

BLOOD HURST & O' REARDON, LLP

1 BLOOD HURST & O'REARDON, LLP  
TIMOTHY G. BLOOD (149343)  
2 THOMAS J. O'REARDON II (247952)  
JAMES M. DAVIS (301636)  
3 501 West Broadway, Suite 1490  
San Diego, CA 92101  
4 Tel: 619/338-1100  
619/338-1101 (fax)  
5 tblood@bholaw.com  
toreardon@bholaw.com  
6 jdavis@bholaw.com

7 MATTHIESEN, WICKERT & LEHRER, S.C.  
RICHARD A. SCHUSTER  
8 ASHTON T. KIRSCH  
1111 E. Sumner Street  
9 Hartford, WI 270670  
Tel: 262/673-7850  
10 262/673-3766 (fax)  
rschuster@mwl-law.com  
11 akirsch@mwl-law.com

12 [Additional Counsel Appear on Signature Page]

13 Attorneys for Plaintiffs

14 **UNITED STATES DISTRICT COURT**  
15 **CENTRAL DISTRICT OF CALIFORNIA**

16 ZURICH AMERICAN INSURANCE  
COMPANY; AMERICAN  
17 GUARANTEE AND LIABILITY  
INSURANCE COMPANY;  
18 AMERICAN ZURICH INSURANCE  
COMPANY; EMPIRE FIRE AND  
19 MARINE INSURANCE COMPANY;  
EMPIRE INDEMNITY INSURANCE  
20 COMPANY; UNIVERSAL  
UNDERWRITERS INSURANCE  
21 COMPANY; UNIVERSAL  
UNDERWRITERS OF TEXAS  
22 INSURANCE COMPANY; ZURICH  
AMERICAN INSURANCE  
23 COMPANY OF ILLINOIS; COUNTRY  
PREFERRED INSURANCE  
24 COMPANY; COUNTRY CASUALTY  
INSURANCE COMPANY; COUNTRY  
25 MUTUAL INSURANCE COMPANY;  
MADISON MUTUAL INSURANCE  
26 COMPANY; FEDERATED MUTUAL  
INSURANCE COMPANY;  
27 FEDERATED SERVICE INSURANCE  
COMPANY; FEDERATED RESERVE  
28 INSURANCE COMPANY; ARIZONA

Case No. 8:23-cv-01051

**COMPLAINT FOR DAMAGES,  
INJUNCTIVE RELIEF AND  
RESTITUTION**

**DEMAND FOR JURY TRIAL**

BLOOD HURST & O' REARDON, LLP

1 AUTOMOBILE INSURANCE  
 2 COMPANY; CENTURY SURETY  
 3 COMPANY; CELINA MUTUAL  
 4 INSURANCE COMPANY; MIAMI  
 5 MUTUAL INSURANCE COMPANY;  
 6 NATIONAL MUTUAL INSURANCE  
 7 COMPANY; FRANKENMUTH  
 8 INSURANCE COMPANY;  
 9 GOODVILLE MUTUAL CASUALTY  
 10 COMPANY; MMG INSURANCE  
 11 COMPANY; KEY INSURANCE  
 12 COMPANY; FARM BUREAU  
 13 GENERAL INSURANCE COMPANY  
 14 OF MICHIGAN; 360 INSURANCE  
 15 COMPANY; MOUNTAIN WEST  
 16 FARM BUREAU MUTUAL  
 17 INSURANCE COMPANY; BATTLE  
 18 CREEK MUTUAL INSURANCE  
 19 COMPANY; NODAK INSURANCE  
 20 COMPANY; GOAUTO INSURANCE  
 21 COMPANY; AMERICAN WEST  
 22 INSURANCE COMPANY; PIONEER  
 23 STATE MUTUAL INSURANCE  
 24 COMPANY; WAYNE MUTUAL  
 25 INSURANCE COMPANY; NEVADA  
 26 GENERAL INSURANCE COMPANY;  
 27 WOLVERINE MUTUAL  
 28 INSURANCE COMPANY;  
 LEMONADE INSURANCE  
 COMPANY; METROMILE  
 INSURANCE COMPANY; AUTO-  
 OWNERS INSURANCE COMPANY;  
 HOME-OWNERS INSURANCE  
 COMPANY; OWNERS INSURANCE  
 COMPANY; SOUTHERN-OWNERS  
 INSURANCE COMPANY;  
 PROPERTY-OWNERS INSURANCE  
 COMPANY; FARM BUREAU  
 PROPERTY & CASUALTY  
 INSURANCE COMPANY; WESTERN  
 AGRICULTURAL INSURANCE  
 COMPANY; SECURA INSURANCE  
 COMPANY (f/k/a SECURA  
 INSURANCE, A MUTUAL  
 COMPANY); SECURA SUPREME  
 INSURANCE COMPANY; ILLINOIS  
 CASUALTY COMPANY;  
 PHARMACISTS MUTUAL  
 INSURANCE COMPANY; WEST  
 BEND INSURANCE COMPANY;  
 SHELTER MUTUAL INSURANCE  
 COMPANY; SHELTER GENERAL  
 INSURANCE COMPANY,

Plaintiffs.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

v.  
KIA AMERICA, INC.; and HYUNDAI  
MOTOR AMERICA,  
Defendants.

BLOOD HURST & O' REARDON, LLP

BLOOD HURST & O' REARDON, LLP

1 Plaintiffs, upon personal knowledge of the facts pertaining to themselves and  
2 on information and belief as to all other matters, by and through undersigned counsel,  
3 hereby bring this complaint against Defendants Kia America, Inc. (“Kia”) and  
4 Hyundai Motor America (“Hyundai”) (Kia and Hyundai are collectively,  
5 “Defendants”) and allege as follows:

6 **NATURE OF THE CASE**

7 1. Plaintiffs provided automobile and property insurance to owners and  
8 lessees of certain model year Kia and Hyundai vehicles equipped with traditional  
9 “insert-and-turn” steel key ignition systems (the “Subject Vehicles”).<sup>1</sup> Defendants  
10 manufactured, marketed and sold the Subject Vehicles to Plaintiffs’ insureds, and they  
11 are responsible for the theft and subsequent loss of use of these vehicles due to their  
12 intentional and willful failure to include engine “immobilizers” in the Subject  
13 Vehicles. Defendants prioritized their own profit over their customers’ safety and  
14 security by refusing to include the effective, inexpensive and widely used immobilizer  
15 technology in these vehicles, despite knowing the risks and the consequences of their  
16 actions.

17 2. This subrogation action arises out of property damage and losses  
18 resulting from a material, security vulnerability that is shared among the Subject  
19 Vehicles: the vehicles are not equipped with an engine immobilizer preventing them  
20 from being started unless a code is transmitted from the vehicle’s specific smart key.

21  
22  
23 <sup>1</sup> The Subject Vehicles are 2011-2022 Kia vehicles and 2011-2022 Hyundai  
24 vehicles which do not contain an engine immobilizer. As the vehicles’ manufacturers,  
25 Defendants have knowledge of the specific vehicle models at issue. Upon information  
26 and belief, and subject to confirmation through discovery, these models reportedly  
27 include Hyundai Accent (2018-2022), Elantra (2011-2022), Elantra GT (2018-2020),  
28 Sonata (2011-2019), Veloster (2012-2017, 2019-2021), Venue (2020-2021), Kona  
(2018-2022), Tucson (2011-2022), Santa Fe (2013-2022), Santa Fe Sport (2013-  
2018), Santa Fe XL (2019), Palisade (2020-2021) and Genesis Coupe (2013-2014)  
vehicles.

BLOOD HURST & O' REARDON, LLP

1 Without an engine immobilizer, thieves can easily hotwire or bypass the ignition  
2 system and quickly steal the car.

3 3. In the case of the Subject Vehicles, the lack of an engine immobilizer  
4 makes them vulnerable to theft and has allowed thieves to steal them in as little as 20  
5 to 30 seconds without needing a key. This has been widely documented in news  
6 reports from around the country, which have described how thieves are specifically  
7 targeting Kia and Hyundai vehicles because they do not contain engine immobilizers  
8 and stealing them in large numbers. The inclusion of an engine immobilizer in these  
9 vehicles would have prevented this type of theft, protected the safety and security of  
10 the owners and lessees, and prevented the damages suffered by Plaintiffs and their  
11 insureds.

12 4. Between 2011 and 2021, most car manufacturers, including rivals of  
13 Hyundai and Kia, embraced engine immobilizer technology as a standard safety  
14 feature in their vehicles. This inexpensive technology effectively prevented car theft  
15 by ensuring that ignition systems could not be activated without the proper key.  
16 However, despite this industry-wide adoption, Hyundai and Kia did not install engine  
17 immobilizers in most of their vehicles sold in the United States, thereby failing to  
18 keep pace with technological advancements and industry safety standards.

19 5. Defendants' failure to keep up with what became a standard anti-theft  
20 measure in the car industry is staggering. By 2015, only 26% of Hyundai and Kia  
21 vehicle models had engine immobilizers as standard equipment, compared with 96%  
22 of other manufacturers' vehicles from that same model year. Defendants' decision to  
23 lag the industry was a conscious and knowing one. Because while a staggeringly low  
24 percentage of Defendants' vehicles sold in the United States contained engine  
25 immobilizers, 100% of their same vehicle models sold in Canada and Europe  
26 contained engine immobilizers.

27 6. Defendants have admitted that engine immobilizers effectively reduce  
28 and deter motor vehicle theft. It made these admissions over 15 years ago, and still

1 chose to include engine immobilizers in only a small fraction of its vehicles. Hyundai,  
2 for instance, even petitioned the National Highway Traffic Safety Administration  
3 (NHTSA) in 2007, 2008, and 2010 to exempt its Kia Azera, Gensis, and Amanti  
4 vehicle lines from a safety requirement (parts marking) because they would equip  
5 engine immobilizers as standard equipment. In support of the petition, Hyundai cited  
6 data that showed a significant reduction in theft rates after the introduction of  
7 immobilizer devices in several vehicle lines, including Ford Taurus and Mustang,  
8 Oldsmobile Riviera and Toronado vehicles, which experienced theft rate reductions  
9 of 63%, 70%, 80%, and 58%, respectively. NHTSA reported that Hyundai-Kia  
10 Motors Corporation claimed “the data shows a dramatic reduction of theft rates due  
11 to the introduction of devices substantially similar to the Kia [Azera, Gensis, and  
12 Amanti] immobilizer device.”<sup>2</sup>

13 7. There is more. The Subject Vehicles all suffer from a series of material,  
14 security design flaws that allow thieves to steal a Subject Vehicle in less than ninety  
15 seconds. The series of design flaws, which are collectively referred to as the “Defect,”  
16 include: (i) the steering columns do not have adequately secure collars or casings,  
17 making it easy to access the ignition assembly to “hot-wire” the vehicle; (ii) the  
18 ignition lock cylinders lack a locking feature, which allows them to be easily removed  
19 with minimal force while keeping the ignition switch untouched; (iii) the exposed  
20 ignition switch can be activated with something as simple as a pair of pliers or even a  
21 USB connector, which has become the tool of choice for car thieves; and (iv) the  
22 vehicles are not equipped with engine immobilizers.

23  
24  
25 <sup>2</sup> See Petition for Exemption From the Vehicle Theft Prevention Standard;  
26 Hyundai-Kia America Technical Center, Inc., 75 Fed. Reg. 1447 (January 11, 2010);  
27 Petition for Exemption From the Vehicle Theft Prevention Standard; Hyundai-Kia  
28 America Technical Center, Inc., 73 Fed. Reg. 4304 (January 24, 2008); Petition for  
Exemption From the Vehicle Theft Prevention Standard; Hyundai-Kia America  
Technical Center, Inc., 72 Fed. Reg. 39661 (July 19, 2007).

BLOOD HURST & O' REARDON, LLP

1           8.     The ubiquity and impact of the Defect in the Subject Vehicles is well  
2 known to Defendants and thieves alike. Beginning in 2017 at the latest, news coverage  
3 about the Defect started appearing. In 2019, the issue gained more widespread  
4 attention when a number of law enforcement agencies across the United States  
5 reported a surge in thefts of the Subject Vehicles. The issue has continued to receive  
6 media coverage since then, with online videos going viral on social media platforms  
7 such as TikTok bringing attention to the issue of how certain Kia and Hyundai  
8 vehicles are particularly susceptible to theft. Beginning in 2020, videos posted on  
9 TikTok illustrate how thieves can easily bypass the ignition system and steal these  
10 vehicles in less than a minute. These videos, which have been viewed tens of millions  
11 of times, demonstrate that the vulnerability of these vehicles is widely known and can  
12 be easily exploited.

13           9.     Despite their knowledge of the safety and theft risks associated with this  
14 Defect, Defendants failed to disclose the existence of the Defect to the owners or  
15 lessees of the Subject Vehicles, to Plaintiffs or to the public. Nor have Defendants  
16 paid to fix the Defect in the Subject Vehicles, retrofit the Subject Vehicles, offered to  
17 reimburse Subject Vehicle owners and lessees for costs and expenses incurred as a  
18 result of the Defect, or issued a recall. Rather, Defendants have refused to take any  
19 meaningful action to correct this concealed design defect and have otherwise publicly  
20 downplayed any safety or theft risks, including by issuing public statements that  
21 owners and lessees should be assured that the Subject Vehicles comply with safety  
22 and security standards.

23           10.    As a result of the Defect, Plaintiffs' insureds purchased and leased  
24 Subject Vehicles that are of a lesser standard, grade, value, and quality than  
25 represented, and they did not receive vehicles that met ordinary and reasonable  
26 consumer expectations regarding safe vehicles with adequate anti-theft protection.

27           11.    As a result of Defendants' failure to include engine immobilizers, the  
28 Subject Vehicles at issue insured by Plaintiffs were stolen and never returned or, when

BLOOD HURST & O' REARDON, LLP

1 they were found, were damaged. Other times, the vehicles were stolen and then  
2 involved in collisions causing damage to the Subject Vehicle itself and to other  
3 persons or property.

4 12. As part of their insurance policies with the insureds—owners and lessees  
5 of the Subject Vehicles—Plaintiffs have agreed to cover losses suffered by their  
6 insureds due to theft or damage to Subject Vehicles. Plaintiffs have paid for covered  
7 losses suffered by their insureds arising from the Defect, consequently are entitled to  
8 “stand in the shoes” of their insureds as to all legal claims, and so now bring this  
9 subrogation action against Defendants. Defendants’ failure to include an engine  
10 immobilizer in the Subject Vehicles directly caused the theft and subsequent loss of  
11 the insured vehicles. As a result, Defendants’ conduct violates state consumer  
12 protection laws and constitutes a breach of the implied warranties of merchantability,  
13 as well as fraudulent omissions and concealment, and unjust enrichment. Plaintiffs  
14 have suffered injury in fact and incurred damages. The Subject Vehicles insured by  
15 Plaintiffs have been, and still are, being targeted due to the Defect that allows the  
16 vehicles to be easily hot-wired and stolen. Because of the ongoing nature of  
17 Defendants’ misconduct, Plaintiffs will continue to suffer harm and thus also seek  
18 declaratory and injunctive relief.

