

United States v. BMW Financial Services, N.A., L.L.C (D.N.J.), Civil No. 2:18-cv-02495

**SETTLEMENT AGREEMENT
BETWEEN THE UNITED STATES OF AMERICA AND BMW
FINANCIAL SERVICES N.A., L.L.C.**

I. INTRODUCTION

1. This Settlement Agreement (“Agreement”) is entered into between Plaintiff, the United States of America (“the United States”), through the Department of Justice, and Defendant BMW Financial Services N.A., L.L.C. (“BMW FS”), through its authorized representatives. The United States and BMW FS are referred to herein as the “Parties.”

II. RECITALS

2. This Agreement resolves the allegations contained in the United States’ lawsuit, *United States v. BMW Financial Services N.A., L.L.C.*, Civil No. 2:18-cv-02495, filed in the United States District Court for the District of New Jersey against BMW FS on February 22, 2018 (hereinafter “Civil Action”).
3. The Civil Action alleges that BMW FS engaged in a pattern or practice of violating the Servicemembers Civil Relief Act (“SCRA”), 50 U.S.C. §§ 3901-4043, by failing to refund, on a *pro rata* basis, lease amounts paid in advance – in the form of capitalized cost reduction (“CCR”) –

by servicemembers who lawfully terminated their motor vehicle leases upon receipt of qualifying military orders. Specifically, the United States alleges that BMW FS did not, as a matter of policy or practice, refund any portion of CCR amounts to servicemembers who lawfully terminated their leases.

4. BMW FS is a limited liability corporation incorporated in Delaware with its headquarters located at 300 Chestnut Ridge Road, Woodcliff Lake, New Jersey, in the District of New Jersey.
5. CCR is an up-front monetary amount credited to the lessee of a motor vehicle based on the lessee's payment of cash, trade-in of another motor vehicle, or receipt of a rebate or other credit provided by the manufacturer, lessor, lessor's assignee, or a third party. CCR operates to reduce the capitalized cost (which includes the vehicle's agreed-upon value, as well as other attendant costs) that forms the basis for calculating the lessee's future monthly lease payments. Therefore, CCR operates to reduce the lessee's future monthly lease payment amount. BMW FS disputes these contentions.
6. BMW FS contends that CCR does not constitute a lease amount paid in advance as contemplated by the SCRA, 50 U.S.C. § 3955(f), as it is not paid for a period after the effective date of the lease. Rather, BMW FS

contends it is a payment in the form of a down payment, retained by the motor vehicle dealer and no part of which is paid to or received by BMW FS. The United States disputes these contentions.

7. This Agreement covers all lease terminations for leases entered into by, or assigned to, BMW FS, or any subsidiaries, predecessors, acquired companies, or successor entities.
8. The Parties agree, and the United States believes that it is in the public's best interest, that the Civil Action should be resolved amicably and without further litigation.
9. BMW FS neither admits nor denies the factual allegations and statements of law contained in this Settlement Agreement.

Nevertheless, to avoid the delay, uncertainty, inconvenience and expense of protracted litigation, and in consideration of the mutual promises and obligations set forth below, the Parties agree and covenant to the following material terms and conditions:

III. STATEMENT OF CONSIDERATION

10. In consideration of, and consistent with, the terms of this Agreement, the Parties will move jointly for dismissal of the lawsuit entitled *United States v. BMW Financial Services N.A., L.L.C.*, Civil No. 2:18-cv-02495, as set forth in Paragraph 47, and the United States releases

BMW FS from any and all claims to the extent provided for in Paragraph 36. The parties agree and acknowledge that this consideration is adequate and sufficient.

