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20 UNITED STATES DISTRICT COURT
21 CENTRAL DISTRICT OF CALIFORNIA
22 SOUTHERN DIVISION

23 UNITED STATES OF AMERICA,
24 Plaintiff,
25 v.
26 S & K TOWING, INC.,
27 Defendant.
28

Case No. 8:26-cv-00709

**COMPLAINT AND
DEMAND FOR JURY TRIAL**

1 **COMPLAINT**

2 Plaintiff, the United States of America (“United States”), alleges as follows:

3 **INTRODUCTION**

4 1. The United States brings this action under the Servicemembers Civil Relief
5 Act (SCRA), 50 U.S.C. § 3901, *et seq.*, against S & K Towing, Inc. (hereinafter “S & K
6 Towing”) for illegally selling, auctioning or otherwise disposing of approximately 148
7 vehicles owned by SCRA-protected servicemembers.

8 2. The purpose of the SCRA is to “provide for, strengthen, and expedite the
9 national defense” by enabling servicemembers “to devote their entire energy to the
10 defense needs of the Nation.” 50 U.S.C. § 3902(1).

11 3. The SCRA provides servicemembers with certain legal protections while
12 they are in military service. One of those protections is the requirement that a court
13 review and approve any action to foreclose or enforce a lien on the property or effects of
14 a servicemember during any period of military service and for 90 days thereafter. *See* 50
15 U.S.C. § 3958(a)(1). The requirement applies to any “lien for storage, repair, or cleaning
16 of the property or effects of a servicemember or a lien on such property or effects for any
17 other reason.” *See id.* § 3958(a)(2).

18 4. In a proceeding to foreclose or enforce a lien against a servicemember, the
19 court may stay the proceeding for a period of time as justice and equity require, or it may
20 adjust the obligation. *See* 50 U.S.C. § 3958(b). The court may also appoint an attorney to
21 represent the servicemember, require the lienholder to post a bond with the court, and
22 issue any other orders it deems necessary to preserve the interests of all parties. *See id.*
23 § 3931.

24 5. From August 28, 2020, through at least April 15, 2025, S & K Towing
25 towed hundreds of vehicles from Marine Corps Base-Camp Pendleton (MCB-Camp
26 Pendleton).

27 6. Although S & K Towing’s Memorandum of Agreement with MCB-Camp
28 Pendleton required S & K Towing to comply with all applicable federal and state laws,

1 from August 28, 2020, through at least April 15, 2025, S & K Towing had no SCRA
2 policies or training materials and took no steps to verify owners' military statuses before
3 selling or disposing of towed vehicles.

4 7. S & K Towing sold and disposed of vehicles without obtaining court orders
5 even when it knew or had reason to know that those vehicles were owned by SCRA-
6 protected servicemembers.

7 8. S & K Towing continued to sell and dispose of vehicles in violation of the
8 SCRA, even after a Military Legal Assistance attorney assigned to Camp Pendleton told
9 S & K Towing that it was violating the law.

10 9. By failing to obtain court orders before foreclosing and/or enforcing its
11 liens against servicemembers' vehicles, S & K Towing denied those servicemembers the
12 right to obtain a court's review of whether the foreclosure or enforcement should be
13 delayed or the lien adjusted to account for their military service. Such conduct violates
14 the SCRA, 50 U.S.C. § 3958(a).

15 JURISDICTION AND VENUE

16 10. This Court has jurisdiction over this action under 28 U.S.C. § 1331, 28
17 U.S.C. § 1345 and 50 U.S.C. § 4041.

18 11. S & K Towing is a California corporation with its principal place of
19 business at 1520 Avenida De La Estrella, San Clemente, California 92672, in Orange
20 County in the Central District of California.

21 12. Venue is proper in this judicial district under 28 U.S.C. § 1391(b) because S
22 & K Towing's principal place of business is in the Central District of California and a
23 substantial part of the events or omissions giving rise to the claim occurred within the
24 Central District of California.

25 S & K TOWING'S LIEN ENFORCEMENT PRACTICES

26 VIOLATED 50 U.S.C. § 3958(a)

27 13. S & K Towing provides towing and roadside assistance services in Orange
28 County, California.

1 14. On or about August 28, 2020, S & K Towing entered into a Memorandum
2 of Agreement (the “Towing Agreement”) to provide towing services on MCB-Camp
3 Pendleton.

4 15. The Towing Agreement required S & K Towing and the other contracted
5 towing companies to respond to calls for towing services made by the Marine Corps
6 Police Department at Camp Pendleton in accordance with a “rotation list.”

7 16. Under the Towing Agreement, the contracted towing companies in Orange
8 County are responsible for towing services in the northern half of MCB-Camp Pendleton
9 and towing companies in San Diego County are responsible for towing services in the
10 southern half of MCB-Camp Pendleton.

11 17. The Towing Agreement designates S & K Towing as one of only two tow
12 operators to receive calls for towing services north of the Las Pulgas Area.

13 18. The Towing Agreement requires that “when conducting business under the
14 terms of this [Memorandum of Agreement], the CONTRACTOR and employees will
15 refrain from any acts of misconduct including but not limited to . . . [v]iolations of any
16 federal, State or city law, code or ordinance.”

17 19. MCB-Camp Pendleton is one of the largest Marine Corps installations in
18 the United States, with a population of more than 42,000 active duty servicemembers.

19 20. S & K Towing knew or should have known that many of the vehicles that it
20 towed from MCB-Camp Pendleton were owned by SCRA-protected servicemembers.

