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28

1 UNITED STATES DISTRICT COURT  
2 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
3  
4  
5

6 UNITED STATES OF AMERICA,  
7 Plaintiff,  
8 v.  
9 HYUNDAI CAPITAL AMERICA,  
10 Defendant.

Case No.

**CONSENT ORDER**

Hon.

United States District Judge

13  
14 **CONSENT ORDER**

15  
16 **I. INTRODUCTION**

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

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

26 3. This Consent Order covers all motor vehicle repossessions occurring from  
27 April 15, 2015, through the effective date of this Consent Order in connection with  
28 motor vehicle finance or lease transactions or deficiency balances originated, acquired,

1 and/or serviced by Defendant, or any of its subsidiaries, predecessors, acquired  
2 companies, or successor entities.

3 4. The United States and Defendant (collectively, the “Parties”) agree that the  
4 Court has jurisdiction over the subject matter of this case pursuant to 28 U.S.C. § 1331,  
5 28 U.S.C. § 1345, and 50 U.S.C. § 4041.

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

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

13 It is hereby ORDERED, ADJUDGED and DECREED:

14 **II. INJUNCTIVE RELIEF<sup>1</sup>**

15 7. Defendant and its affiliates, subsidiaries, officers, employees, agents, and  
16 representatives (including contractors and vendors acting on behalf of Defendant) shall  
17 be required to comply fully with all relevant provisions of the SCRA prohibiting the  
18 repossession of motor vehicles of “SCRA-protected servicemembers”<sup>2</sup> without a court  
19 order.  
20

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21 <sup>1</sup> 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.

23 <sup>2</sup> For purposes of this Consent Order, the term “SCRA-protected servicemember” means  
24 servicemembers as defined in 50 U.S.C. § 3911(1) and (2) who made a deposit on the motor vehicle or  
25 at least one installment payment on the purchase or lease before entering military service. *See* 50 U.S.C.  
26 § 3952(a). The SCRA grants additional periods of protection for reservists ordered to report for military  
27 service and persons ordered to report for induction. 50 U.S.C. § 3917. Therefore, for purposes of this  
28 Consent Order, these “early alert” periods shall be included in the periods of protection for  
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  
of payment of a deposit on the motor vehicle or installment payment on the motor vehicle finance or  
lease transaction.



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

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

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

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

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

## 22 **B. Review and Approval of Policies and Procedures**

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

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

*(footnote cont'd on next page)*

1 respond to Defendant's proposed SCRA policies and procedures within forty-five (45)  
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  
5 dispute to this Court for resolution. If the United States does not deliver written  
6 objection to Defendant within forty-five calendar days of receiving the policies and  
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  
10 United States, whichever is earlier.

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

#### 19 **IV. TRAINING**

20 11. Within forty-five (45) calendar days after the United States' approval of the  
21 SCRA policies and procedures pursuant to Paragraph 9, Defendant shall provide to the  
22 United States the curriculum, instructions, and any written materials included in the  
23 training required by Paragraphs 12 and 13. The United States shall have forty-five (45)  
24 calendar days from receipt of these documents to raise any objections to Defendant's  
25

26 \_\_\_\_\_  
27 Washington, DC 20002, Attn: DJ 216-12C-13, and via electronic mail to the U.S. Department of  
28 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.

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

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

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

20 14. The covered employees may undergo the training required by Paragraphs  
21 12 and 13 via live training, computer-based training, web-based training, or interactive  
22 digital media. If the training is conducted in any format other than live training,  
23 Defendant shall ensure that covered employees have the opportunity to have their  
24 questions answered by a company contact that Defendant identifies as having SCRA  
25 expertise within five (5) business days of the training. Any expenses associated with the  
26 training program required by Paragraphs 12 and 13 shall be borne by Defendant.

27 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

1 acknowledging that they have received, read, and understand the Consent Order and  
2 Defendant's SCRA policies and procedures specific to the employee's responsibilities  
3 associated with the motor vehicle finance or lease transaction being serviced, have had  
4 the opportunity to have their questions about these documents answered, and agree to  
5 abide by them. Defendant shall also certify in writing to counsel for the United States  
6 that the covered employees successfully completed the training required by Paragraphs  
7 12 and 13 in the status reports submitted pursuant to Paragraph 36 of this Consent Order.  
8 Such statements may be signed electronically using a methodology that uniquely  
9 identifies each person so signing. For the duration of this Consent Order, copies of the  
10 signed statements shall be provided to the United States upon request.

## 11 **V. COMPENSATION**

12 16. The United States has reviewed accounts for which Defendant conducted  
13 motor vehicle repossessions without a court order between April 15, 2015, and May 21,  
14 2023. The United States alleges that Defendant conducted 26 motor vehicle  
15 repossessions between April 15, 2015 and May 21, 2023, that violated the SCRA. The  
16 United States has provided a list of those repossessions to Defendant.