IV. TERMS AND CONDITIONS

A. COMPLIANCE WITH THE SCRA AND SCRA POLICIES AND PROCEDURES

11. Within thirty (30) calendar days of the effective date of this Agreement, BMW FS shall develop SCRA Policies and Procedures for Motor Vehicle Lease Terminations in compliance with Section 3955 of the SCRA, 50 U.S.C. § 3955, consistent with the provisions set forth herein. These policies and procedures – which must apply to BMW FS and BMW FS’s agents – must include the following provisions:
 - a. permitting servicemembers to terminate their motor vehicle leases during the term of the lease where:
 - i. the lessees enter military service under a call or order specifying a period of not less than 180 days (or who enter military service under a call or order specifying a period of 180 days or less and who, without a break in service, receive orders extending the period of military service to a period of not less than 180 days), *see* 50 U.S.C. § 3955(b)(2)(A);

- ii. the lessees, while in military service, execute a lease and thereafter receive military orders for a permanent change of station from a location in the continental United States to a location outside the continental United States or from a location in a state outside the continental United States to any location outside that state, *see* 50 U.S.C. § 3955(b)(2)(B)(i);
or
 - iii. the lessees, while in military service, execute a lease and thereafter receive military orders to deploy with a military unit, or as an individual in support of a military operation, for a period of not less than 180 days, *see* 50 U.S.C. § 3955(b)(2)(B)(ii);
- b. accepting terminations of leases by delivery to BMW FS or BMW FS's agent of written notice of termination and a copy of military orders (to include any notification, certification, or verification from the servicemember's commanding officer), or other document prepared exclusively by a branch of the military or the Department of Defense demonstrating that the lessee is eligible for lease termination under 50 U.S.C. § 3955(b)(2), including by hand delivery, private business carrier, U.S. Mail,

- or secure electronic communication channel, and return of the motor vehicle to BMW FS or BMW FS's agent;
- c. permitting eligible servicemembers to terminate their motor vehicle leases at any time after their entry into military service under the circumstances set forth in Paragraph 11(a)(i), or the date of their qualifying military orders as set forth in Paragraph 11(a)(ii) and (a)(iii), *see* 50 U.S.C. § 3955(a)(1);
 - d. setting the effective date of the lease termination as the date on which the servicemember has completed both delivery of the notice of termination and return of the vehicle to BMW FS or BMW FS's agent, *see* 50 U.S.C. § 3955(d)(2);
 - e. limiting any charges that must be paid upon termination to those permitted by Section 3955(e)(2) of the SCRA;
 - f. refunding, within 30 days after the effective date of termination, all lease amounts paid in advance (including those applied as CCR) for a period after the effective date of termination, *see* 50 U.S.C. § 3955(f); and
 - g. internally designating customer service representatives who have been specifically trained on the protections of the SCRA with respect to motor vehicle leases and who are responsible for

the intake of and response to servicemembers' inquiries regarding the SCRA. BMW FS shall ensure that it has a telephone number, and link to a secure electronic communication channel, at which servicemembers may reach a designated SCRA customer service representative, or leave a message for such representative, who will address questions or concerns regarding the SCRA. BMW FS shall also include a page on its website detailing eligibility for, and relief provided by, the SCRA, and providing the telephone number and designated electronic mail address to obtain SCRA relief, or raise questions or concerns regarding such relief.¹

12. No later than thirty (30) calendar days after the effective date of this Agreement, BMW FS shall provide a copy of the proposed SCRA Policies and Procedures required under Paragraph 11 to counsel for the United States.² The United States shall respond to BMW FS's

¹ Nothing in this Agreement shall preclude BMW FS from offering greater protections to servicemembers than those afforded by the Agreement or the SCRA.

² All materials required by this Agreement to be sent to counsel for the United States shall be sent by private business carrier (non-USPS) delivery service addressed as follows: Chief, Housing & Civil Enforcement Section, Civil Rights Division, United States Department of Justice, 1800 G Street, N.W., Suite 7002, Washington, DC 20006, Attn: DJ 216-48-1 and Chief, Civil Rights Unit, U.S. Attorney's Office, District of New Jersey, 970 Broad Street, Suite 700, Newark, NJ 07102. Correspondence may also be sent via electronic mail to the U.S. Department of Justice, care of the undersigned counsel for the United States.

proposed SCRA Policies and Procedures within forty-five (45) calendar days of receipt. If the United States objects to any part of BMW FS's SCRA Policies and Procedures, the Parties shall confer to resolve their differences. BMW FS shall begin the process of implementing the SCRA Policies and Procedures within ten (10) calendar days of approval by the United States.

13. If, at any time during the term of this Agreement, BMW FS 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 BMW FS within thirty (30) 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 thirty (30)-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 12.