19 **JURISDICTION AND VENUE**

20 13. The Court has jurisdiction over Plaintiffs’ claims pursuant to 28 U.S.C.  
21 § 1332 because the matter in controversy exceeds the sum of \$75,000 and is between  
22 citizens of different states.

23 14. Venue is proper in this judicial District under 28 U.S.C. § 1391(b),  
24 because a substantial part of the challenged conduct or omissions giving rise to claims  
25 occurred and/or emanated from this District, Defendants are incorporated in this State,  
26 and their headquarters are located in this District.

27  
28



**PARTIES**

**A. Plaintiffs**

15. Plaintiff Zurich American Insurance Company is a corporation organized and existing under the laws of the State of New York, with its principal place of business in Schaumburg, Illinois. Zurich American Insurance Company is an insurance carrier. At all relevant times, Plaintiff was authorized to and did regularly write automobile insurance, including providing insurance coverage on Subject Vehicles. Plaintiff provided insurance coverage to one or more of its insureds to cover the property loss and damage of the type sustained in this case arising out of the theft of one or more of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or more of its insureds, or paid on behalf of one or more of its insureds, for loss, repair and other damage arising out of the theft of one or more of the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than what it has paid to these insureds.

16. Plaintiff American Guarantee and Liability Insurance Company is a corporation organized and existing under the laws of the State of New York, with its principal place of business in Schaumburg, Illinois. American Guarantee and Liability Insurance Company is an insurance carrier. At all relevant times, Plaintiff was authorized to and did regularly write automobile insurance, including providing insurance coverage on Subject Vehicles. Plaintiff provided insurance coverage to one or more of its insureds to cover the property loss and damage of the type sustained in this case arising out of the theft of one or more of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or more of its insureds, or paid on behalf of one or more of its insureds, for loss, repair and other damage arising out of the theft of one or more of the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than what it has paid to these insureds.

17. Plaintiff American Zurich Insurance Company is a corporation organized and existing under the laws of the State of Illinois, with its principal place

BLOOD HURST & O' REARDON, LLP

1 of business in Schaumburg, Illinois. American Zurich Insurance Company is an  
2 insurance carrier. At all relevant times, Plaintiff was authorized to and did regularly  
3 write automobile insurance, including providing insurance coverage on Subject  
4 Vehicles. Plaintiff provided insurance coverage to one or more of its insureds to cover  
5 the property loss and damage of the type sustained in this case arising out of the theft  
6 of one or more of the Subject Vehicles at issue. Pursuant to its insurance policy,  
7 Plaintiff has paid one or more of its insureds, or paid on behalf of one or more of its  
8 insureds, for loss, repair and other damage arising out of the theft of one or more of  
9 the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in  
10 amounts no less than what it has paid to these insureds.

11 18. Plaintiff Empire Fire and Marine Insurance Company is a corporation  
12 organized and existing under the laws of the State of Illinois, with its principal place  
13 of business in Schaumburg, Illinois. Empire Fire and Marine Insurance Company is  
14 an insurance carrier. At all relevant times, Plaintiff was authorized to and did regularly  
15 write automobile insurance, including providing insurance coverage on Subject  
16 Vehicles. Plaintiff provided insurance coverage to one or more of its insureds to cover  
17 the property loss and damage of the type sustained in this case arising out of the theft  
18 of one or more of the Subject Vehicles at issue. Pursuant to its insurance policy,  
19 Plaintiff has paid one or more of its insureds, or paid on behalf of one or more of its  
20 insureds, for loss, repair and other damage arising out of the theft of one or more of  
21 the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in  
22 amounts no less than what it has paid to these insureds.

23 19. Plaintiff Empire Indemnity Insurance Company is a corporation  
24 organized and existing under the laws of the State of Oklahoma, with its principal  
25 place of business in Schaumburg, Illinois. Empire Indemnity Insurance Company is  
26 an insurance carrier. At all relevant times, Plaintiff was authorized to and did regularly  
27 write automobile insurance, including providing insurance coverage on Subject  
28 Vehicles. Plaintiff provided insurance coverage to one or more of its insureds to cover

BLOOD HURST & O' REARDON, LLP

1 the property loss and damage of the type sustained in this case arising out of the theft  
2 of one or more of the Subject Vehicles at issue. Pursuant to its insurance policy,  
3 Plaintiff has paid one or more of its insureds, or paid on behalf of one or more of its  
4 insureds, for loss, repair and other damage arising out of the theft of one or more of  
5 the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in  
6 amounts no less than what it has paid to these insureds.

7 20. Plaintiff Universal Underwriters Insurance Company is a corporation  
8 organized and existing under the laws of the State of Illinois, with its principal place  
9 of business in Schaumburg, Illinois. Universal Underwriters Insurance Company is  
10 an insurance carrier. At all relevant times, Plaintiff was authorized to and did regularly  
11 write automobile insurance, including providing insurance coverage on Subject  
12 Vehicles. Plaintiff provided insurance coverage to one or more of its insureds to cover  
13 the property loss and damage of the type sustained in this case arising out of the theft  
14 of one or more of the Subject Vehicles at issue. Pursuant to its insurance policy,  
15 Plaintiff has paid one or more of its insureds, or paid on behalf of one or more of its  
16 insureds, for loss, repair and other damage arising out of the theft of one or more of  
17 the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in  
18 amounts no less than what it has paid to these insureds.

19 21. Plaintiff Universal Underwriters of Texas Insurance Company is a  
20 corporation organized and existing under the laws of the State of Illinois, with its  
21 principal place of business in Schaumburg, Illinois. Universal Underwriters of Texas  
22 Insurance Company is an insurance carrier. At all relevant times, Plaintiff was  
23 authorized to and did regularly write automobile insurance, including providing  
24 insurance coverage on Subject Vehicles. Plaintiff provided insurance coverage to one  
25 or more of its insureds to cover the property loss and damage of the type sustained in  
26 this case arising out of the theft of one or more of the Subject Vehicles at issue.  
27 Pursuant to its insurance policy, Plaintiff has paid one or more of its insureds, or paid  
28 on behalf of one or more of its insureds, for loss, repair and other damage arising out

BLOOD HURST & O' REARDON, LLP

1 of the theft of one or more of the Subject Vehicles at issue. Plaintiff is subrogated to  
2 the rights of these insureds in amounts no less than what it has paid to these insureds.

3 22. Plaintiff Zurich American Insurance Company of Illinois is a corporation  
4 organized and existing under the laws of the State of Illinois, with its principal place  
5 of business in Schaumburg, Illinois. Zurich American Insurance Company of Illinois  
6 is an insurance carrier. At all relevant times, Plaintiff was authorized to and did  
7 regularly write automobile insurance, including providing insurance coverage on  
8 Subject Vehicles. Plaintiff provided insurance coverage to one or more of its insureds  
9 to cover the property loss and damage of the type sustained in this case arising out of  
10 the theft of one or more of the Subject Vehicles at issue. Pursuant to its insurance  
11 policy, Plaintiff has paid one or more of its insureds, or paid on behalf of one or more  
12 of its insureds, for loss, repair and other damage arising out of the theft of one or more  
13 of the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds  
14 in amounts no less than what it has paid to these insureds.

15 23. Plaintiff Country Preferred Insurance Company is organized and existing  
16 under the laws of the State of Illinois as a stock insurance company, with its principal  
17 place of business in Illinois. Country Preferred Insurance Company is an insurance  
18 carrier. At all relevant times, Plaintiff was authorized to and did regularly write  
19 automobile insurance, including providing insurance coverage on Subject Vehicles.  
20 Plaintiff provided insurance coverage to one or more of its insureds to cover the  
21 property loss and damage of the type sustained in this case arising out of the theft of  
22 one or more of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff  
23 has paid one or more of its insureds, or paid on behalf of one or more of its insureds,  
24 for loss, repair and other damage arising out of the theft of one or more of the Subject  
25 Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in amounts no  
26 less than what it has paid to these insureds.

27 24. Plaintiff Country Casualty Insurance Company is a corporation  
28 organized and existing under the laws of the State of Illinois, with its principal place

BLOOD HURST & O' REARDON, LLP

1 of business in Illinois. Country Casualty Insurance Company is an insurance carrier.  
2 At all relevant times, Plaintiff was authorized to and did regularly write automobile  
3 insurance, including providing insurance coverage on Subject Vehicles. Plaintiff  
4 provided insurance coverage to one or more of its insureds to cover the property loss  
5 and damage of the type sustained in this case arising out of the theft of one or more  
6 of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid  
7 one or more of its insureds, or paid on behalf of one or more of its insureds, for loss,  
8 repair and other damage arising out of the theft of one or more of the Subject Vehicles  
9 at issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
10 what it has paid to these insureds.

11 25. Plaintiff Country Mutual Insurance Company is a mutual insurance  
12 company organized and existing under the laws of the State of Illinois, with its  
13 principal place of business in Illinois. Country Mutual Insurance Company is an  
14 insurance carrier. At all relevant times, Plaintiff was authorized to and did regularly  
15 write automobile insurance, including providing insurance coverage on Subject  
16 Vehicles. Plaintiff provided insurance coverage to one or more of its insureds to cover  
17 the property loss and damage of the type sustained in this case arising out of the theft  
18 of one or more of the Subject Vehicles at issue. Pursuant to its insurance policy,  
19 Plaintiff has paid one or more of its insureds, or paid on behalf of one or more of its  
20 insureds, for loss, repair and other damage arising out of the theft of one or more of  
21 the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in  
22 amounts no less than what it has paid to these insureds.

23 26. Plaintiff Madison Mutual Insurance Company is a corporation organized  
24 and existing under the laws of the State of Illinois, with its principal place of business  
25 in Illinois. Madison Mutual Insurance Company is an insurance carrier. At all relevant  
26 times, Plaintiff was authorized to and did regularly write automobile insurance,  
27 including providing insurance coverage on Subject Vehicles. Plaintiff provided  
28 insurance coverage to one or more of its insureds to cover the property loss and

BLOOD HURST & O' REARDON, LLP

1 damage of the type sustained in this case arising out of the theft of one or more of the  
2 Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or  
3 more of its insureds, or paid on behalf of one or more of its insureds, for loss, repair  
4 and other damage arising out of the theft of one or more of the Subject Vehicles at  
5 issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
6 what it has paid to these insureds.

7 27. Plaintiff Federated Mutual Insurance Company is a corporation  
8 organized and existing under the laws of the State of Minnesota, with its principal  
9 place of business in Minnesota. Federated Mutual Insurance Company is an insurance  
10 carrier. At all relevant times, Plaintiff was authorized to and did regularly write  
11 automobile insurance, including providing insurance coverage on Subject Vehicles.  
12 Plaintiff provided insurance coverage to one or more of its insureds to cover the  
13 property loss and damage of the type sustained in this case arising out of the theft of  
14 one or more of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff  
15 has paid one or more of its insureds, or paid on behalf of one or more of its insureds,  
16 for loss, repair and other damage arising out of the theft of one or more of the Subject  
17 Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in amounts no  
18 less than what it has paid to these insureds.

19 28. Plaintiff Federated Service Insurance Company is a corporation  
20 organized and existing under the laws of the State of Minnesota, with its principal  
21 place of business in Minnesota. Federated Service Insurance Company is an insurance  
22 carrier. At all relevant times, Plaintiff was authorized to and did regularly write  
23 automobile insurance, including providing insurance coverage on Subject Vehicles.  
24 Plaintiff provided insurance coverage to one or more of its insureds to cover the  
25 property loss and damage of the type sustained in this case arising out of the theft of  
26 one or more of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff  
27 has paid one or more of its insureds, or paid on behalf of one or more of its insureds,  
28 for loss, repair and other damage arising out of the theft of one or more of the Subject

BLOOD HURST & O' REARDON, LLP

1 Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in amounts no  
2 less than what it has paid to these insureds.

3 29. Plaintiff Federated Reserve Insurance Company is a corporation  
4 organized and existing under the laws of the State of Minnesota, with its principal  
5 place of business in Minnesota. Federated Reserve Insurance Company is an  
6 insurance carrier. At all relevant times, Plaintiff was authorized to and did regularly  
7 write automobile insurance, including providing insurance coverage on Subject  
8 Vehicles. Plaintiff provided insurance coverage to one or more of its insureds to cover  
9 the property loss and damage of the type sustained in this case arising out of the theft  
10 of one or more of the Subject Vehicles at issue. Pursuant to its insurance policy,  
11 Plaintiff has paid one or more of its insureds, or paid on behalf of one or more of its  
12 insureds, for loss, repair and other damage arising out of the theft of one or more of  
13 the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in  
14 amounts no less than what it has paid to these insureds.

15 30. Plaintiff Arizona Automobile Insurance Company is a corporation  
16 organized and existing under the laws of the State of Arizona, with its principal place  
17 of business in Arizona. Arizona Automobile Insurance Company is an insurance  
18 carrier. At all relevant times, Plaintiff was authorized to and did regularly write  
19 automobile insurance, including providing insurance coverage on Subject Vehicles.  
20 Plaintiff provided insurance coverage to one or more of its insureds to cover the  
21 property loss and damage of the type sustained in this case arising out of the theft of  
22 one or more of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff  
23 has paid one or more of its insureds, or paid on behalf of one or more of its insureds,  
24 for loss, repair and other damage arising out of the theft of one or more of the Subject  
25 Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in amounts no  
26 less than what it has paid to these insureds.

27 31. Plaintiff Century Surety Company is a corporation organized and  
28 existing under the laws of the State of Ohio, with its principal place of business in

BLOOD HURST & O' REARDON, LLP

1 Ohio. Century Surety Company is an insurance carrier. At all relevant times, Plaintiff  
2 was authorized to and did regularly write automobile insurance, including providing  
3 insurance coverage on Subject Vehicles. Plaintiff provided insurance coverage to one  
4 or more of its insureds to cover the property loss and damage of the type sustained in  
5 this case arising out of the theft of one or more of the Subject Vehicles at issue.  
6 Pursuant to its insurance policy, Plaintiff has paid one or more of its insureds, or paid  
7 on behalf of one or more of its insureds, for loss, repair and other damage arising out  
8 of the theft of one or more of the Subject Vehicles at issue. Plaintiff is subrogated to  
9 the rights of these insureds in amounts no less than what it has paid to these insureds.