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

- 19 a. An amount of \$10,000 for each servicemember-owner listed on the  
20 account;
- 21 b. For retail accounts, any lost equity in the repossessed motor vehicle,  
22 as calculated by: subtracting any outstanding principal, interest, and other amounts  
23 owing by the borrowers (excluding any fees associated with the repossession),  
24 plus any liens at the time of repossession and any disbursements made to the  
25 servicemember or a third-party other than a lien holder from the proceeds of the  
26 repossession sale (exclusive of any fees associated with the repossession) from the  
27 retail value of the motor vehicle at the time of repossession as identified in the  
28

1 National Automobile Dealers Association (“NADA”) Guide; taking into account  
2 vehicle condition and/or mileage as determined as part of the sale and  
3 reconditioning process; and

4 c. Interest accrued on this lost equity, calculated from the date of the  
5 repossession sale until the date payment is issued, at the rate set forth in  
6 28 U.S.C. § 1961.

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

14 18. The amount described in Paragraph 17(a) shall be paid entirely to each  
15 SCRA-protected servicemember who is identified on the note securing the motor vehicle  
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 19. For each account identified pursuant to Paragraph 16, Defendant shall  
20 notify each identified servicemember by letter (the form of which is to be approved in  
21 advance by the United States) within thirty (30) calendar days of the entry of this  
22 Consent Order. Each letter shall enclose the Declaration at Exhibit C and the Release at  
23 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  
26 D.

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

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

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

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

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

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

28



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

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

6 **VII. PAYMENT TO THE UNITED STATES TREASURY**

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

12 **VIII. ADDITIONAL REPORTING AND RECORD-KEEPING**  
13 **REQUIREMENTS**

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

19 35. During the term of this Consent Order, Defendant shall notify counsel for  
20 the United States in writing every six (6) months of receipt of any SCRA or military-  
21 related complaint. Defendant shall provide a copy of any written complaints with the  
22 notifications. Defendant will incorporate into its SCRA Policies and Procedures a  
23 requirement that all customer service personnel, upon receiving any oral SCRA  
24 complaint, shall notify individuals designated and trained to receive SCRA complaints.  
25 Whether regarding a written or oral SCRA complaint, the notification to the United  
26 States shall include the full details of the complaint, including the complainant's name,  
27 address, and telephone number, and the full details of all actions Defendant took to  
28

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

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

#### 14 **IX. SCOPE OF CONSENT ORDER**

15 37. The provisions of this Consent Order shall apply to Defendant and any of its  
16 subsidiaries, predecessors, acquired companies, or successor entities. It shall also apply  
17 to the officers, employees, agents, representatives, assigns, successors-in-interest, and all  
18 persons and entities in active concert or participation with all of those entities, including  
19 with respect to any motor vehicle finance or lease transactions they serviced from April  
20 15, 2015 to the effective date of this Consent Order.

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

25 39. This Consent Order does not release claims for practices not addressed in  
26 the Complaint's allegations, and it does not resolve and release claims other than claims  
27 for violations of Section 3952 of the SCRA related to motor vehicle repossessions. This  
28

1 Consent Order does not release any claims that may be held or are currently under  
2 investigation by any federal agency against Defendant or any of its affiliated entities.

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

6 **X. LITIGATION HOLD**

7 41. The parties agree that, as of the effective date of this Consent Order,  
8 litigation is not “reasonably foreseeable” concerning the matters described above. To the  
9 extent that either party previously implemented a litigation hold to preserve documents,  
10 electronically stored information (ESI), or things related to the matters described above,  
11 the party is no longer required to maintain such litigation hold. Nothing in this  
12 Paragraph relieves either party of any other obligations imposed by this Consent Order.  
13

14 **XI. MODIFICATIONS, ATTORNEY’S FEES AND COSTS,  
15 AND REMEDIES FOR NON-COMPLIANCE**

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

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

20 44. The parties shall endeavor in good faith to resolve informally any  
21 differences regarding the interpretation of and compliance with this Consent Order prior  
22 to bringing such matters to the Court for resolution. However, in the event the United  
23 States contends that there has been a failure by Defendant, whether willful or otherwise,  
24 to perform in a timely manner any act required by this Consent Order or otherwise  
25 comply with any provision thereof, the United States may move the Court to impose any  
26 remedy authorized by law or equity, including, but not limited to, an order requiring the  
27 performance of such act or deeming such act to have been performed, and an award of  
28

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

3 **XI. RETENTION OF JURISDICTION**

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

9  
10 SO ORDERED, this \_\_\_ day of \_\_\_\_\_, \_\_\_\_.