B. TRAINING

14. Within forty-five (45) calendar days of the United States' approval of the SCRA Policies and Procedures pursuant to Paragraph 11, BMW FS shall provide to the United States the curriculum, instructions, and any

written materials included in the training required by Paragraphs 15 and 16. The United States shall have forty-five (45) calendar days from receipt of these documents to raise any objections to BMW FS's training materials, and, if it raises any, the Parties shall confer to resolve their differences.

15. BMW FS shall provide SCRA compliance training to any employees who: (a) provide customer service to lessees in connection with their motor vehicle leases, or (b) have significant involvement in the termination of motor vehicle leases for servicemembers, within forty-five (45) calendar days after BMW FS's training program is approved by the United States pursuant to Paragraph 14. BMW FS shall provide to each covered employee: (a) training on the terms of the SCRA with respect to lease terminations; (b) training on BMW FS's SCRA Policies and Procedures (both those required pursuant to Paragraph 11, and all others adopted by BMW FS) specific to the employee's responsibilities associated with that employee's position; (c) training on the terms of this Agreement; and (d) the contact information for the SCRA customer service representatives described in Paragraph 11(g). BMW FS shall also follow these training procedures for any employee who

subsequently becomes a covered employee within thirty (30) calendar days of his or her hiring, promotion, or transfer.

16. During the term of this Agreement, BMW FS shall provide annual SCRA training, with the same content as described in Paragraph 15, to covered employees with respect to their responsibilities and obligations under the SCRA, the SCRA Policies and Procedures, and this Agreement.
17. The covered employees may undergo the training required by Paragraphs 15 and 16 via live training, computer-based training, web-based training, or via interactive digital media. If the training is conducted in any format other than live training, BMW FS shall ensure that covered employees have the opportunity to have their questions answered by a company contact that BMW FS identifies as having SCRA expertise within two (2) business days of the training. Any expenses associated with the training program required by Paragraphs 15 and 16 shall be borne by BMW FS.
18. BMW FS shall secure a signed statement in the form attached as Exhibit A³ from each covered employee at the training required by

³ The electronic signature of a covered employee shall be deemed satisfactory for purposes of verifying completion of the training required under this Agreement.

Paragraphs 15 and 16 acknowledging that he or she has received, read, and understands the requirements imposed by this Agreement to the extent relevant to the covered employee's job responsibilities and the SCRA Policies and Procedures specific to the employee's responsibilities associated with the loan being serviced, has had the opportunity to have his or her questions about these documents answered, and agrees to abide by them. For the duration of this Agreement, copies of those signed statements shall be provided to the United States upon request. BMW FS shall also certify in writing to counsel for the United States that the covered employees successfully completed the training required by Paragraphs 15 and 16.

C. COMPENSATION

19. BMW FS and the United States have reviewed accounts for which BMW FS permitted early lease termination pursuant to the SCRA from August 24, 2011 to the present. BMW FS shall refund to the servicemember/lessees⁴ on these accounts the following amounts (to the extent not already refunded):

⁴ Servicemembers who properly terminated a lease in which the servicemember was an assignee of that lease by a prior lessee, and as a result did not pay any portion of the CCR included within the original lease transaction, shall not be eligible to participate in this settlement and shall receive no compensation.

- a. Non-CCR lease amounts paid in advance for a period after the effective date of the termination of the lease⁵; and
- b. CCR amounts, less the amount of any:
 - i. manufacturer rebates or other rebates and incentives offered by BMW FS, an individual dealer, insurer, governmental entity, or other third party, or other credits not based on a cash payment or trade-in value;
 - ii. payoff of negative equity or prior lease balance amounts by the originating automobile dealer or other third party, to the extent included in the gross capitalized cost;
 - iii. payment for maintenance or other vehicle- or lessee-protection agreements, to the extent included in the gross capitalized cost, if the servicemember is entitled to obtain a refund upon lease termination for unused periods covered by such agreements pursuant to state law or other agreement;
 - iv. The amount of any acquisition fee paid and included in the gross capitalized cost; and

⁵ As used in this sub-part, such payments are specifically limited to the periodic or monthly payments identified in paragraph 6 of the subject lease agreements and paid in advance of termination. When a lease termination occurs in the middle of a payment period, a refund must be provided on a *pro rata* basis.