21 21. When law enforcement or a governmental agency directs the removal of a
22 vehicle to a storage facility, the receiving facility holds a garageman’s lien against the
23 vehicle. *See* Cal. Veh. Code § 22851(a)(1). The facility may enforce its lien by
24 conducting a public sale of the vehicle or by disposing of the vehicle to a licensed
25 dismantler or scrap iron processor. *Id.*; *see also* Cal. Veh. Code §§ 22851.1, 22851.10.

26 22. While operating its business, S & K Towing regularly enforced its liens by
27 selling motor vehicles through public lien sales or to dismantlers or scrap iron
28 processors.

1 23. S & K Towing used an outside vendor to prepare the documentation
2 required to conduct a lien sale or to dispose of a vehicle. Once the California Department
3 of Motor Vehicles authorized a lien sale or disposal of a vehicle, S & K Towing
4 conducted the public lien sale or disposal.

5 24. From August 28, 2020, through April 15, 2025, S & K Towing auctioned,
6 sold or disposed of as many as 148 vehicles owned by SCRA-protected servicemembers
7 without obtaining court orders.

8 25. The Department of War¹ provides lienholders and others seeking to comply
9 with the SCRA an automated database run by the Defense Manpower Data Center
10 (“DMDC database”) to check whether individuals are SCRA-protected servicemembers.

11 26. From August 28, 2020, through at least April 15, 2025, S & K Towing did
12 not have a policy or practice of searching the DMDC database or doing anything else to
13 determine whether the motor vehicles it sold, auctioned, or otherwise disposed of were
14 owned by SCRA-protected servicemembers.

15 27. From August 28, 2020, through at least April 15, 2025, S & K Towing had
16 no written policies or procedures or training materials regarding SCRA compliance.

17 28. S & K Towing sold and disposed of vehicles without obtaining court orders
18 even when the vehicles contained military equipment, uniforms, and awards.

19 29. S & K Towing sold and disposed of vehicles without obtaining court orders
20 even when the vehicles were registered to addresses located on Camp Pendleton,
21 including rooms in the Camp Pendleton Barracks.

22 30. In some cases, S & K Towing sold and disposed of vehicles without
23 obtaining a court order even after it had been informed that the owner of the vehicle was
24 in military service or deployed overseas.

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28 ¹ The Department of Defense is referred to herein as the Department of War. *See*
Exec. Order No. 14347, 90 Fed. Reg. 43893 (Sept. 5, 2025).

1 31. In May 2024, a Marine Corps Legal Assistance attorney wrote a letter to S
2 & K Towing informing it that federal law prohibited it from selling or disposing of a
3 vehicle owned by an SCRA-protected servicemember without a court order.

4 32. In or around May 2024, the same Marine Corps Legal Assistance attorney
5 spoke with an individual named “Jesse” who identified himself as the manager/owner of
6 S & K Towing. When the Marine Corps Legal Assistance attorney told Jesse that S & K
7 Towing could not sell or dispose of a servicemember’s car without a court order, Jesse
8 responded by saying, “We do this all the time.”

9 33. After receiving the letter and the call from the Marine Corps Legal
10 Assistance attorney, S & K Towing continued to sell and dispose of vehicles owned by
11 SCRA-protected servicemembers without obtaining court orders.

12 **CAUSE OF ACTION**

13 **SERVICEMEMBER CIVIL RELIEF ACT**

14 34. Plaintiff re-alleges and incorporates by reference the allegations set forth
15 above.

16 35. Section 3958(a) of the SCRA provides that “[a] person holding a lien on the
17 property or effects of a servicemember may not, during any period of military service of
18 the servicemember and for 90 days thereafter, foreclose or enforce any lien on such
19 property or effects without a court order granted before foreclosure or enforcement.”

20 36. By the conduct described in the foregoing paragraphs, S & K Towing has
21 enforced liens on the property of SCRA-protected servicemembers without first
22 obtaining court orders, in violation of 50 U.S.C. § 3958(a).

23 37. By auctioning, selling or disposing of as many as 148 vehicles owned by
24 SCRA-protected servicemembers without obtaining court orders, S & K Towing has
25 engaged in a pattern or practice of violating Section 3958(a) of the SCRA. 50 U.S.C.
26 § 4041(a)(1).

27 38. S & K Towing’s violations of Section 3958(a) of the SCRA raise issues of
28 significant public importance. 50 U.S.C. § 4041(a)(2).

39. SCRA-protected servicemembers have suffered damages as a result of S & K Towing's conduct.

40. S & K Towing's conduct was intentional, willful, and taken in disregard for the rights of SCRA-protected servicemembers.

RELIEF REQUESTED

WHEREFORE, the United States requests that the Court enter an ORDER that:

1. Declares that S & K Towing's conduct violated the SCRA;
2. Enjoins S & K Towing, its agents, employees, and successors and all other persons and entities in active concert or participation with it, from:
 - a. enforcing liens on motor vehicles of SCRA-protected servicemembers without court orders, in violation of the SCRA, 50 U.S.C. § 3958(a);
 - b. failing or refusing to take such affirmative steps as may be necessary to restore, as nearly as practicable, aggrieved servicemembers to the positions they would have been in but for that illegal conduct; and
 - c. failing or refusing to take such affirmative steps as may be necessary to prevent the recurrence of any illegal conduct in the future and to eliminate, to the extent practicable, the effects of S & K Towing's illegal conduct;
3. Awards appropriate monetary damages to aggrieved servicemembers, pursuant to 50 U.S.C. § 4041(b)(2); and
4. Assesses civil penalties against S & K Towing in order to vindicate the public interest, pursuant to 50 U.S.C. § 4041(b)(3).

The United States prays for such additional relief as the interests of justice may require.

DEMAND FOR JURY TRIAL

The United States hereby demands a trial by jury of all issues so triable pursuant to Rule 38 of the Federal Rules of Civil Procedure.

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1 Dated: March 25, 2026

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