 U.S.C. § 4041(b)(3) and 28 C.F.R. 85.5, to vindicate the public interest. The payment shall be in the form of an electronic funds transfer pursuant to written instructions to be provided by the United States.

VIII. ADDITIONAL REPORTING AND RECORD-KEEPING REQUIREMENTS

34. For the duration of this Consent Order, Defendant shall retain all records relating to its obligations hereunder, including its records with respect to all motor vehicle repossessions and compliance activities as set forth herein. The United States shall have the right to review and copy any such records, including electronic data, upon reasonable request during the term of this Consent Order.

35. During the term of this Consent Order, Defendant shall notify counsel for the United States in writing every six (6) months of receipt of any SCRA or militaryrelated complaint. Defendant shall provide a copy of any written complaints with the notifications. Defendant will incorporate into its SCRA Policies and Procedures a requirement that all customer service personnel, upon receiving any oral SCRA complaint, shall notify individuals designated and trained to receive SCRA complaints. Whether regarding a written or oral SCRA complaint, the notification to the United States shall include the full details of the complaint, including the complainant's name, address, and telephone number, and the full details of all actions Defendant took to

resolve the complaint. Defendant shall also promptly provide the United States all
information it may request concerning any such complaint. If the United States raises
any objections to Defendant's actions, the parties shall meet and confer to consider
appropriate steps to address the concerns raised by the United States' review. If the
parties are unable to come to an agreement regarding such objections or concerns, either
Party may bring the dispute to this Court for resolution.

36. Beginning 12 months after the effective date, Defendant will submit annual reports to the United States on its progress in complying with the terms of the Consent Order. The final report will be delivered to the United States at least 30 days prior to the expiration of the Consent Order. The reports will provide a complete account of Defendant's actions to comply with the Consent Order during the previous year. Defendant will attach to its reports copies of training materials distributed and the signed Employee Acknowledgment Forms collected pursuant to this Consent Order.

IX. SCOPE OF CONSENT ORDER

37. The provisions of this Consent Order shall apply to Defendant and any of its subsidiaries, predecessors, acquired companies, or successor entities. It shall also apply to the officers, employees, agents, representatives, assigns, successors-in-interest, and all persons and entities in active concert or participation with all of those entities, including with respect to any motor vehicle finance or lease transactions they serviced from April 15, 2015 to the effective date of this Consent Order.

38. In the event that Defendant is acquired by or merges with another entity, Defendant shall, as a condition of such acquisition or merger, obtain the written agreement of the acquiring or surviving entity to be bound by any obligations remaining under this Consent Order for the remaining term of this Consent Order.

39. This Consent Order does not release claims for practices not addressed in the Complaint's allegations, and it does not resolve and release claims other than claims for violations of Section 3952 of the SCRA related to motor vehicle repossessions. This Consent Order does not release any claims that may be held or are currently under
 investigation by any federal agency against Defendant or any of its affiliated entities.

40. Nothing in this Consent Order will excuse Defendant's compliance with any currently or subsequently effective provision of law or order of a regulator with authority over Defendant that imposes additional obligations on it.

X. LITIGATION HOLD

41. The parties agree that, as of the effective date of this Consent Order, litigation is not "reasonably foreseeable" concerning the matters described above. To the extent that either party previously implemented a litigation hold to preserve documents, electronically stored information (ESI), or things related to the matters described above, the party is no longer required to maintain such litigation hold. Nothing in this Paragraph relieves either party of any other obligations imposed by this Consent Order.

XI. MODIFICATIONS, ATTORNEY'S FEES AND COSTS, AND REMEDIES FOR NON-COMPLIANCE

42. Any time limits for performance imposed by this Consent Order may be extended by the mutual written agreement of the parties.

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

44. The parties shall endeavor in good faith to resolve informally any differences regarding the interpretation of and compliance with this Consent Order prior to bringing such matters to the Court for resolution. However, in the event the United States contends that there has been a failure by Defendant, whether willful or otherwise, to perform in a timely manner any act required by this Consent Order or otherwise comply with any provision thereof, the United States may move the Court to impose any remedy authorized by law or equity, including, but not limited to, an order requiring the performance of such act or deeming such act to have been performed, and an award of

any damages, costs, and attorney's fees which may have been occasioned by
 Defendant's violation or failure to perform.

XI. RETENTION OF JURISDICTION

45. This Consent Order shall be in effect for a period of four (4) years from its date of entry. The Court shall retain jurisdiction for the duration of this Consent Order to enforce its terms, after which time this case shall be dismissed with prejudice. The United States may move the Court to extend the duration of this Consent Order in the interests of justice.

SO ORDERED, this 26 day of November, 2024.