- v. Any amounts paid for tax, title and license included in the gross capitalized cost.

BMW FS shall refund CCR amounts on a *pro rata* basis by: (a) multiplying the CCR amount subject to refund (i.e., after subtracting the amounts in subparagraphs (b)(i)-(v)) by the amount of time remaining in the lease term at termination, (b) dividing the product by the total lease term, and then (c) subtracting any due but unpaid monthly or other periodic payments incurred prior to the date of termination that remain outstanding at the time of termination.

- 20. BMW FS shall compensate the individual lessees covered by this Agreement by providing: (1) a refund of the amount calculated pursuant to Paragraph 19, plus interest, as calculated pursuant to 28 U.S.C. § 1961; and (2) an additional payment of indirect damages in the amount of \$500, or three times the amount calculated pursuant to Paragraph 19, whichever is larger. The compensation described in subsection (1) shall be distributed equally among the lessees (including non-servicemember co-lessees) named on the lease. The compensation described in subsection (2) shall be paid entirely to the servicemember (or servicemembers). In cases where BMW FS has already taken remedial

actions with respect to a lease termination, DOJ has considered such remedial actions and agreed to allow BMW FS to adjust the compensation awarded to the servicemember or co-lessee.

21. Within fourteen (14) days of the effective date of this Agreement, BMW FS shall deposit \$2,165,518.84 into an interest-bearing escrow account for the purpose of fulfilling its obligations under Paragraph 20. BMW FS 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 BMW FS.
22. BMW FS must deliver payment to each servicemember and co-lessee, except for those servicemembers and co-lessees currently residing in Oregon, in the amount calculated pursuant to Paragraphs 19-20 within forty-five (45) days of the effective date of this Agreement.
23. All compensation checks may include the phrase "Settlement in Full" in the memorandum section. All compensation checks shall be accompanied by a copy of a letter (the form of which is to be approved in advance by DOJ) explaining that cashing or endorsing the check releases all claims related to the SCRA Section 3955(f) violations alleged in the complaint.

24. For any and all servicemembers and co-lessees currently residing in Oregon, BMW FS shall send the servicemember or co-lessee a Release in the form attached as Exhibit B within forty-five (45) days of the effective date of this Agreement. Within thirty (30) days of receiving a properly executed copy of the Release at Exhibit B, BMW FS shall issue and mail a compensation check to the servicemember or co-lessee in the amount calculated pursuant to Paragraph 19-20. Servicemembers and co-lessees in Oregon shall have two (2) years from the date of notification to provide the Release.
25. BMW FS 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 pursuant to Paragraphs 22-24.
26. Servicemembers and co-lessees shall have one (1) year after issuance to cash or deposit their compensation checks. During the term of this Agreement, BMW FS shall, upon the request of a servicemember or co-lessee entitled to compensation, reissue any checks that are not cashed or deposited prior to their expiration.
27. Every 6 months for a period of two and a half years following the mailing of notices to those who are entitled to compensation, BMW FS

shall provide the DOJ with an accounting of all releases received, checks issued, checks cashed or deposited (including check copies), credit entries updated, and notifications without responses or that were returned as undeliverable.

28. Any compensation payments required by Paragraph 20 that have not been distributed to aggrieved persons within five years of the date of this Agreement 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.
29. No individual may obtain review by the Parties of the identifications made, and payments disbursed (including the amounts thereof), pursuant to Paragraphs 19-28.

D. OTHER RELIEF

30. Concurrent with providing financial compensation to the lessees, BMW FS must request that all three major credit bureaus remove negative entries for the servicemember(s) and any co-lessee(s) attributable to non-payment of any amounts that were due and unpaid at the time of lease termination⁶ that would have been paid if the unrefunded CCR

⁶ See 50 U.S.C. § 3955(e)(2) (“any taxes, summonses, title and registration fees, or other obligations and liabilities of the lessee in accordance with the terms of the lease, including reasonable charges to the lessee for excess wear or use and mileage, that are due and unpaid at the time of termination of the lease shall be paid by the lessee”).

had been applied to the arrearages. The United States acknowledges that BMW FS can only request that the credit modification be made to a credit report by a consumer reporting agency.