11  
12  
13 UNITED STATES DISTRICT JUDGE

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

2  
3 E. MARTIN ESTRADA  
4 United States Attorney  
5 Central District of California

KRISTEN CLARKE  
Assistant Attorney General  
Civil Rights Division

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7 \_\_\_\_\_  
8 DAVID M. HARRIS  
9 Assistant United States Attorney  
10 Chief, Civil Division  
11 RICHARD M. PARK  
12 Assistant United States Attorney  
13 Chief, Civil Rights Section, Civil Division  
14 KATHERINE M. HIKIDA  
15 Assistant United States Attorney  
16 Civil Rights Section, Civil Division

7 \_\_\_\_\_  
8 CARRIE PAGNUCCO  
9 Chief  
10 ELIZABETH A. SINGER  
11 Director, U.S. Attorneys' Fair Housing  
12 Program  
13 PATRICIA O'BEIRNE  
14 Trial Attorney  
15 United States Department of Justice  
16 Civil Rights Division  
17 Housing and Civil Enforcement Section

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Attorneys for THE UNITED STATES OF AMERICA

1 For Defendant Hyundai Capital America:

2 Dated: May 6, 2024

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6 \_\_\_\_\_  
7 JOHN C. REDDING\*  
8 Alston & Bird  
9 1120 South Tryon Street, Suite 300  
10 Charlotte, NC 28203-6818  
11 (704) 444-1070  
12 [John.Redding@alston.com](mailto:John.Redding@alston.com)

13 KATHLEEN BENWAY  
14 Alston & Bird  
15 950 F Street, N.W.  
16 Washington, DC 20004  
17 (202) 239-3034  
18 [Kathleen.benway@alston.com](mailto:Kathleen.benway@alston.com)  
19 Attorneys for HYUNDAI CAPITAL AMERICA

20 \* Admitted in California and Washington D.C., not yet admitted in North Carolina

1 **EXHIBIT A**

2  
3 **IMPORTANT NOTICE AFFECTING MILITARY SERVICEMEMBERS**

4  
5 **RIGHTS AND PROTECTIONS AFFORDED UNDER THE**  
6 **SERVICEMEMBERS CIVIL RELIEF ACT**

7  
8 Attached to this notice you will find a waiver of rights and protections that may be  
9 applicable to you and your dependents pursuant to the Servicemembers Civil Relief Act,  
10 50 U.S.C. § 3901, *et seq.* (the “SCRA”). The SCRA provides military personnel and  
11 their dependents with a wide range of legal and financial protections. Among other  
12 benefits and protections, the SCRA:

- 13
- 14 • Prohibits the repossession of a servicemember’s motor vehicle without a court  
15 order during a period of military service, as long as a deposit or at least one  
16 installment payment was made before the borrower or lessee entered into that  
17 period of military service.
  - 18 • Upon notice by the servicemember, imposes a 6% maximum rate of interest  
19 that may be charged during military service on motor vehicle finance or lease  
20 transactions incurred before the servicemember began his or her current period  
21 of military service.
  - 22 • Postpones court actions against servicemembers under certain circumstances.
  - 23 • Permits servicemembers to terminate motor vehicle and residential leases upon  
24 receipt of certain military orders.

25 If you choose to sign the attached waiver, Hyundai Capital America (“Hyundai”) will  
26 have the option to proceed with a repossession of your motor vehicle without the  
27 protections of the SCRA. If you do not sign this waiver, Hyundai will be required to  
28 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

1 payment on the motor vehicle finance or lease transaction, when you were not in military  
2 service. Additionally, if Hyundai goes to court to repossess your motor vehicle, the  
3 court may take steps to ensure that a judgment is not entered against you if you are  
4 unable to appear in the case.

5  
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.

11  
12 For More Information:

- 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  
22 Defense's information resource. Go to <http://www.militaryonesource.com>.
- 23
- 24
- 25
- 26
- 27
- 28



- This waiver is made voluntarily, without coercion, duress or compulsion. I understand the terms of this waiver of rights, and acknowledge that I was advised to consult with an attorney regarding this waiver and the protections afforded by the SCRA.

Subject to the above provisions, I hereby waive and give up any right I may have to have a court rule on the repossession of the Vehicle.

Dated: \_\_\_\_\_

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

For: Hyundai Capital America

Dated: \_\_\_\_\_

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

1 **EXHIBIT B**

2  
3 **EMPLOYEE ACKNOWLEDGMENT**

4  
5 I acknowledge that on [INSERT DATE], I was provided training regarding  
6 Servicemembers Civil Relief Act (SCRA) compliance, a copy of the Consent Order  
7 resolving the United States’ allegations in *United States v. Hyundai Capital America*,  
8 Case No. [INSERT CASE NUMBER] (C.D. Cal.), and copies of Hyundai Capital  
9 America’s policies and procedures applicable to my duties. I have read and understand  
10 these documents and have had my questions about these documents and the SCRA  
11 answered. I understand my legal responsibilities and shall comply with those  
12 responsibilities.

13  
14  
15 \_\_\_\_\_  
16 [PRINT NAME]

17  
18 \_\_\_\_\_  
19 [SIGNATURE]

20  
21 \_\_\_\_\_  
22 [JOB TITLE]

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: \_\_\_\_\_

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  
23 account of sickness, wounds, leave, or other lawful cause.  
24

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

1 **EXHIBIT D**

2  
3 **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: \_\_\_\_\_