10 32. Plaintiff Celina Mutual Insurance Company is a corporation organized  
11 and existing under the laws of the State of Ohio, with its principal place of business  
12 in Ohio. Celina Mutual Insurance Company is an insurance carrier. At all relevant  
13 times, Plaintiff was authorized to and did regularly write automobile insurance,  
14 including providing insurance coverage on Subject Vehicles. Plaintiff provided  
15 insurance coverage to one or more of its insureds to cover the property loss and  
16 damage of the type sustained in this case arising out of the theft of one or more of the  
17 Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or  
18 more of its insureds, or paid on behalf of one or more of its insureds, for loss, repair  
19 and other damage arising out of the theft of one or more of the Subject Vehicles at  
20 issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
21 what it has paid to these insureds.

22 33. Plaintiff Miami Mutual Insurance Company is a corporation organized  
23 and existing under the laws of the State of Ohio, with its principal place of business  
24 in Ohio. Miami Mutual Insurance Company is an insurance carrier. At all relevant  
25 times, Plaintiff was authorized to and did regularly write automobile insurance,  
26 including providing insurance coverage on Subject Vehicles. Plaintiff provided  
27 insurance coverage to one or more of its insureds to cover the property loss and  
28 damage of the type sustained in this case arising out of the theft of one or more of the



BLOOD HURST & O' REARDON, LLP

1 Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or  
2 more of its insureds, or paid on behalf of one or more of its insureds, for loss, repair  
3 and other damage arising out of the theft of one or more of the Subject Vehicles at  
4 issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
5 what it has paid to these insureds.

6 34. Plaintiff National Mutual Insurance Company is a corporation organized  
7 and existing under the laws of the State of Ohio, with its principal place of business  
8 in Ohio. National Mutual Insurance Company is an insurance carrier. At all relevant  
9 times, Plaintiff was authorized to and did regularly write automobile insurance,  
10 including providing insurance coverage on Subject Vehicles. Plaintiff provided  
11 insurance coverage to one or more of its insureds to cover the property loss and  
12 damage of the type sustained in this case arising out of the theft of one or more of the  
13 Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or  
14 more of its insureds, or paid on behalf of one or more of its insureds, for loss, repair  
15 and other damage arising out of the theft of one or more of the Subject Vehicles at  
16 issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
17 what it has paid to these insureds.

18 35. Plaintiff Frankenmuth Insurance Company is a corporation organized  
19 and existing under the laws of the State of Michigan with its principal place of  
20 business in Michigan. Frankenmuth Insurance Company is an insurance carrier. At  
21 all relevant times, Plaintiff was authorized to and did regularly write automobile  
22 insurance, including providing insurance coverage on Subject Vehicles. Plaintiff  
23 provided insurance coverage to one or more of its insureds to cover the property loss  
24 and damage of the type sustained in this case arising out of the theft of one or more  
25 of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid  
26 one or more of its insureds, or paid on behalf of one or more of its insureds, for loss,  
27 repair and other damage arising out of the theft of one or more of the Subject Vehicles  
28

BLOOD HURST & O' REARDON, LLP

1 at issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
2 what it has paid to these insureds.

3 36. Plaintiff Goodville Mutual Casualty Company is a corporation organized  
4 and existing under the laws of the State of Pennsylvania, with its principal place of  
5 business in Pennsylvania. Goodville Mutual Casualty Company is an insurance  
6 carrier. At all relevant times, Plaintiff was authorized to and did regularly write  
7 automobile insurance, including providing insurance coverage on Subject Vehicles.  
8 Plaintiff provided insurance coverage to one or more of its insureds to cover the  
9 property loss and damage of the type sustained in this case arising out of the theft of  
10 one or more of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff  
11 has paid one or more of its insureds, or paid on behalf of one or more of its insureds,  
12 for loss, repair and other damage arising out of the theft of one or more of the Subject  
13 Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in amounts no  
14 less than what it has paid to these insureds.

15 37. Plaintiff MMG Insurance Company is a corporation organized and  
16 existing under the laws of the State of Maine, with its principal place of business in  
17 Maine. MMG Insurance Company is an insurance carrier. At all relevant times,  
18 Plaintiff was authorized to and did regularly write automobile insurance, including  
19 providing insurance coverage on Subject Vehicles. Plaintiff provided insurance  
20 coverage to one or more of its insureds to cover the property loss and damage of the  
21 type sustained in this case arising out of the theft of one or more of the Subject  
22 Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or more of  
23 its insureds, or paid on behalf of one or more of its insureds, for loss, repair and other  
24 damage arising out of the theft of one or more of the Subject Vehicles at issue.  
25 Plaintiff is subrogated to the rights of these insureds in amounts no less than what it  
26 has paid to these insureds.

27 38. Plaintiff Key Insurance Company is a corporation organized and existing  
28 under the laws of the State of Kansas, with its principal place of business in Kansas.

BLOOD HURST & O' REARDON, LLP

1 Key Insurance Company is an insurance carrier. At all relevant times, Plaintiff was  
2 authorized to and did regularly write automobile insurance, including providing  
3 insurance coverage on Subject Vehicles. Plaintiff provided insurance coverage to one  
4 or more of its insureds to cover the property loss and damage of the type sustained in  
5 this case arising out of the theft of one or more of the Subject Vehicles at issue.  
6 Pursuant to its insurance policy, Plaintiff has paid one or more of its insureds, or paid  
7 on behalf of one or more of its insureds, for loss, repair and other damage arising out  
8 of the theft of one or more of the Subject Vehicles at issue. Plaintiff is subrogated to  
9 the rights of these insureds in amounts no less than what it has paid to these insureds.

10 39. Plaintiff Farm Bureau General Insurance Company of Michigan is a  
11 corporation organized and existing under the laws of the State of Michigan, with its  
12 principal place of business in Michigan. Farm Bureau General Insurance Company of  
13 Michigan is an insurance carrier. At all relevant times, Plaintiff was authorized to and  
14 did regularly write automobile insurance, including providing insurance coverage on  
15 Subject Vehicles. Plaintiff provided insurance coverage to one or more of its insureds  
16 to cover the property loss and damage of the type sustained in this case arising out of  
17 the theft of one or more of the Subject Vehicles at issue. Pursuant to its insurance  
18 policy, Plaintiff has paid one or more of its insureds, or paid on behalf of one or more  
19 of its insureds, for loss, repair and other damage arising out of the theft of one or more  
20 of the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds  
21 in amounts no less than what it has paid to these insureds.

22 40. Plaintiff 360 Insurance Company is a corporation organized and existing  
23 under the laws of the State of Wyoming, with its principal place of business in  
24 Wyoming. 360 Insurance Company is an insurance carrier. At all relevant times,  
25 Plaintiff was authorized to and did regularly write automobile insurance, including  
26 providing insurance coverage on Subject Vehicles. Plaintiff provided insurance  
27 coverage to one or more of its insureds to cover the property loss and damage of the  
28 type sustained in this case arising out of the theft of one or more of the Subject

BLOOD HURST & O' REARDON, LLP

1 Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or more of  
2 its insureds, or paid on behalf of one or more of its insureds, for loss, repair and other  
3 damage arising out of the theft of one or more of the Subject Vehicles at issue.  
4 Plaintiff is subrogated to the rights of these insureds in amounts no less than what it  
5 has paid to these insureds.

6 41. Plaintiff Mountain West Farm Bureau Mutual Insurance Company is a  
7 corporation organized and existing under the laws of the State of Wyoming, with its  
8 principal place of business in Wyoming. Mountain West Farm Bureau Mutual  
9 Insurance Company is an insurance carrier. At all relevant times, Plaintiff was  
10 authorized to and did regularly write automobile insurance, including providing  
11 insurance coverage on Subject Vehicles. Plaintiff provided insurance coverage to one  
12 or more of its insureds to cover the property loss and damage of the type sustained in  
13 this case arising out of the theft of one or more of the Subject Vehicles at issue.  
14 Pursuant to its insurance policy, Plaintiff has paid one or more of its insureds, or paid  
15 on behalf of one or more of its insureds, for loss, repair and other damage arising out  
16 of the theft of one or more of the Subject Vehicles at issue. Plaintiff is subrogated to  
17 the rights of these insureds in amounts no less than what it has paid to these insureds.

18 42. Plaintiff Battle Creek Mutual Insurance Company is a corporation  
19 organized and existing under the laws of the State of Nebraska, with its principal place  
20 of business in Nebraska. Battle Creek Mutual Insurance Company is an insurance  
21 carrier. At all relevant times, Plaintiff was authorized to and did regularly write  
22 automobile insurance, including providing insurance coverage on Subject Vehicles.  
23 Plaintiff provided insurance coverage to one or more of its insureds to cover the  
24 property loss and damage of the type sustained in this case arising out of the theft of  
25 one or more of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff  
26 has paid one or more of its insureds, or paid on behalf of one or more of its insureds,  
27 for loss, repair and other damage arising out of the theft of one or more of the Subject  
28

BLOOD HURST & O' REARDON, LLP

1 Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in amounts no  
2 less than what it has paid to these insureds.

3 43. Plaintiff Nodak Insurance Company is a corporation organized and  
4 existing under the laws of the State of North Dakota, with its principal place of  
5 business in North Dakota. Nodak Insurance Company is an insurance carrier. At all  
6 relevant times, Plaintiff was authorized to and did regularly write automobile  
7 insurance, including providing insurance coverage on Subject Vehicles. Plaintiff  
8 provided insurance coverage to one or more of its insureds to cover the property loss  
9 and damage of the type sustained in this case arising out of the theft of one or more  
10 of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid  
11 one or more of its insureds, or paid on behalf of one or more of its insureds, for loss,  
12 repair and other damage arising out of the theft of one or more of the Subject Vehicles  
13 at issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
14 what it has paid to these insureds.

15 44. Plaintiff GoAuto Insurance Company is a corporation organized and  
16 existing under the laws of the State of North Dakota, with its principal place of  
17 business in Louisiana. GoAuto Insurance Company is an insurance carrier. At all  
18 relevant times, Plaintiff was authorized to and did regularly write automobile  
19 insurance, including providing insurance coverage on Subject Vehicles. Plaintiff  
20 provided insurance coverage to one or more of its insureds to cover the property loss  
21 and damage of the type sustained in this case arising out of the theft of one or more  
22 of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid  
23 one or more of its insureds, or paid on behalf of one or more of its insureds, for loss,  
24 repair and other damage arising out of the theft of one or more of the Subject Vehicles  
25 at issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
26 what it has paid to these insureds.

27 45. Plaintiff American West Insurance Company is a corporation organized  
28 and existing under the laws of the State of North Dakota, with its principal place of

BLOOD HURST & O' REARDON, LLP

1 business in North Dakota. American West Insurance Company is an insurance carrier.  
 2 At all relevant times, Plaintiff was authorized to and did regularly write automobile  
 3 insurance, including providing insurance coverage on Subject Vehicles. Plaintiff  
 4 provided insurance coverage to one or more of its insureds to cover the property loss  
 5 and damage of the type sustained in this case arising out of the theft of one or more  
 6 of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid  
 7 one or more of its insureds, or paid on behalf of one or more of its insureds, for loss,  
 8 repair and other damage arising out of the theft of one or more of the Subject Vehicles  
 9 at issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
 10 what it has paid to these insureds.

11 46. Plaintiff Pioneer State Mutual Insurance Company is a corporation  
 12 organized and existing under the laws of the State of Michigan, with its principal place  
 13 of business in Michigan. Pioneer State Mutual Insurance Company is an insurance  
 14 carrier. At all relevant times, Plaintiff was authorized to and did regularly write  
 15 automobile insurance, including providing insurance coverage on Subject Vehicles.  
 16 Plaintiff provided insurance coverage to one or more of its insureds to cover the  
 17 property loss and damage of the type sustained in this case arising out of the theft of  
 18 one or more of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff  
 19 has paid one or more of its insureds, or paid on behalf of one or more of its insureds,  
 20 for loss, repair and other damage arising out of the theft of one or more of the Subject  
 21 Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in amounts no  
 22 less than what it has paid to these insureds.

23 47. Plaintiff Wayne Mutual Insurance Company is a corporation organized  
 24 and existing under the laws of the State of Ohio, with its principal place of business  
 25 in Ohio. Wayne Mutual Insurance Company is an insurance carrier. At all relevant  
 26 times, Plaintiff was authorized to and did regularly write automobile insurance,  
 27 including providing insurance coverage on Subject Vehicles. Plaintiff provided  
 28 insurance coverage to one or more of its insureds to cover the property loss and

BLOOD HURST & O' REARDON, LLP

1 damage of the type sustained in this case arising out of the theft of one or more of the  
2 Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or  
3 more of its insureds, or paid on behalf of one or more of its insureds, for loss, repair  
4 and other damage arising out of the theft of one or more of the Subject Vehicles at  
5 issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
6 what it has paid to these insureds.

7 48. Plaintiff Nevada General Insurance Company is a corporation organized  
8 and existing under the laws of the State of Nevada, with its principal place of business  
9 in Nevada. Nevada General Insurance Company is an insurance carrier. At all relevant  
10 times, Plaintiff was authorized to and did regularly write automobile insurance,  
11 including providing insurance coverage on Subject Vehicles. Plaintiff provided  
12 insurance coverage to one or more of its insureds to cover the property loss and  
13 damage of the type sustained in this case arising out of the theft of one or more of the  
14 Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or  
15 more of its insureds, or paid on behalf of one or more of its insureds, for loss, repair  
16 and other damage arising out of the theft of one or more of the Subject Vehicles at  
17 issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
18 what it has paid to these insureds.

19 49. Plaintiff Wolverine Mutual Insurance Company is a corporation  
20 organized and existing under the laws of the State of Michigan, with its principal place  
21 of business in Michigan. Wolverine Mutual Insurance Company is an insurance  
22 carrier. At all relevant times, Plaintiff was authorized to and did regularly write  
23 automobile insurance, including providing insurance coverage on Subject Vehicles.  
24 Plaintiff provided insurance coverage to one or more of its insureds to cover the  
25 property loss and damage of the type sustained in this case arising out of the theft of  
26 one or more of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff  
27 has paid one or more of its insureds, or paid on behalf of one or more of its insureds,  
28 for loss, repair and other damage arising out of the theft of one or more of the Subject

BLOOD HURST & O' REARDON, LLP

1 Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in amounts no  
2 less than what it has paid to these insureds.