E. PAYMENT TO UNITED STATES TREASURY

31. Within thirty (30) calendar days of the effective date of this Agreement, BMW FS shall pay a total of Sixty Thousand Seven Hundred and Eighty-Eight Dollars (\$60,788) to the United States. The payment shall be in the form of an electronic funds transfer pursuant to written instructions to be provided by the United States.

F. ADDITIONAL REPORTING AND RECORD-KEEPING REQUIREMENTS

32. For the duration of this Agreement, BMW FS shall retain all records relating to its obligations hereunder, including its records with respect to all leases for which a servicemember has sought a lease termination, and all records relating to compliance activities under this Agreement. 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 Agreement.
33. During the term of this Agreement, BMW FS shall notify counsel for the United States in writing every six (6) months, beginning six (6) months after the effective date of this Agreement, of receipt of any

complaint during the preceding six (6) months claiming a violation of, or claiming a failure to, properly extend benefits under the SCRA by BMW FS. BMW FS shall provide a copy of any written complaint with the notification, along with the response by BMW FS upon request by the United States. 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 BMW FS took to resolve the complaint. BMW FS shall also promptly provide the United States all information it may request concerning any such complaint. If the United States raises any objections to BMW FS actions, the Parties shall meet and confer to consider appropriate steps to address any concerns raised by the United States.

V. SCOPE OF SETTLEMENT AGREEMENT

34. The provisions of this Agreement shall apply to BMW FS and any parents, subsidiaries, affiliates, predecessors, acquired companies, or successor entities. It shall also apply to the officers, employees, agents, representatives, assigns, and successors-in-interest, including with respect to any leases it contracted for or was assigned from August 24, 2011 to the effective date of this Agreement.

35. In the event that the stock of BMW FS is acquired by or merges with another entity, BMW FS 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 Agreement for the remaining term of this Agreement.
36. This Agreement releases only the claims for violations of Section 3955(f) of the SCRA addressed in the Complaint or identified in this Agreement from August 24, 2011 to the effective date of this Agreement. This Agreement does not release any other claims that may be held or are currently under investigation by any federal agency against BMW FS or any of its affiliated entities.
37. Nothing in this Agreement will excuse BMW FS's noncompliance with any currently or subsequently effective provision of law or order of a regulator with authority over BMW FS that imposes additional obligations on it.

VI. IMPLEMENTATION AND ENFORCEMENT

38. The United States may review compliance with this Agreement at any time. BMW FS agrees to cooperate with the United States in any reasonable review of compliance with this Agreement. Upon reasonable notice, BMW FS shall permit counsel for the United States

to inspect and copy all non-privileged records pertinent to this Agreement.

39. The Parties shall endeavor in good faith to resolve informally any differences regarding interpretation of, or compliance with, this Agreement prior to initiating any court action.
40. If the United States believes that there has been a failure by BMW FS to perform in a timely manner any act required by this Agreement, or otherwise to act in conformance with any provision thereof, whether intentionally or not, the United States will notify BMW FS in writing of its concerns and the Parties will attempt to resolve those concerns in good faith. BMW FS shall have fifteen (15) days from the date the United States provides notification of any breach of this Agreement to cure the breach or to request a meet and confer to resolve any disagreement between the Parties as to the validity of the claimed failure.
41. If the Parties are unable to reach a resolution within 15 days, the United States may, until the Civil Action is dismissed, seek appropriate relief before the Court in the Civil Action. After the Civil Action is dismissed, the United States may bring a civil action for breach of this Agreement or any provision thereof, in the United States District Court

for the District of New Jersey. The United States may in such action seek to have the Court impose any remedy authorized at law or equity. This Court shall serve as the exclusive jurisdiction and venue for any dispute concerning this Agreement. The Parties consent to and agree not to contest the jurisdiction of this Court. The Parties further acknowledge that venue in this Court is appropriate and agree not to raise any challenge on this basis.

42. In the event the United States files a civil action as contemplated by Paragraph 41, above, to remedy breach of this Agreement, the United States may seek, in addition to any remedy available under law or equity, an injunction mandating specific performance of any term or provision in this Agreement. The United States may also seek from the Court an award of reasonable attorneys' fees and costs incurred in bringing an action to remedy breach of this Agreement. If such a civil action is filed, BMW FS expressly agrees not to count the time during which this Agreement is in place, or use the terms or existence of this Agreement, to plead, argue or otherwise raise any defenses under theories of claim preclusion, issue preclusion, statute of limitations, estoppel, laches, or similar defenses.