UNITED STATES DISTRICT JUDGE

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Case	2:24-cv-03818-MEMF-AS

	#:60	
1	The undersigned hereby apply for and conse	ent to the entry of the Order:
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3	For Plaintiff United States of America:	
4	Dated: May 8, 2024	
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6	E. MARTIN ESTRADA United States Attorney	KRISTEN CLARKE Assistant Attorney General
7	Central District of California	Civil Rights Division
8		
9	/s/ Katherine M. Hikida	/s/ Patricia L. O'Beirne
10	DAVID M. HARRIS Assistant United States Attorney	CARRIE PAGNUCCO Chief
11	Chief, Civil Division	ELIZABETH A. SINGER
12	RICHARD M. PARK Assistant United States Attorney	Director, U.S. Attorneys' Fair Housing Program
13	Chief, Civil Rights Section, Civil Division	PATRICIA L. O'BEIRNE
14	KATHERINE M. HIKIDA	Trial Attorney
15	Assistant United States Attorney Civil Rights Section, Civil Division	United States Department of Justice Civil Rights Division
16		Housing and Civil Enforcement Section
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For Defendant Hyundai Capital America: 1 2 Dated: May 6, 2024 3 4 5 6 JOHN C. REDDING* Alston & Bird 7 1120 South Tryon Street, Suite 300 8 Charlotte, NC 28203-6818 (704) 444-1070 9 John.Redding@alston.com 10 KATHLEEN BENWAY 11 Alston & Bird 12 950 F Street, N.W. Washington, DC 20004 13 (202) 239-3034 14 Kathleen.benway@alston.com Attorneys for HYUNDAI CAPITAL AMERICA 15 16 * Admitted in California and Washington D.C., not yet admitted in North Carolina 17 18 19 20 21 22 23 24 25 26 27 28 18

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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 during a period of military service, as long as a deposit or at least one installment payment was made before the borrower or lessee entered into that period of military service.
- Upon notice by the servicemember, imposes a 6% maximum rate of interest that may be charged during military service on motor vehicle finance or lease transactions incurred before the servicemember began his or her current period of military service.
 - Postpones court actions against servicemembers under certain circumstances.
 - Permits servicemembers to terminate motor vehicle and residential leases upon receipt of certain military orders.

If you choose to sign the attached waiver, Hyundai Capital America ("Hyundai") 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, Hyundai will be required to
provide you the protections of the SCRA if you took out your motor vehicle finance or
lease transaction and made a down payment on the motor vehicle, or at least one

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payment on the motor vehicle finance or lease transaction, when you were not in military
 service. Additionally, if Hyundai goes 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 in the case.

6 This waiver applies only to your SCRA rights related to motor vehicle repossessions;
7 you are not waiving any other SCRA protections that you may have. Before waiving
8 these important statutory rights, you should consult an attorney regarding how best to
9 exercise your rights or whether it is in your interest to waive these rights under the
10 conditions offered by Hyundai.

12 For More Information:

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- 13 14 • CONSULT AN ATTORNEY: To fully understand your rights under the law, and 15 before waiving your rights, you should consult an attorney. 16 • JAG / LEGAL ASSISTANCE: Servicemembers and their dependents with 17 questions about the SCRA should contact their unit's Judge Advocate, or their 18 installation's Legal Assistance Officer. A military legal assistance office locator 19 for all branches of the Armed Forces is available at 20 http://legalassistance.law.af.mil. 21 MILITARY ONESOURCE: "Military OneSource" is the U.S. Department of . Defense's information resource. Go to http://www.militaryonesource.com. 22 23 24 25 26
- 27 28

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1		AGREEMENT AND WAIVER OF RIGHTS UNDER
2		SERVICEMEMBERS CIVIL RELIEF ACT
3		
4	I	am a Servicemember OR the duly authorized agent or
5		-in-fact of, a Servicemember, pursuant to a power
6	of attorn	ey dated and I am aware that I have protections available
7		der the Servicemembers Civil Relief Act (SCRA). This includes, but is not
8	limited t	o, the right not to have a lender repossess my motor vehicle or personal property
9	without	a court order.
10		
11	By signi	ng this waiver, I acknowledge and agree that:
12		
13	•	I have read and understood the attached IMPORTANT NOTICE TO
14		MILITARY SERVICEMEMBERS.
15	•	I am waiving my right to have a court rule on whether Hyundai Capital
16		America ("Hyundai") can repossess my motor vehicle, a [YEAR] [MAKE]
17		[MODEL] [VIN] (the "Vehicle"), in accordance with 50 U.S.C. § 3952(a)(1).
18	•	I understand that if the vehicle sells for less than I still owe on the motor
19		vehicle finance or lease transaction, I may be responsible for the difference
20		("deficiency balance"), plus accrued interest.
21	۰	In exchange for waiving my SCRA rights with respect to the Vehicle, Hyundai
22		agrees to waive the recovery of any storage costs, attorneys' fees, and any
23		other fees and costs incurred in connection with the repossession or sale of the
24		vehicle. Hyundai will also attempt to return any personal property I left in my
25		vehicle.
26	٠	This Waiver shall have no effect on my right to receive any excess proceeds
27		from the sale of the Vehicle as provided by state law.
28		