3 50. Plaintiff Lemonade Insurance Company is a corporation organized and  
4 existing under the laws of the State of New York, with its principal place of business  
5 in New York. Lemonade Insurance Company is an insurance carrier. At all relevant  
6 times, Plaintiff was authorized to and did regularly write automobile insurance,  
7 including providing insurance coverage on Subject Vehicles. Plaintiff provided  
8 insurance coverage to one or more of its insureds to cover the property loss and  
9 damage of the type sustained in this case arising out of the theft of one or more of the  
10 Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or  
11 more of its insureds, or paid on behalf of one or more of its insureds, for loss, repair  
12 and other damage arising out of the theft of one or more of the Subject Vehicles at  
13 issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
14 what it has paid to these insureds.

15 51. Plaintiff Metromile Insurance Company is a corporation organized and  
16 existing under the laws of the State of Delaware, with its principal place of business  
17 in Arizona. Metromile Insurance Company is an insurance carrier. At all relevant  
18 times, Plaintiff was authorized to and did regularly write automobile insurance,  
19 including providing insurance coverage on Subject Vehicles. Plaintiff provided  
20 insurance coverage to one or more of its insureds to cover the property loss and  
21 damage of the type sustained in this case arising out of the theft of one or more of the  
22 Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or  
23 more of its insureds, or paid on behalf of one or more of its insureds, for loss, repair  
24 and other damage arising out of the theft of one or more of the Subject Vehicles at  
25 issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
26 what it has paid to these insureds.

27 52. Plaintiff Auto-Owners Insurance Company is a mutual insurance  
28 company organized and existing under the laws of the State of Michigan, with its



BLOOD HURST & O' REARDON, LLP

1 principal place of business in Michigan. Auto-Owners Insurance Company is an  
2 insurance carrier. At all relevant times, Plaintiff was authorized to and did regularly  
3 write automobile insurance, including providing insurance coverage on Subject  
4 Vehicles. Plaintiff provided insurance coverage to one or more of its insureds to cover  
5 the property loss and damage of the type sustained in this case arising out of the theft  
6 of one or more of the Subject Vehicles at issue. Pursuant to its insurance policy,  
7 Plaintiff has paid one or more of its insureds, or paid on behalf of one or more of its  
8 insureds, for loss, repair and other damage arising out of the theft of one or more of  
9 the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in  
10 amounts no less than what it has paid to these insureds.

11 53. Plaintiff Home-Owners Insurance Company is a corporation organized  
12 and existing under the laws of the State of Michigan, with its principal place of  
13 business in Michigan. Home-Owners Insurance Company is an insurance carrier. At  
14 all relevant times, Plaintiff was authorized to and did regularly write automobile  
15 insurance, including providing insurance coverage on Subject Vehicles. Plaintiff  
16 provided insurance coverage to one or more of its insureds to cover the property loss  
17 and damage of the type sustained in this case arising out of the theft of one or more  
18 of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid  
19 one or more of its insureds, or paid on behalf of one or more of its insureds, for loss,  
20 repair and other damage arising out of the theft of one or more of the Subject Vehicles  
21 at issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
22 what it has paid to these insureds.

23 54. Plaintiff Owners Insurance Company is a corporation organized and  
24 existing under the laws of the State of Ohio, with its principal place of business in  
25 Michigan. Owners Insurance Company is an insurance carrier. At all relevant times,  
26 Plaintiff was authorized to and did regularly write automobile insurance, including  
27 providing insurance coverage on Subject Vehicles. Plaintiff provided insurance  
28 coverage to one or more of its insureds to cover the property loss and damage of the

BLOOD HURST & O' REARDON, LLP

1 type sustained in this case arising out of the theft of one or more of the Subject  
2 Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or more of  
3 its insureds, or paid on behalf of one or more of its insureds, for loss, repair and other  
4 damage arising out of the theft of one or more of the Subject Vehicles at issue.  
5 Plaintiff is subrogated to the rights of these insureds in amounts no less than what it  
6 has paid to these insureds.

7 55. Plaintiff Southern-Owners Insurance Company is a corporation  
8 organized and existing under the laws of the State of Michigan, with its principal place  
9 of business in Michigan. Southern-Owners Insurance Company is an insurance  
10 carrier. At all relevant times, Plaintiff was authorized to and did regularly write  
11 automobile insurance, including providing insurance coverage on Subject Vehicles.  
12 Plaintiff provided insurance coverage to one or more of its insureds to cover the  
13 property loss and damage of the type sustained in this case arising out of the theft of  
14 one or more of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff  
15 has paid one or more of its insureds, or paid on behalf of one or more of its insureds,  
16 for loss, repair and other damage arising out of the theft of one or more of the Subject  
17 Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in amounts no  
18 less than what it has paid to these insureds.

19 56. Plaintiff Property-Owners Insurance Company is a corporation  
20 organized and existing under the laws of the State of Indiana, with its principal place  
21 of business in Michigan. Property-Owners Insurance Company is an insurance carrier.  
22 At all relevant times, Plaintiff was authorized to and did regularly write automobile  
23 insurance, including providing insurance coverage on Subject Vehicles. Plaintiff  
24 provided insurance coverage to one or more of its insureds to cover the property loss  
25 and damage of the type sustained in this case arising out of the theft of one or more  
26 of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid  
27 one or more of its insureds, or paid on behalf of one or more of its insureds, for loss,  
28 repair and other damage arising out of the theft of one or more of the Subject Vehicles

BLOOD HURST & O' REARDON, LLP

1 at issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
2 what it has paid to these insureds.

3 57. Plaintiff Farm Bureau Property & Casualty Insurance Company is a  
4 corporation organized and existing under the laws of the State of Iowa, with its  
5 principal place of business in Polk County, Iowa. Farm Bureau Property & Casualty  
6 Insurance Company is an insurance carrier. At all relevant times, Plaintiff was  
7 authorized to and did regularly write automobile insurance, including providing  
8 insurance coverage on Subject Vehicles. Plaintiff provided insurance coverage to one  
9 or more of its insureds to cover the property loss and damage of the type sustained in  
10 this case arising out of the theft of one or more of the Subject Vehicles at issue.  
11 Pursuant to its insurance policy, Plaintiff has paid one or more of its insureds, or paid  
12 on behalf of one or more of its insureds, for loss, repair and other damage arising out  
13 of the theft of one or more of the Subject Vehicles at issue. Plaintiff is subrogated to  
14 the rights of these insureds in amounts no less than what it has paid to these insureds.

15 58. Plaintiff Western Agricultural Insurance Company is a corporation  
16 organized and existing under the laws of the State of Iowa, with its principal place of  
17 business in Polk County, Iowa. Western Agricultural Insurance Company is an  
18 insurance carrier. At all relevant times, Plaintiff was authorized to and did regularly  
19 write automobile insurance, including providing insurance coverage on Subject  
20 Vehicles. Plaintiff provided insurance coverage to one or more of its insureds to cover  
21 the property loss and damage of the type sustained in this case arising out of the theft  
22 of one or more of the Subject Vehicles at issue. Pursuant to its insurance policy,  
23 Plaintiff has paid one or more of its insureds, or paid on behalf of one or more of its  
24 insureds, for loss, repair and other damage arising out of the theft of one or more of  
25 the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in  
26 amounts no less than what it has paid to these insureds.

27 59. Plaintiff SECURA Insurance Company (f/k/a SECURA Insurance, A  
28 Mutual Company) is a corporation organized and existing under the laws of the State

BLOOD HURST & O' REARDON, LLP

1 of Wisconsin, with its principal place of business in Neenah, Wisconsin. SECURA  
2 Insurance Company is an insurance carrier. At all relevant times, Plaintiff was  
3 authorized to and did regularly write automobile insurance, including providing  
4 insurance coverage on Subject Vehicles. Plaintiff provided insurance coverage to one  
5 or more of its insureds to cover the property loss and damage of the type sustained in  
6 this case arising out of the theft of one or more of the Subject Vehicles at issue.  
7 Pursuant to its insurance policy, Plaintiff has paid one or more of its insureds, or paid  
8 on behalf of one or more of its insureds, for loss, repair and other damage arising out  
9 of the theft of one or more of the Subject Vehicles at issue. Plaintiff is subrogated to  
10 the rights of these insureds in amounts no less than what it has paid to these insureds.

11 60. Plaintiff SECURA Supreme Insurance Company is a corporation  
12 organized and existing under the laws of the State of Wisconsin, with its principal  
13 place of business in Neenah, Wisconsin. SECURA Supreme Insurance Company is  
14 an insurance carrier. At all relevant times, Plaintiff was authorized to and did regularly  
15 write automobile insurance, including providing insurance coverage on Subject  
16 Vehicles. Plaintiff provided insurance coverage to one or more of its insureds to cover  
17 the property loss and damage of the type sustained in this case arising out of the theft  
18 of one or more of the Subject Vehicles at issue. Pursuant to its insurance policy,  
19 Plaintiff has paid one or more of its insureds, or paid on behalf of one or more of its  
20 insureds, for loss, repair and other damage arising out of the theft of one or more of  
21 the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in  
22 amounts no less than what it has paid to these insureds.

23 61. Plaintiff Illinois Casualty Company is a corporation organized and  
24 existing under the laws of the State of Illinois, with its principal place of business in  
25 Rock Island, Illinois. Illinois Casualty Company is an insurance carrier. At all relevant  
26 times, Plaintiff was authorized to and did regularly write automobile insurance,  
27 including providing insurance coverage on Subject Vehicles. Plaintiff provided  
28 insurance coverage to one or more of its insureds to cover the property loss and

BLOOD HURST & O' REARDON, LLP

1 damage of the type sustained in this case arising out of the theft of one or more of the  
2 Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid one or  
3 more of its insureds, or paid on behalf of one or more of its insureds, for loss, repair  
4 and other damage arising out of the theft of one or more of the Subject Vehicles at  
5 issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
6 what it has paid to these insureds.

7 62. Plaintiff Pharmacists Mutual Insurance Company is a corporation  
8 organized and existing under the laws of the State of Iowa, with its principal place of  
9 business in Iowa. Pharmacists Mutual Insurance Company is an insurance carrier. At  
10 all relevant times, Plaintiff was authorized to and did regularly write automobile  
11 insurance, including providing insurance coverage on Subject Vehicles. Plaintiff  
12 provided insurance coverage to one or more of its insureds to cover the property loss  
13 and damage of the type sustained in this case arising out of the theft of one or more  
14 of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid  
15 one or more of its insureds, or paid on behalf of one or more of its insureds, for loss,  
16 repair and other damage arising out of the theft of one or more of the Subject Vehicles  
17 at issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
18 what it has paid to these insureds.

19 63. Plaintiff West Bend Mutual Insurance Company is a mutual insurance  
20 company organized and existing under the laws of the State of Wisconsin, with its  
21 principal place of business in Wisconsin. West Bend Mutual Insurance Company is  
22 an insurance carrier. At all relevant times, Plaintiff was authorized to and did regularly  
23 write automobile insurance, including providing insurance coverage on Subject  
24 Vehicles. Plaintiff provided insurance coverage to one or more of its insureds to cover  
25 the property loss and damage of the type sustained in this case arising out of the theft  
26 of one or more of the Subject Vehicles at issue. Pursuant to its insurance policy,  
27 Plaintiff has paid one or more of its insureds, or paid on behalf of one or more of its  
28 insureds, for loss, repair and other damage arising out of the theft of one or more of

BLOOD HURST & O' REARDON, LLP

1 the Subject Vehicles at issue. Plaintiff is subrogated to the rights of these insureds in  
2 amounts no less than what it has paid to these insureds.

3 64. Plaintiff Shelter Mutual Insurance Company is a mutual company  
4 organized and existing under the laws of the State of Missouri, with its principal place  
5 of business in Missouri. Shelter Mutual Insurance Company is an insurance carrier.  
6 At all relevant times, Plaintiff was authorized to and did regularly write automobile  
7 insurance, including providing insurance coverage on Subject Vehicles. Plaintiff  
8 provided insurance coverage to one or more of its insureds to cover the property loss  
9 and damage of the type sustained in this case arising out of the theft of one or more  
10 of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid  
11 one or more of its insureds, or paid on behalf of one or more of its insureds, for loss,  
12 repair and other damage arising out of the theft of one or more of the Subject Vehicles  
13 at issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
14 what it has paid to these insureds.

15 65. Plaintiff Shelter General Insurance Company is a corporation organized  
16 and existing under the laws of the State of Missouri, with its principal place of  
17 business in Missouri. Shelter General Insurance Company is an insurance carrier. At  
18 all relevant times, Plaintiff was authorized to and did regularly write automobile  
19 insurance, including providing insurance coverage on Subject Vehicles. Plaintiff  
20 provided insurance coverage to one or more of its insureds to cover the property loss  
21 and damage of the type sustained in this case arising out of the theft of one or more  
22 of the Subject Vehicles at issue. Pursuant to its insurance policy, Plaintiff has paid  
23 one or more of its insureds, or paid on behalf of one or more of its insureds, for loss,  
24 repair and other damage arising out of the theft of one or more of the Subject Vehicles  
25 at issue. Plaintiff is subrogated to the rights of these insureds in amounts no less than  
26 what it has paid to these insureds

27  
28

BLOOD HURST & O' REARDON, LLP

1 **B. Defendants**

2 66. Defendant Kia America, Inc. is a California corporation with its principal  
3 place of business in Irvine, California. Kia America, Inc. is actively engaged in  
4 manufacturing, assembling, marketing, and distributing Kia vehicles sold in the  
5 United States.

6 67. Kia America, Inc.'s C-Suite, executives, and employees responsible for  
7 the manufacture, development, distribution, marketing, sales, customer service, and  
8 warranty servicing of Kia vehicles are located at the company's Irvine headquarters.  
9 The decisions regarding the marketing and sale of the Subject Vehicles, the  
10 development and issuance of safety recalls, and decisions regarding the disclosure or  
11 non-disclosure of the Defect were in whole or substantial part made by Kia America,  
12 Inc. at its California headquarters.

13 68. Defendant Hyundai Motor America is a California corporation with its  
14 principal place of business in Fountain Valley, California. Hyundai Motor America  
15 also maintains a 4,300-acre testing facility in Irwindale, California. Hyundai Motor  
16 America is a subsidiary of Hyundai Motor Corporation and is actively engaged in  
17 manufacturing, assembling, marketing, and distributing Hyundai vehicles sold in  
18 California and the rest of the United States.