43. Failure by the United States to enforce any provision of this Agreement shall not operate as a waiver of the United States' right or ability to enforce any other provision of this Agreement.

VII. TERMINATION OF LITIGATION HOLD

44. The Parties agree that, as of the date of the dismissal of the Civil Action, litigation is not anticipated concerning the matters described in the United States' Complaint. To the extent that any 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 any Party of any other obligations imposed by this Agreement.

VIII. DURATION, EXECUTION, AND OTHER TERMS

45. This Agreement is effective on the date of signature of the last signatory to the Agreement. The Agreement may be executed in multiple counterparts, each of which together shall be considered an original but all of which shall constitute one agreement. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

46. The duration of this Agreement shall be for a period of four (4) years from the date of execution.
47. Within fourteen (14) days after the deposit of escrow funds as set forth in Paragraph 21, the Parties shall sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1).
48. Any time limits for performance imposed by this Agreement may be extended by the mutual written agreement of the Parties.
49. Each Party shall bear its own legal and other costs incurred in connection with this litigation, including the preparation and performance of this Agreement, except as set forth in Paragraph 42.
50. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.
51. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.
52. This Agreement constitutes the complete agreement between the Parties. No prior or contemporaneous communications, oral or written,

or prior drafts shall be relevant or admissible for purposes of determining the meaning of any provision herein or in any other proceeding.

53. This Agreement is governed by and shall be interpreted under the laws of the United States.
54. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the entities indicated below.
55. This agreement is binding on the Parties and their transferees, heirs, and assigns.
56. Except where this Agreement expressly conditions or predicates performance of a duty or obligation upon the performance of a duty or obligation by another party, the performance of one party's duties or obligations under this Agreement shall not be discharged or excused by the actual or alleged breach of the duties and obligations by another party.
57. This Agreement is a public document. Both Parties consent to the disclosure of this Agreement by either or both of the Parties, including information about this Agreement, to the public.
58. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts,

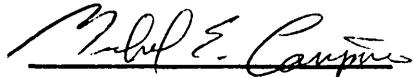
terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement.

59. The Parties agree that they will not, individually or in combination with another, seek to have any court declare or determine that any provision of this Agreement is illegal or invalid.
60. This Agreement may be modified only with the written consent of the parties. Any modifications must be in writing and signed by the parties through their authorized representatives.
61. In the event of a change in statute or regulation affecting the need to refund any portion of a CCR, or the method of calculating the amount due, BMW FS may seek to modify any and all future refund practices called for by this Agreement to be consistent with such a change as of the effective date of that change pursuant to the procedure set forth in Paragraph 13.

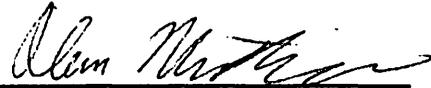
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EXHIBIT A

EMPLOYEE ACKNOWLEDGMENT

I acknowledge that on [INSERT DATE], I was provided training regarding SCRA compliance, a copy of the Settlement Agreement resolving the United States' allegations in *United States v. BMW Financial Services N.A., L.L.C.*, Case No. 2:18-cv-02495 (D.N.J.), and copies of BMW'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 B

RELEASE

In consideration for the parties' agreement to the terms of the Settlement Agreement resolving the United States' allegations in *United States v. BMW Financial Services N.A., L.L.C.*, Case No. 2:18-cv-02495 (D.N.J.), that BMW FS violated the Servicemembers Civil Relief Act, and BMW FS's payment to me of \$ [AMOUNT], I, [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 3955(f) of the Servicemembers Civil Relief Act, that I may have against BMW FS and all related entities, parents, predecessors, successors, subsidiaries, and affiliates and all of its past and present directors, officers, agents, managers, supervisors, shareholders, and employees and its heirs, executors, administrators, successors or assigns.

Executed this _____ day of _____, 201_.

SIGNATURE: _____

PRINT NAME: _____