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1	• This waiver is made voluntarily, without coercion, duress or compulsion. I
2	understand the terms of this waiver of rights, and acknowledge that I was
3	advised to consult with an attorney regarding this waiver and the protections
4	afforded by the SCRA.
5	
6	
7	Subject to the above provisions, I hereby waive and give up any right I may have to have
8	a court rule on the repossession of the Vehicle.
9	
10	Dated: By:
11	Dated Dy.
12	Signature
13	
14	
15	Print Name
16	For: Hyundai Capital America
17	
18	
19	Dated: By:
20	
21	Signature
22	
23	Print Name
24	
25	
26	
27	
28	
	22

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 resolving the United States' allegations in United States v. Hyundai Capital America, Case No. [INSERT CASE NUMBER] (C.D. Cal.), and copies of Hyundai Capital America's 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]

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1	EXHIBIT C
2	
3	DECLARATION
4	
5	I, [INSERT NAME], do hereby declare and state as follows:
6	1. I owned a vehicle obtained through a motor vehicle finance or lease transaction
7	assigned to Hyundai Capital America, Account Number [ACCOUNT NUMBER]
8	that was repossessed.
9	2. I obtained the motor vehicle finance or lease transaction on or about
10	[CONTRACT FUNDING DATE].
11	3. On or about [REPOSSESSION DATE], I WAS either:
12	i. on a covered period of military service; OR
13	ii. a member of a reserve component (Reserves or National Guard) and
14	had received orders to report for a covered period of military service.
15	
16	Please consider the following additional information in support of this
17	Declaration:
18	
19	
20	
21	
22	I confirm that the foregoing is true and correct.
23	
24	Executed this day of, 20
25	
26	SIGNATURE:
27	
28	PRINT NAME:
	24

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1	APPENDIX REGARDING MILITARY SERVICE
2	
3	As used in this Declaration, a "covered period of military service" is any of the
4	following:
5	
6	a) Full-time active duty with the armed forces of the United States (Army, Navy, Air
7	Force, Marine Corps, Coast Guard, or Space Force), including National Guard
8	members serving under orders issued under Title 10 of the United States Code;
9	
10	b) A period of active service with the National Guard:
11	
12	i)) authorized by the President or the Secretary of Defense;
13	ii) longer than thirty (30) consecutive days;
14	iii) under orders issued under Section 502(f) of Title 32 of the United States Code;
15	and
16	iv) for the purpose of responding to a national emergency declared by the
17	President and supported by federal funds.
18	
19	c) Active service as a commissioned officer of the Public Health Service or the
20	National Oceanic and Atmospheric Administration; or
21	
22	d) A period of time during which I was a servicemember absent from duty on

 d) A period of time during which I was a servicemember absent from duty or account of sickness, wounds, leave, or other lawful cause.

If you have any additional questions about whether your service constitutes a "covered period of military service" for purposes of this declaration, please contact the Department of Justice at 202-514-4713 and reference the Hyundai Capital America SCRA case.

EXHIBIT D

RELEASE

4	
5	Pursuant to the Consent Order resolving the United States' complaint in United
6	States v. Hyundai Capital America, Case No. [INSERT CASE NUMBER] (C.D. Cal.),
7	alleging that Hyundai Capital America ("Hyundai") violated the Servicemembers Civil
8	Relief Act, and in consideration of Hyundai's payment to me of \$ [AMOUNT], I,
9	[BORROWER OR LESSEE'S NAME], hereby release and forever discharge all claims,
10	arising prior to the date of this Release, related to the facts at issue in the litigation
11	referenced above and related to the alleged violation of Section 3952 of the
12	Servicemembers Civil Relief Act, that I may have against Hyundai and all related
13	entities, parents, predecessors, successors, subsidiaries, and affiliates and all of its past
14	and present directors, officers, agents, managers, supervisors, shareholders, and
15	employees and its heirs, executors, administrators, successors or assigns.
16	
17	Executed this day of, 202
18	
19	SIGNATURE:
20	
21	PRINT NAME:
22	
23	
24	
25	
26	
27	
28	
	26