19 69. Hyundai Motor America's C-Suite, executives, and employees  
20 responsible for the manufacture, development, distribution, marketing, sales,  
21 customer service, and warranty servicing of Hyundai vehicles are located at the  
22 company's Fountain Valley headquarters. The decisions regarding the marketing and  
23 sale of the Subject Vehicles, the development and issuance of safety recalls, and  
24 decisions regarding the disclosure or non-disclosure of the Defect were in whole or  
25 substantial part made by Hyundai Motor America at its California headquarters.

26 70. Kia America, Inc. and Hyundai Motor America are part of the larger  
27 Hyundai Motor Group, which is based in South Korea. The companies share certain  
28

BLOOD HURST & O' REARDON, LLP

1 resources, including technology, research and development, and manufacturing  
 2 facilities.

3 **FACTUAL BACKGROUND**

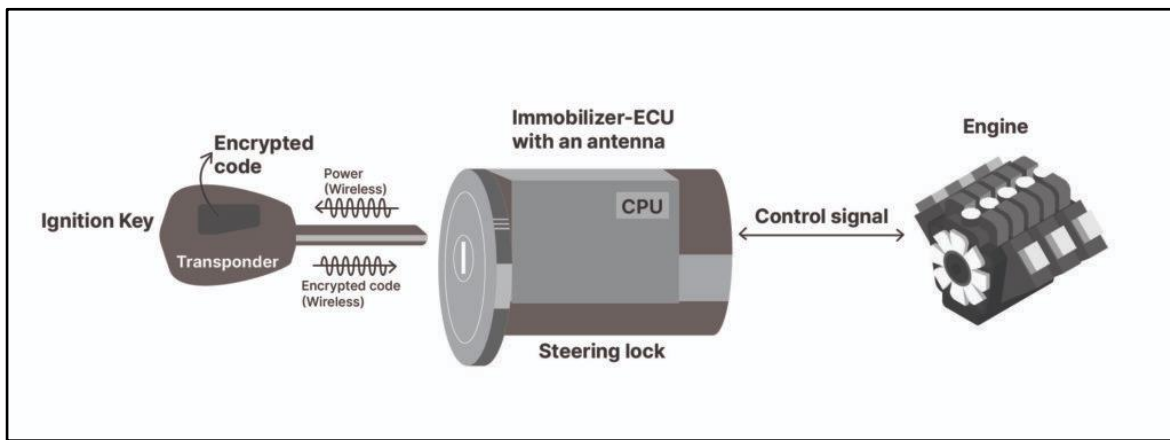
4 **C. Engine Immobilizer Technology and Effectiveness**

5 71. The Subject Vehicles do not contain engine immobilizer technology.

6 72. An engine immobilizer is a device that prevents a vehicle's engine from  
 7 starting unless the correct key is present, thereby preventing theft.

8 73. The engine immobilizer performs an essential function to prevent  
 9 vehicles from being hot-wired and stolen. A vehicle's engine immobilizer system is  
 10 essentially an anti-theft system located in the engine that prevents a vehicle's engine  
 11 from starting unless the correct transponder key is present. This system involves three  
 12 integral parts, including: (1) a special, digitally coded key or smart key fob; (2) the  
 13 transponder chip, which is located in the key; and (3) the engine control unit.

14 74. Below is a diagram of a typical engine immobilizer system:



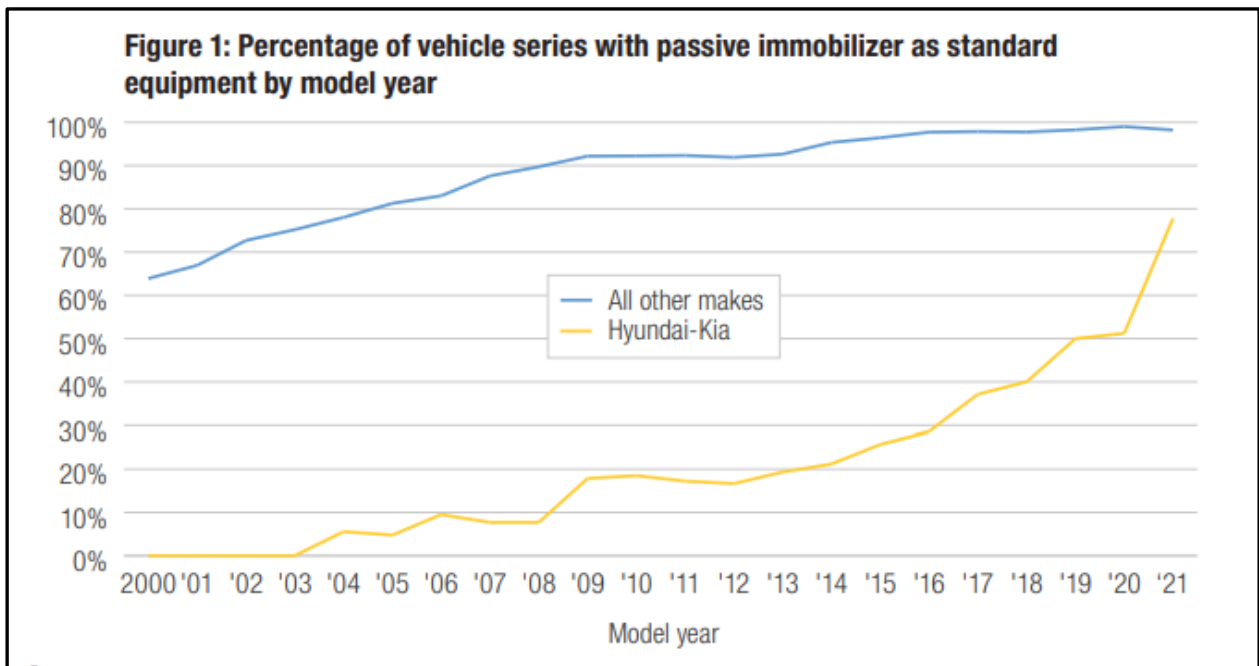
23 75. First seen in Europe, with the introduction of engine immobilizers in  
 24 Mercedes-Benz vehicles in 1986, car manufacturers began installing engine  
 25 immobilizers in the United States in the mid-to-late 1990s. The technology was  
 26 initially introduced as a security feature in luxury vehicles, but soon became more  
 27 widespread across the industry. By the early 2000s, many car manufacturers had  
 28 adopted engine immobilizers as a standard safety feature in their vehicles. Today,



BLOOD HURST & O' REARDON, LLP

1 engine immobilizers are included as standard equipment in the large majority of new  
 2 vehicles sold in the United States, as they are an effective means of preventing car  
 3 theft.

4 76. By 2000, engine immobilizers were already standard on 62% of vehicles  
 5 not manufactured by Defendants. By model year 2015, engine immobilizers were  
 6 standard on 96% of other manufacturers' vehicles, but just 26% of Hyundai and Kia  
 7 vehicle models.<sup>3</sup>



10  
11  
12  
13  
14  
15  
16  
17  
18  
19 77. Engine immobilizers are inexpensive to include in vehicles, costing as  
 20 little as \$50 or less per vehicle.

21 78. If a vehicle has an engine immobilizer system, the chances of it getting  
 22 stolen are greatly reduced.

23 79. Defendants' competitors have long recognized the effectiveness of  
 24 engine immobilizers in reducing vehicle theft.

25  
26  
27 <sup>3</sup> IIHS-HLDI, "Hyundais, Kias are easy targets amid boom in vehicle thefts," (Sept.  
 28 22, 2022), <https://www.iihs.org/news/detail/hyundais-kias-are-easy-targets-amid-boom-in-vehicle-thefts>.

BLOOD HURST & O' REARDON, LLP

1 80. Ford made engine immobilizers first available in 1993 in Europe on over  
2 750,000 vehicles. The system was available on Ford Escort RS and Fiesta Turbo. The  
3 theft rate on these models was reduced at a significant rate of 78% for 1994:

4 After a huge success in Europe, we're convinced that this technology  
5 puts the amateur out of business and makes it so difficult for  
6 professionals that we expect they'll simply avoid trying to steal our  
7 [engine immobilizing system]-equipped cars, said Frank Macher, Ford  
8 Vice President and General Manger, Automotive Component Division  
(DiPietro, 1995, p.2).<sup>4</sup>

8 81. In 2014, representatives from several major automakers, including  
9 BMW, Fiat-Chrysler, Ford, General Motors, Jaguar Land Rover, Mercedes-Benz,  
10 Mitsubishi, Porsche, Toyota, Volkswagen, and Volvo, provided a statement to  
11 NHTSA, stating that "the benefits of immobilizers in preventing vehicle theft can be  
12 tremendous," and that they have exhibited "high effectiveness" in reducing theft.<sup>5</sup>

13 82. In 2014, the New York Times published an article "Here's Why Stealing  
14 Cars Went Out of Fashion." The NYT reported that between 1990 and 2013, reported  
15 auto thefts in New York City went from one for every 50 residents to one for every  
16 1,100 residents – a 96% drop in the rate of car theft. According to the NYT the most  
17 important factor for the dramatic reduction in cart thefts was the presence of engine  
18 immobilizers:

19 The most important factor is a technological advance: engine  
20 immobilizer systems, adopted by manufacturers in the late 1990s and  
21 early 2000s. These make it essentially impossible to start a car without  
22 the ignition key, which contains a microchip uniquely programmed by  
23 the dealer to match the car.

24 <sup>4</sup> See Erik Sandvik, The Role of Technology in Reducing Auto Theft,  
25 Tallahassee: Florida Department of Law Enforcement (1996),  
26 [https://www.fdle.state.fl.us/FCJEI/Programs/SLP/Documents/Full-  
Text/Sandvik.aspx](https://www.fdle.state.fl.us/FCJEI/Programs/SLP/Documents/Full-Text/Sandvik.aspx).

27 <sup>5</sup> See Letter from Will Otero, Director Transportation and Safety Policy, Alliance  
28 of Automobile Manufacturers, Inc. to NHTSA (Mar. 18, 2014) (available at  
<https://www.regulations.gov/comment/NHTSA-2014-0007-0003>).

1 Criminals generally have not been able to circumvent the technology or  
 2 make counterfeit keys. “It’s very difficult; not just your average  
 3 perpetrator on the street is going to be able to steal those cars,” said Capt.  
 4 Don Boller, who leads the New York Police Department’s auto crime  
 division. Instead, criminals have stuck to stealing older cars.<sup>6</sup>

5 83. According to the National Insurance Crime Bureau (NICB), the  
 6 implementation of engine immobilizers has led to a significant reduction in car theft  
 7 rates in the United States. The NICB reports that between 1998 and 2016, thefts of  
 8 vehicles equipped with engine immobilizers declined by 77%, while thefts of vehicles  
 9 without engine immobilizers decreased by only 40%.<sup>7</sup>

10 84. Other facts, which Defendants knew or should have known, demonstrate  
 11 that engine immobilizers are an inexpensive and highly effective means of preventing  
 12 car theft and reducing associated losses. Numerous articles, studies and reports have  
 13 been published that examine and demonstrate the effectiveness of engine  
 14 immobilizers in reducing vehicle theft rates. These reports are replete with data  
 15 demonstrating the effectiveness of engine immobilizers in preventing car theft and  
 16 highlighting the importance of including this technology in new vehicles. For  
 17 example:

18 a. According to Matt Moore, Senior Vice President of the Highway  
 19 Loss Data Institute (HLDI), a non-profit organization that compiles and  
 20 publishes insurance loss statistics, “Our earlier studies show that vehicle  
 21 theft losses plunged after immobilizers were introduced,” but  
 22 “[u]nfortunately, Hyundai and Kia have lagged behind other automakers  
 23 in making them standard equipment.”<sup>8</sup>

24  
 25 <sup>6</sup> Josh Barro, “Here’s Why Stealing Cars Went Out of Fashion,” New York  
 26 Times (Aug. 11, 2014), <https://www.nytimes.com/2014/08/12/upshot/heres-why-stealing-cars-went-out-of-fashion.html>.

27 <sup>7</sup> Jan C. van Ours & Ben Vollaard, “The Engine Immobiliser: A Non-starter for  
 28 Car Thieves,” *The Economic Journal*, 126:1264-1291 (June 2016).

<sup>8</sup> IIHS-HLDI, “Hyundais, Kias are easy targets amid boom in vehicle thefts,” (Sept.

1           b.       According to van Ours and Vollaard (2016), engine immobilizers,  
2           “a simple and low-cost anti-theft device,” “reduced the probability of car  
3           theft by an estimated 50 percent on average in the Netherlands during  
4           1995-2008.”<sup>9</sup>

5           c.       Farrell, Tseloni and Tilley (2011): Cars with central locking plus  
6           an electronic immobilizer were up to 25 times less likely to be stolen  
7           than those without security.<sup>10</sup>

8           d.       Citing to its studies from 1996, 1998, 2000, 2012, and 2013, the  
9           Highway Loss Data Institute reported in December 2021 that it “found  
10          significant reductions in theft losses after passive immobilizing antitheft  
11          devices were added to vehicles.”<sup>11</sup>

12          e.       The Highway Loss Data Institute’s September 1997 Theft Loss  
13          Bulletin reported an overall theft loss decrease of approximately 50% for  
14          both the Ford Mustang and Taurus models upon installation of an  
15          antitheft immobilization device.<sup>12</sup>

16          f.       A July 2000 Insurance Institute for Highway Safety (IIHS) news  
17          release reported that when comparing theft loss data before and after  
18          equipping vehicles with passive immobilizer devices, the data showed  
19

20          22, 2022), [https://www.iihs.org/news/detail/hyundais-kias-are-easy-targets-amid-](https://www.iihs.org/news/detail/hyundais-kias-are-easy-targets-amid-boom-in-vehicle-thefts)  
21          boom-in-vehicle-thefts.

22          <sup>9</sup>       Jan C. van Ours & Ben Vollaard, “The Engine Immobiliser: A Non-starter for  
23          Car Thieves,” *The Economic Journal*, 126:1264–1291 (June 2016).

24          <sup>10</sup>       Graham Farrell, Andromachi Tseloni, & Nick Tilley, “The effectiveness of  
25          vehicle security devices and their role in the crime drop,” *Criminology & Criminal*  
26          *Justice*, 11(1):21–35 (Mar. 1, 2011).

27          <sup>11</sup>       Highway Loss Data Institute, “Hyundai and Kia theft losses,” (December  
28          2021), [https://www.iihs.org/media/0e14ba17-a3c2-4375-8e66-](https://www.iihs.org/media/0e14ba17-a3c2-4375-8e66-081df9101ed2/opm7QA/HLDI%20Research/Bulletins/hldi_bulletin_38-28.pdf)  
29          081df9101ed2/opm7QA/HLDI%20Research/Bulletins/hldi\_bulletin\_38-28.pdf.

30          <sup>12</sup>       *See* Petition for Exemption From the Vehicle Theft Prevention Standard;  
31          Mazda, 76 Fed. Reg. 41558 (July 14, 2011); Exemption from Vehicle Theft Protection  
32          Standard, 81 Fed. Reg. 66833 (November 28, 2016).

1 an average theft reduction of approximately 50% for vehicles with  
2 immobilizer devices.<sup>13</sup>

3 g. According to the National Insurance Crime Bureau, the  
4 implementation of engine immobilizers has led to a reduction in the  
5 overall rate of car theft in the United States. In 1991, the car theft rate  
6 was 659 thefts per 100,000 population, whereas in 2019, the rate had  
7 decreased to 219.9 thefts per 100,000 population.<sup>14</sup>

8 h. According to the Government of Western Australia, Department  
9 of Transport, immobilizers are “so important” because “[m]otor vehicle  
10 theft costs the community millions of dollars each year in medical  
11 expenses, police time and energy, insurance costs and repairs to damages  
12 vehicles and property.” “Immobilisers greatly reduce the chance of  
13 having your car stolen.”<sup>15</sup>

14 i. As reported in a study funded by Australia’s National Motor  
15 Vehicle Theft Reduction Council, by 2000, vehicles without engine  
16 immobilizers were 4.81 times as likely to be stolen as vehicles with  
17 immobilizers.<sup>16</sup>

18 j. Brown and Thomas (2003) examined the effectiveness of engine  
19 immobilizers in the United Kingdom following the implementation of  
20 EU legislation in 1998. Using data from the Home Office Car Theft  
21

22  
23 <sup>13</sup> See Petition for Exemption From the Vehicle Theft Prevention Standard;  
Mazda, 76 Fed. Reg. 41558 (July 14, 2011).

24 <sup>14</sup> See FBI’s Uniform Crime Reporting (UCR) program: [https://ucr.fbi.gov/crime-](https://ucr.fbi.gov/crime-in-the-u.s/2019/crime-in-the-u.s.-2019/topic-pages/motor-vehicle-theft)  
25 [in-the-u.s/2019/crime-in-the-u.s.-2019/topic-pages/motor-vehicle-theft](https://ucr.fbi.gov/crime-in-the-u.s/2019/crime-in-the-u.s.-2019/topic-pages/motor-vehicle-theft)

26 <sup>15</sup> Government of Western Australia, Department of Transport, “Immobilisers,”  
<https://www.transport.wa.gov.au/licensing/immobilisers.asp> (last accessed May 22,  
27 2023).

28 <sup>16</sup> Robert Potter & Paul Thomas, “Engine Immobilizers: How Effective Are They?,” (Oct. 18, 2001), [http://carsafe.com.au/docs/immobiliser\\_paper.pdf](http://carsafe.com.au/docs/immobiliser_paper.pdf).

1 Index 2001, the authors found that the introduction of compulsory  
2 immobilizers was effective in reducing cart thefts.<sup>17</sup>

3 85. Dixon and Farrell (2020) examined the rates of motor vehicle thefts in  
4 the United States from 1960 onward. The researchers concluded that improved  
5 vehicle security in the 1990s had a huge effect on reducing thefts committed by young  
6 people. This decrease was so significant that it resulted in lower rates of vehicle theft  
7 among those age groups even as they grew older. The researchers identified one  
8 security feature in particular that led to this decrease in theft activity: emergence of  
9 engine immobilizers:

10 From the early 1990s onwards, it gradually became less easy for  
11 adolescents to begin offending as an increasing proportion of vehicles  
12 became secure (as secure new vehicles were purchased, and insecure old  
13 ones scrapped). Potential young offenders did not have the skill or  
14 experience to overcome the new vehicle security technology,  
15 *particularly electronic immobilizers*. The result was a reduced rate of  
16 offending, not just as a short-term period effect when they were  
17 adolescents, but among cohorts which experienced lower rates of  
18 offending as they aged through the life-course. The rate of offending  
19 among subsequent cohorts decreased further over time as improved  
20 vehicle security became more prevalent and continued to improve, fewer  
21 adolescents experiencing criminal career onset and continuance.<sup>18</sup>

22 86. A 2016 government research report from the United Kingdom's Home  
23 Office concluded, "electronic immobilisers clearly drove a reduction in vehicle  
24 thefts." The conclusion was supported by the fact that other "[r]esearch has  
25 demonstrated that cars with electronic immobilisers are far less likely to be stolen than  
26 cars without immobilisers (van Ours and Vollaard, 2014; Farrell, Tseloni, and Tilley,  
27 2011; Brown, 2013)" and the data shows that "once electronic immobilisers were  
28

<sup>17</sup> Rick Brown & Nerys Thomas, "Aging Vehicles: Evidence of the Effectiveness of New cart Security from the Home Office Car Theft Index," *Security Journal*, 16(3):45–53 (2003).

<sup>18</sup> Anthony Dixon & Graham Farrell, "Age-period-cohort effects in half a century of motor vehicle theft in the United States," *Crime Science*, 9:17 (Oct. 1, 2020).

1 installed on around half the vehicle fleet all these nations [England, Wales, Scotland,  
 2 Netherlands, Sweden, Australia, United States, and Canada] saw a sharp decline in  
 3 vehicle thefts of around 40 per cent.”<sup>19</sup>

4

5 **Table 1: Findings from cross-national analysis on electronic immobilisers**

	Eng + Wales	Scotland	Netherlands	Sweden	Australia	US	Canada
<b>Dates of electronic immobiliser spread</b>							
Estimated first appearance of electronic immobilisers in mass market vehicles	1991-92	1991-92	1991-92	1991-92	1989-1990	1988-1992	1988-1992
Year in which electronic immobilisers mandated on new vehicles	1998	1998	1998	1998	2001	None	2007
Estimated year in which 50% of all vehicles have electronic immobilisers (threshold)	2000	2000	2000	2000	2000	2006	2006
<b>Changes in numbers of police-recorded vehicle thefts</b>							
Five years pre-threshold	-33%	-31%	-5%	9%	9%	-2%	-6%
Five years post-threshold	-41%	-35%	-44%	-39%	-46%	-34%	-46%

6  
7  
8  
9  
10  
11  
12

13 87. The majority of major automakers have made public statements  
 14 confirming that engine immobilizers effectively reduce vehicle thefts. These  
 15 statements, along with data demonstrating the effectiveness of immobilizers, were  
 16 readily available in the industry. Many of these statements were made over a decade  
 17 ago. As industry participants, Defendants were aware, or should have been aware, of  
 18 this information. These statements and reports by Defendants’ competitors include  
 19 the following:

- 20 a. Volkswagen reported to NHTSA that data from the Highway Loss  
 21 Data Institute showed that BMW vehicles experienced theft loss  
 22 reductions resulting in a 73% decrease in relative claim frequency and a  
 23 78% lower average loss payment per claim for vehicles equipped with  
 24 an engine immobilizer.<sup>20</sup>

25

26 <sup>19</sup> Nick Morgan, Oliver Shaw, Andy Feist & Christos Byron, “Reducing criminal  
 27 opportunity: vehicle security and vehicle crime,” United Kingdom Home Office,  
 Research Report 87 (Jan. 2016).

28 <sup>20</sup> See Petition for Exemption From the Federal Motor Vehicle Theft Prevention

1           b.     In 2012, the makers of Subaru vehicles reported to NHTSA that  
 2           “it presently has immobilizer devices on all of its product lines (Forester,  
 3           Tribeca, Impreza, Legacy and Outback models) and it believes the data  
 4           show immobilization has had a demonstrable effect in lowering its theft  
 5           rates.”<sup>21</sup> For example, while the median theft rate (per 1000 vehicles)  
 6           averaged 3.5286, the theft rate data for the Subaru Tribeca, Forester,  
 7           Impreza, Legacy and Outback vehicle lines using an average of 3 model  
 8           years’ data (2007-2009) was 0.4396, 0.5677, 0.9135, 0.7681 and 0.4394  
 9           respectively.

10          c.     Ford Motor Company claimed that its model year 1997 Mustang  
 11          vehicle line (with an immobilizer) led to a 70% reduction in theft  
 12          compared to its model year 1995 Mustang (without an immobilizer).<sup>22</sup>

13          d.     Chrysler Corporation informed NHTSA that the installation of a  
 14          standard immobilizer device in Jeep Grand Cherokee vehicles reduced  
 15          the average theft rate by approximately 53.2% based on a comparison of  
 16          thefts between model year 1995-98 vehicles (without engine  
 17          immobilizers) and model year 1999-2008 vehicles (with engine  
 18          immobilizers).<sup>23</sup>

19          e.     Mitsubishi Motors Corporation informed NHTSA that the theft  
 20          rate for its model year 2000 Eclipse vehicle line (with an immobilizer  
 21

22           Standard; Volkswagen Group of America, Inc., 87 Fed. Reg. 14946 (Mar. 16, 2022).

23           <sup>21</sup>     See Petition for Exemption From the Vehicle Theft Prevention Standard; Fuji  
 Heavy Industries U.S.A., Inc., 77 Fed. Reg. 1974 (Jan. 12, 2012).

24           <sup>22</sup>     See Petition for Exemption From the Vehicle Theft Prevention Standard; Fuji  
 25           Heavy Industries U.S.A., Inc., 77 Fed. Reg. 1974 (Jan. 12, 2012); *see also* Jim  
 26           McGraw, “Playing Hard to Get for Car Thieves,” N.Y. Times (Nov. 26, 1999) (“thefts  
 27           of some Ford vehicles had dropped 75 percent since [an engine immobilizer] was first  
 used in 1996 models of the Mustang and Taurus”).

28           <sup>23</sup>     See Petition for Exemption From the Federal Motor Vehicle Theft Prevention  
 Standard; Chrysler, 76 Fed. Reg. 68262 (Nov. 3, 2011).



1 device) was almost 42% lower than that of its model year 1999 Eclipse  
2 (without a immobilizer device).<sup>24</sup>

3 f. Mazda Motor Corporation reported that a comparison of theft loss  
4 data showed an average theft reduction of approximately 50% after an  
5 immobilizer device was installed as standard equipment in a vehicle  
6 line.<sup>25</sup>

7 g. According to Toyota's report to NHTSA, the average theft rate for  
8 the Corolla reduced from 4.0 per 1,000 vehicles (1996-1999) to 2.1 per  
9 1,000 vehicles (2005-2008) after the installation of a standard  
10 immobilizer. This represents an approximate 47.5% decrease in the theft  
11 rate.<sup>26</sup>

12 h. With regard to Nissan Altima vehicles, Toyota reported that data  
13 before and after being equipped with a standard immobilizer showed the  
14 average theft rate drop to 3.0 per 1,000 vehicles (2000-2006) compared  
15 to 5.3 per 1,000 vehicles (1996-1999), representing an approximate 43%  
16 decrease in theft rate with an immobilizer.<sup>27</sup>

17 i. Subaru reported to NHTSA that the theft rate of the model year  
18 2008 Impreza (not parts marked, standard engine immobilizer) decreased  
19 by almost 51% as compared to the model year 2007 Impreza (parts  
20 marked with optional engine immobilizer).<sup>28</sup>

21  
22 <sup>24</sup> See Petition for Exemption From the Vehicle Theft Prevention Standard;  
23 Mitsubishi Motors, 77 Fed. Reg. 20486 (Apr. 4, 2012).

24 <sup>25</sup> See Petition for Exemption From the Vehicle Theft Prevention Standard;  
25 Mazda, 76 Fed. Reg. 41558 (July 14, 2011).

26 <sup>26</sup> See Petition for Exemption From the Federal Motor Vehicle Theft Prevention  
27 Standard; Toyota Motor North America, Inc., 80 Fed. Reg. 15118 (Mar. 10, 2023).

28 <sup>27</sup> See Petition for Exemption From the Federal Motor Vehicle Theft Prevention  
Standard; Toyota Motor North America, Inc., 87 Fed. Reg. 13355 (Mar. 9, 2022).

<sup>28</sup> See Petition for Exemption From the Federal Motor Vehicle Theft Prevention  
Standard; North American Subaru, Inc., 87 Fed. Reg. 13358 (Mar. 9, 2022).

BLOOD HURST & O' REARDON, LLP

1 **D. The Defect in Defendants' Subject Vehicles Has Led to Thousands of**  
2 **Thefts and Break-Ins**

3 88. The Defect in the Subject Vehicles inherently makes them increasingly  
4 susceptible to theft—a phenomenon that has led to thousands of Subject Vehicles  
5 being stolen and broken into across the United States.

6 89. Due to the Defect in the Subject Vehicles, a new TikTok challenge has  
7 led to a significant increase in car thefts across the country. The TikTok challenge is  
8 dubbed “Kia Boyz,” which instructs and encourages viewers to break inside the  
9 Subject Vehicles and instructs viewers how to hot-wire the vehicles by using a phone  
10 charger or USB cable. Within minutes, a car thief can break into a Subject Vehicle,  
11 hot-wire it, and steal the vehicle from its rightful owner.

12 90. These videos publicized and made clear that in addition to the lack of an  
13 engine immobilizer, a series of other design flaws in the Subject Vehicles allow  
14 thieves to steal the Subject Vehicles in a matter of seconds.

15 91. First, thieves have realized that most Hyundai and Kia cars on the road  
16 lack an engine immobilizer. It is simple for them to spot the Subject Vehicles because  
17 Hyundai and Kia cars sold with a traditional key ignition system, as opposed to a  
18 “push-to-start” system, lack immobilizers. Thieves can identify these cars just by  
19 looking through the window, as push-to-start cars have a start button located at the  
20 base of the dashboard while traditional key ignition cars have an ignition cylinder on  
21 the steering column.

22 92. Second, the Subject Vehicles lack alarms or sensors on the windows,  
23 letting thieves break into the cars without causing a scene. The alarm system in these  
24 cars is deficiently designed because it doesn't go off when the windows are smashed  
25 – a common method thieves use to gain entry.

26 93. Third, the steering columns in the Subject Vehicles do not contain  
27 adequate casing or a hardened collar, making them easy to pull off.

28

1 94. Fourth, the ignition lock assembly, which includes the lock cylinder, can  
2 be quickly and easily taken apart using a simple tool such as a screwdriver or with  
3 minimal force, which exposes the ignition switch.

4 95. Fifth, thieves have found that the end of a USB cable, which is now  
5 common in most cars, fits perfectly into the ignition switch and can start the Subject  
6 Vehicles with a quick twist. Although a USB cable is often used for this purpose, any  
7 pair of pliers can do the job just as well. Once the ignition switch is turned and the car  
8 is started, the steering lock is disabled.

9 96. Numerous instances of thefts involving the vehicles in question have  
10 been documented by news reports from law enforcement agencies and other sources  
11 across the country:

- 12 a. Milwaukee, Wisconsin: “In just the first six months of the year,  
13 Hyundai thefts are up more than 1,700%. Kia thefts nearly doubled that  
14 rise. They are up by almost 3,200%.” – kbb.com, December 14, 2021<sup>29</sup>
- 15 b. St. Petersburg, Florida: Between July 11 and July 28, 2022, 23 of  
16 56 (41%) vehicles stolen in St. Petersburg, Florida were Kia or Hyundai  
17 vehicles without engine immobilizers. – Wfla.com, July 28, 2022<sup>30</sup>
- 18 c. Los Angeles, California: Los Angeles officials say the viral trend  
19 has led to an 85% increase in car theft of Hyundais and Kias compared  
20 with last year. – LAPD Chief Michael Moore, September 2022<sup>31</sup>

21  
22 <sup>29</sup> Sean Tucker, “Milwaukee Police Report Hyundais, Kias Stolen in Record  
23 Numbers,” Kelley Blue Book (Dec. 14, 2021), [https://www.kbb.com/car-  
news/milwaukee-police-report-hyundais-kias-stolen-in-record-numbers/](https://www.kbb.com/car-news/milwaukee-police-report-hyundais-kias-stolen-in-record-numbers/).

24 <sup>30</sup> Mary O’Connell, “St. Pete Police warn about troubling car theft trend targeting  
25 Kia, Hyundai cars,” ABC Action News WFTS Tampa Bay (July 28, 2022),  
26 [https://www.abcactionnews.com/news/region-pinellas/st-pete-police-warn-about-  
troubling-car-theft-trend-targeting-kia-hyundai-cars](https://www.abcactionnews.com/news/region-pinellas/st-pete-police-warn-about-troubling-car-theft-trend-targeting-kia-hyundai-cars).

27 <sup>31</sup> Chris DiLella & Andrea Day, “TikTok challenge spurs rise in thefts of Kia,  
28 Hyundai cars,” CNBC (Sept. 8, 2022), [https://www.cnbc.com/2022/09/08/tiktok-  
challenge-spurs-rise-in-thefts-of-kia-hyundai-cars.html](https://www.cnbc.com/2022/09/08/tiktok-challenge-spurs-rise-in-thefts-of-kia-hyundai-cars.html).

BLOOD HURST & O' REARDON, LLP

- 1 d. Chicago, Illinois: Thefts “up over 800% in the last month,” – Cook
- 2 County Sheriff, September 2022<sup>32</sup>
- 3 e. Detroit, Michigan: “111 Kias stolen in July [2022] and 22 in the
- 4 first nine days of August [2022], per its police department. That’s up
- 5 from 23 in June and 11 or fewer in all previous months of 2022.” – Axios
- 6 Detroit, August 27, 2022<sup>33</sup>
- 7 f. Norfolk, Virginia: “the City of Norfolk has seen a 35% increase
- 8 in the theft of Kia’s and Hyundai’s from July 1 to July 17 [of 2022]” –
- 9 wavy.com, July 21, 2022<sup>34</sup>
- 10 g. St. Louis, Missouri: “Police have logged 155 incidents of stolen
- 11 Kia vehicles and 142 incidents of stolen Hyundai vehicles since the
- 12 beginning of the year. Compared to this timeframe last year, police
- 13 reported only 61 and 64 incidents of stolen Kia and Hyundai vehicles
- 14 respectively.” – fox2now.com, June 9, 2022<sup>35</sup>
- 15 h. Portland, Oregon: “From June 12 to Aug. 20, Portland saw a 269%
- 16 increase in stolen Kias and a 153% increase in stolen Hyundais compared
- 17 to the previous 10-week period, according to Portland police data. That

---

18

19 <sup>32</sup> *Id.*

20 <sup>33</sup> Annalise Frank, “Thieves across America are stealing Hyundais and Kias in

21 seconds,” AXIOS (Aug. 27, 2022), [https://www.axios.com/2022/08/27/kia-hyundai-](https://www.axios.com/2022/08/27/kia-hyundai-thefts-stolen-usb-immobilizer-tiktok)

22 [thefts-stolen-usb-immobilizer-tiktok](https://www.axios.com/2022/08/27/kia-hyundai-thefts-stolen-usb-immobilizer-tiktok).

23 <sup>34</sup> Courtney Ingalls, “Norfolk Police Department warns of increased Kia and

24 Hyundai thefts,” 10 On Your Side WAVY.com (July 21, 2022),

25 [https://www.wavy.com/news/local-news/norfolk/norfolk-police-department-warns-](https://www.wavy.com/news/local-news/norfolk/norfolk-police-department-warns-of-increased-kia-and-hyundai-thefts/)

26 [of-increased-kia-and-hyundai-thefts/](https://www.wavy.com/news/local-news/norfolk/norfolk-police-department-warns-of-increased-kia-and-hyundai-thefts/).

27 <sup>35</sup> Joey Schneider, “St. Louis police see spike in stolen Kia, Hyundai vehicles,”

28 FOX2 Now (June 9, 2022), [https://fox2now.com/news/st-louis-police-see-spike-in-](https://fox2now.com/news/st-louis-police-see-spike-in-stolen-kia-hyundai-vehicles/)

[stolen-kia-hyundai-vehicles/](https://fox2now.com/news/st-louis-police-see-spike-in-stolen-kia-hyundai-vehicles/). *See also* Christine Byers, “Byers’ Beat: How a 1990s

car theft problem has come back to haunt the St. Louis area,” (Sept. 2, 2022),

[https://www.ksdk.com/article/news/crime/byers-beat/hyundai-kia-st-louis-car-theft-](https://www.ksdk.com/article/news/crime/byers-beat/hyundai-kia-st-louis-car-theft-1990s-chrysler/63-121dc658-0876-43fb-98d5-9be532c14316)

[1990s-chrysler/63-121dc658-0876-43fb-98d5-9be532c14316](https://www.ksdk.com/article/news/crime/byers-beat/hyundai-kia-st-louis-car-theft-1990s-chrysler/63-121dc658-0876-43fb-98d5-9be532c14316) (St. Louis, Missouri:

1000% increase in Kia and Hyundai thefts).

1 equates to 144 stolen Kias and 81 stolen Hyundais in the past 10  
 2 weeks.... Police said there was a 5% drop in thefts for all other vehicle  
 3 makes during that timeframe.” kgw.com – August 26, 2022<sup>36</sup>

4 i. Charlotte, North Carolina: “police report 156 Kia and Hyundai  
 5 thefts since June 20, a 346% increase from 35 incidents in the same  
 6 timeframe last year” – Axios Detroit, August 27, 2022<sup>37</sup>

7 j. Wisconsin: “Per the [National Insurance Crime Bureau’s  
 8 (NICB’s)] 2021 Hot Wheels report, seven of the top 10 most stolen  
 9 vehicles in Wisconsin were Kias or Hyundais. But none of those vehicles  
 10 made the top 10 in the state in the 2020 report.” - Axios Detroit, August  
 11 27, 2022<sup>38</sup>

12 k. Omaha, Nebraska: “Thefts of Kia and Hyundai vehicles reported  
 13 in the first seven months of 2022 have shown an 80% increase compared  
 14 to thefts of those vehicles in 2020 and 2021.” – wowt.com, July 28,  
 15 2022<sup>39</sup>

16  
 17  
 18  
 19 <sup>36</sup> David Mann, “Portland police say a TikTok trend has caused Kia, Hyundai  
 20 thefts to spike,” KGW8 (Aug. 26, 2022),  
 21 [https://www.kgw.com/article/news/crime/tiktok-trend-kia-hyundai-thefts-  
 portland/283-9f06a93a-cc9d-4bd9-9bfb-c7c75884b66d](https://www.kgw.com/article/news/crime/tiktok-trend-kia-hyundai-thefts-portland/283-9f06a93a-cc9d-4bd9-9bfb-c7c75884b66d).

22 <sup>37</sup> Annalise Frank, “Thieves across America are stealing Hyundais and Kias in  
 23 seconds,” AXIOS (Aug. 27, 2022), [https://www.axios.com/2022/08/27/kia-hyundai-  
 thefts-stolen-usb-immobilizer-tiktok](https://www.axios.com/2022/08/27/kia-hyundai-thefts-stolen-usb-immobilizer-tiktok).

24 <sup>38</sup> *Id.*

25 <sup>39</sup> Gina Dvorak, “Omaha Police alert Kia, Hyundai owners about trending thefts,”  
 26 6 News WOWT (July 28, 2022), [https://www.wowt.com/2022/07/28/omaha-police-  
 alert-kia-hyundai-owners-about-trending-thefts/](https://www.wowt.com/2022/07/28/omaha-police-alert-kia-hyundai-owners-about-trending-thefts/). *See also* Brian Mastre, “Kia,  
 27 Hyundai thefts skyrocket in Omaha as TikTok challenge goes viral,” 6 News WOWT  
 28 (Aug. 15, 2022), [https://www.wowt.com/2022/08/15/kia-hyundai-thefts-continue-  
 skyrocket-omaha-tiktok-challenge-goes-viral/](https://www.wowt.com/2022/08/15/kia-hyundai-thefts-continue-skyrocket-omaha-tiktok-challenge-goes-viral/) (600% increase in Kia and Hyundai  
 thefts).

BLOOD HURST & O' REARDON, LLP

1           l.       Louisville, Kentucky: “LMPD said from July 1 to July 25, 52  
2           vehicles have been stolen, with about half being Kias and half being  
3           Hyundais.” – wlky.com, July 27, 2022<sup>40</sup>

4           m.       Seattle, Washington: “Seattle police said they investigated 36  
5           reports of stolen Kias last month — compared with five in July last year  
6           — and believe thieves may be using a method learned from tutorial  
7           videos on how to use other tools in place of a key.” – Seattle Times,  
8           August 16, 2022<sup>41</sup>

9           n.       St. Paul, Minnesota: Kia thefts were up 1,300%, Hyundai thefts  
10          up 584% in 2022. – fox9.com, July 18, 2022<sup>42</sup>

11          97.       This is not an exhaustive list of all the areas seeing an increase in car  
12          thefts due to Subject Vehicles’ Defect. Across the country, thousands of individuals  
13          are being targeted due to the absence of immobilizers in Defendants’ Subject  
14          Vehicles.

15          98.       From January to June 2021, theft claims for Hyundai and Kia vehicles  
16          were almost 80% higher than that of all other manufacturers combined.<sup>43</sup>

17          ///  
18          ///  
19          ///  
20

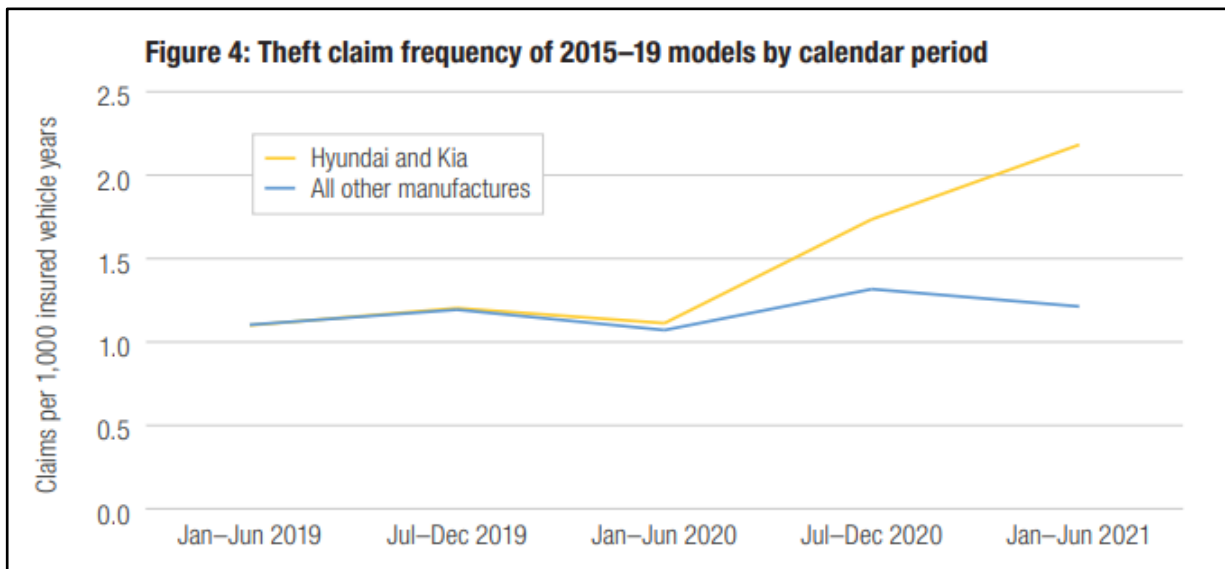
21          <sup>40</sup> Gladys Baustista, “LMPD: Police see rise in Kia, Hyundai thefts after viral  
22          TikTok challenge,” Wlky.com (July 27, 2022), <https://www.wlky.com/article/lmpd-police-kia-hyundai-thefts-tiktok-challenge-louisville/40734532>.

23          <sup>41</sup> Christine Clarridge, “Seattle’s rising Kia car thefts linked to TikTok videos,  
24          police say,” Seattle Times (Aug. 16, 2022), <https://www.seattletimes.com/seattle-news/seattles-rising-kia-car-thefts-linked-to-tiktok-videos-police-say/>.

25          <sup>42</sup> Rose Schmidt, “St. Paul PD: Kia thefts up 1,300%, Hyundai thefts up 584% in  
26          2022,” FOX 9 KMSP (July 18, 2022), <https://www.fox9.com/news/st-paul-pd-kia-thefts-up-1300-hyundai-thefts-up-584-in-2022>.

27          <sup>43</sup> Highway Loss Data Institute, “Hyundai and Kia theft losses,” Loss Bulletin,  
28          38(28) (Dec. 2021), [https://www.iihs.org/media/0e14ba17-a3c2-4375-8e66-081df9101ed2/opm7QA/HLDI%20Research/Bulletins/hldi\\_bulletin\\_38-28.pdf](https://www.iihs.org/media/0e14ba17-a3c2-4375-8e66-081df9101ed2/opm7QA/HLDI%20Research/Bulletins/hldi_bulletin_38-28.pdf).

BLOOD HURST & O' REARDON, LLP



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

99. Federal Motor Vehicle Safety Standard (“FMVSS”) 114 is a regulation issued by the National Highway Traffic Safety Administration (NHTSA) that sets forth requirements for theft protection in motor vehicles. FMVSS 114 requires that all passenger cars, multipurpose passenger vehicles, trucks, and buses with a gross vehicle weight rating of 4,536 kilograms or less, manufactured on or after September 1, 1990, must be equipped with an anti-theft device that meets the requirements of the regulation. The regulation also sets forth specifications for the performance and design of these anti-theft devices, including engine immobilizers.

100. While representatives from Defendants assert that the Subject Vehicles comply with federal standards, the Defendants’ failure to include engine immobilizers in the Subject Vehicles violates FMVSS 114.

101. The anti-theft technology in the Subject Vehicles does not comply with FMVSS 114, specifically section 5.1.1. This section requires each vehicle be equipped with a starting system which, whenever the key is removed from the starting system prevents:

- a. The normal activation of the vehicle’s engine or motor; and
- b. Either steering, or forward self-mobility, of the vehicle, or both.

1           102. The Subject Vehicles do not comply with FMVSS 114 because when the  
2 key is removed from the starting system, neither steering nor forward self-mobility is  
3 prevented. A screwdriver and USB cable are sufficient to start and drive off with the  
4 cars in a matter of seconds or minutes—no key required. Such starting systems do not  
5 meet FMVSS 114's requirements.

6           103. Defendants had previously sought to add engine immobilizer systems to  
7 some of its vehicles in 2009, citing the effectiveness of such systems in other vehicles.  
8 *See* Federal Register, Vol. 75, No. 6, p. 1448, January 11, 2010. Indeed, Defendants  
9 cited to reports regarding vehicles from other manufacturers showing as much as an  
10 80% theft rate reduction with the introduction of engine immobilizers. *Id.*

11           104. Engine immobilizers are so universally considered an effective and  
12 inexpensive way to provide safety and security that they are included in many of  
13 Defendants' other vehicles. These vehicles include the Kia Sorento, the Hyundai  
14 Santa Fe, and the Hyundai Elantra. In fact, Kia and Hyundai included immobilizers  
15 as a standard feature in their vehicles sold in Canada and Europe with the same make,  
16 model, and year as the Subject Vehicles.

17           105. Because of the obvious advantages they offer and due to the public  
18 pressure and condemnation they now face, Defendants began installing engine  
19 immobilizers in all Kia and Hyundai vehicles in 2022. This was too little and too late  
20 for owners and lessees of the Subject Vehicles whose vehicles still contain the Defect,  
21 which leaves them and Plaintiffs at risk of substantial damages and harm.

22 **E. Defendants Have Failed to Address the Defect**

23           106. Defendants are fully aware of the increased safety and theft hazards  
24 associated with the Subject Vehicles and have acknowledged that the root cause of  
25 this issue is the Defect.

26           107. Kia spokesperson James Bell was quoted in a story published on October  
27 20, 2022 stating, "While no car can be made completely theft-proof, criminals are  
28



1 targeting vehicles equipped with a steel key and 'turn-to-start' ignition system as  
 2 opposed to those equipped with a key fob and 'push-button-to-start' system."<sup>44</sup>

3 108. Similarly, a Hyundai spokesperson acknowledged the Defect and the  
 4 wave in thefts, but deflected the blame onto "social media." "The recent rise in thefts  
 5 of our vehicles without engine immobilizers has been caused by irresponsible social  
 6 media 'challenges,'" said Ira Gabriel with Hyundai Motor America. "It is no way  
 7 indicative that our vehicles are not in compliance with the legal and engineering  
 8 performance requirements of FMVSS 114."<sup>45</sup>

9 109. Defendants concealed or otherwise failed to disclose, reveal, or provide  
 10 notice to the vehicles' owners and lessees, Plaintiffs or the general public, in  
 11 Defendants' advertising, labeling or otherwise that the Subject Vehicles were, and  
 12 still are, defective and are not fit for the ordinary purposes for which the vehicles are  
 13 used in that they are easy to steal, unsafe, and worth less than they should be, if they  
 14 were not defective.

15 110. Defendants refuse to fix the Defect by installing engine immobilizer  
 16 technology in the Subject Vehicles. Rather than offer an actual fix, Defendants  
 17 announced on February 14, 2022, that drivers would be eligible sometime in the future  
 18 for a "software upgrade" to help address the safety, security and theft consequences  
 19 from Defendants' Defect. This software update, which is part of a customer service  
 20 campaign and not an official safety recall overseen by the NHTSA, is being rolled out  
 21 in the future at some point and does not fix the Defect or otherwise make whole or

22 \_\_\_\_\_  
 23 <sup>44</sup> Lurah Lowery, "Hyundai & Kia offering anti-theft kits for older model  
 24 vehicles, facing dozens of lawsuits over absence of immobilizers," Repairer Driven  
 25 News (Oct. 20, 2022), [https://www.repairerdrivennews.com/2022/10/20/hyundai-  
 25 kia-offering-anti-theft-kits-for-older-model-vehicles-facing-dozens-of-lawsuits-  
 over-absence-of-immobilizers/](https://www.repairerdrivennews.com/2022/10/20/hyundai-kia-offering-anti-theft-kits-for-older-model-vehicles-facing-dozens-of-lawsuits-over-absence-of-immobilizers/).

26 <sup>45</sup> Lexi Sutter & Tom Jones, "Safety Advocates Say Hyundai, Kia's Anti-Theft  
 27 Upgrade Doesn't Go Far Enough," NBC Chicago (Feb. 22, 2023),  
 28 [https://www.nbcchicago.com/consumer/safety-advocates-say-hyundai-kias-anti-  
 theft-upgrade-doesnt-go-far-enough/3078577/](https://www.nbcchicago.com/consumer/safety-advocates-say-hyundai-kias-anti-theft-upgrade-doesnt-go-far-enough/3078577/)

BLOOD HURST & O' REARDON, LLP

1 reimburse drivers or Plaintiffs for damages they suffered from prior thefts and other  
2 foreseeable consequences of Defendants' Defect. Moreover, Defendants admit that  
3 approximately 15% of the Subject Vehicles cannot even receive the software update.

4 **F. Defendants' Misconduct Injured Plaintiffs**

5 111. Defendants' decision not to include engine immobilizers in the identified  
6 vehicles was a reckless and intentional choice that prioritized their own profits over  
7 the safety and security of their customers.

8 112. Defendants' failure to include an engine immobilizer in the identified  
9 vehicles made them more susceptible to theft and ultimately led to the theft and  
10 subsequent loss of these vehicles to their insureds.

11 113. Plaintiffs paid insurance claims to their insureds for the theft and  
12 subsequent loss of these vehicles.

13 114. Plaintiffs' payments were made pursuant to their obligations under the  
14 insurance policies issued to their insureds.

15 115. By virtue of their payments, Plaintiffs are now legally, equitably and  
16 contractually subrogated to the claims of their insured owners and lessees of the  
17 Subject Vehicles against any responsible third parties, including the Defendants  
18 herein. Accordingly, Plaintiffs stand in the shoes of their insureds and authorized to  
19 pursue all claims and causes of action belonging to their insureds against Defendants  
20 who are liable for having caused the property damage losses paid by the Plaintiffs.

21 116. As a result of Defendants' misconduct at issue, the insured vehicles were  
22 damaged, stolen and lost, and Plaintiffs incurred adjustment and claim expenses  
23 which they otherwise would not have incurred. Accordingly, Plaintiffs are also  
24 entitled to recover damages incurred in investigating and adjusting the claims at issue.

25 117. Defendants' intentional and willful failure to include engine  
26 immobilizers in the identified vehicles was a direct and proximate cause of Plaintiffs'  
27 payments to their insureds.

28

BLOOD HURST & O' REARDON, LLP

1 118. Defendants knew or should have known that their failure to include an  
2 engine immobilizer in the Subject Vehicles would increase the risk of theft and loss  
3 to their customers.

4 119. Despite the well-known risks associated with the theft of these vehicles,  
5 Defendants prioritized their own profits over their customers' safety and security, and  
6 intentionally chose not to include engine immobilizers in the identified vehicles.

7 120. The absence of an engine immobilizer compromises the security of the  
8 vehicle, poses safety risks and other inconveniences as described above, and  
9 otherwise impairs the utility and value of the vehicle.

10 121. Consequently, if ordinary reasonable consumers had known of the  
11 Defect, they naturally would consider it an important and material fact in deciding  
12 whether to purchase or lease a Subject Vehicle and/or how much to pay for it.

13 122. As long-time automotive manufacturers, which have likely conducted  
14 numerous customer surveys and fielded thousands of complaints and warranty claims  
15 from consumers, Defendants were aware that ordinary reasonable consumers  
16 generally expect defect-free automobiles when they make a substantial investment to  
17 purchase or lease.

18 123. Defendants could and should have designed the Subject Vehicles to be  
19 free of the Defect, particularly when their representatives have included immobilizers  
20 in certain older vehicles, and state that they will include immobilizers in all newer car  
21 models.

22 124. Defendants could and should have informed owners, lessees, and  
23 Plaintiffs of the Defect rather than concealing it. Such information could have been  
24 provided through advertising and marketing campaigns; on-vehicle labeling, stickers,  
25 and placards; owner manuals; brochures; pamphlets; dealership personnel and agents;  
26 the internet and social media outreach; and through full and complete disclosure  
27 through recalls.

28

1 125. Such information could easily have been made known to Plaintiffs'  
 2 insured owners and lessees by Defendants before they purchased or leases their  
 3 Subject Vehicles, such as through their interactions with Defendants' dealership  
 4 personnel and agents; all the various marketing and advertising Defendants undertake  
 5 (including through television, internet, social media, sporting events, and other  
 6 media); by looking at their vehicles, upon which Defendants could have affixed a  
 7 warning about the Defect which owners and lessees would have necessarily seen by  
 8 looking and sitting in the vehicle itself; and/or through the mail or email, as  
 9 Defendants could have sent out—and indeed, regularly do send out—for the many  
 10 recalls Defendants routinely issue each year.

11 126. Despite having knowledge of the Defect as detailed above—knowledge  
 12 far superior to that of ordinary consumers such as the Subject Vehicles' owners and  
 13 lessees—Defendants remained silent about the Defect for the Subject Vehicles. As a  
 14 result, the public— including prospective purchasers and lessors like Plaintiffs'  
 15 insureds—were unaware of the Defect.

16 127. Defendants intended to mislead, and in fact misled, ordinary reasonable  
 17 consumers—including Subject Vehicle owners and lessees—through their omissions  
 18 and active concealment of the Defect. Defendants did so with the intent to generate  
 19 and increase sales of the Subject Vehicles, thereby increasing their share of the  
 20 automobile market and avoiding the expense of installing the engine immobilizer.

21 128. For over ten years, Defendants' conduct has placed a target on the  
 22 insured Subject Vehicles because a thief can easily identify one of the Subject  
 23 Vehicles, break into the it, and steal it.

24 129. If an individual is lucky enough to retrieve their vehicle after it is stolen  
 25 due to the Defect, costs for repair can cost thousands of dollars on average.<sup>46</sup>

26 \_\_\_\_\_  
 27 <sup>46</sup> Annalise Frank, "Thieves across America are stealing Hyundais and Kias in  
 28 seconds," AXIOS (Aug. 27, 2022), <https://www.axios.com/2022/08/27/kia-hyundai-thefts-stolen-usb-immobilizer-tiktok>.

BLOOD HURST & O' REARDON, LLP

1 130. Plaintiffs lost money as a result of Defendants' Defect and related  
2 unlawful conduct because the Subject Vehicles were stolen and insured property was  
3 damaged, while Defendants realized a commensurate unearned gain because did not  
4 install engine immobilizers at their own cost and did not deliver to Plaintiffs' insureds  
5 what they reasonably expected to receive in exchange for the money they paid.

6 **TOLLING OF THE STATUTE OF LIMITATIONS**

7 **A. The Statute of Limitation Did Not Begin to Run Because Plaintiffs'**  
8 **Insureds Did Not Discover and Could Not Discover Their Claims Based on**  
9 **the Defect**

10 131. Plaintiffs' insureds had no knowledge of Defendants' misconduct,  
11 including the omissions and concealment alleged herein, or of facts sufficient to place  
12 them on inquiry notice of the claims set forth herein.

13 132. Plaintiffs' insureds did not discover, and could not discover through the  
14 exercise of reasonable diligence, the fact that Defendants had manufactured and/or  
15 sold the Subject Vehicles with the concealed Defect.

16 133. The limited, though probative, disclosures and revelations alleged in this  
17 Complaint required extensive investigation by counsel who suspected, and then  
18 became fully aware of, the Defect.

19 134. Ordinary consumers do not have detailed knowledge of vehicle systems  
20 and components, although they are justified in expecting their vehicles to be free of  
21 substantial defects like the Defect at issue in this action.

22 135. Defendants maintain exclusive control over their proprietary design  
23 materials and other technical information that would have revealed the existence and  
24 nature of the Defect and the ways in which it manifests when operating a Subject  
25 Vehicle. Plaintiffs' insureds had no access to those materials or to any substitute that  
26 ordinary diligence would have revealed and, as a result, they could not reasonably  
27 have been expected to discover the Defect.  
28

BLOOD HURST & O' REARDON, LLP

1 136. No information in the public domain at the time of their purchases or  
2 leases by Plaintiffs' insureds sufficed to reveal Defendants' misconduct earlier,  
3 including their omissions and concealment of the Defect, or the Defect itself.

4 137. Accordingly, the statute of limitations did not begin to run because  
5 Plaintiffs' insureds did not discover and could not discover their claims, or, in the  
6 alternative, because fraudulent concealment tolled the statute of limitations.

7 138. Defendants concealed the Defect for several years and have continued to  
8 do so up through the date this action was filed. They did and do so to create the false  
9 impression in the minds of Plaintiffs' insureds that the Subject Vehicles were  
10 merchantable and that their component parts, including the engine immobilizer, were  
11 able to perform their intended function safely and reliably.

12 139. Plaintiffs' insureds were justified in not bringing the claims earlier based  
13 on Defendants' failure to inform Plaintiffs' insureds of the existence, nature, extent,  
14 and scope of the Defect or its manifestations in Subject Vehicles.

15 140. For the foregoing reasons, the claims asserted in this action accrued  
16 much later than the time Plaintiffs' insureds purchased and leased their Subject  
17 Vehicles, and this action is timely.

18 **B. Fraudulent Concealment Tolled the Statute of Limitations**

19 141. In the alternative, and based upon the same facts alleged above,  
20 application of the doctrine of fraudulent concealment tolled the statute of limitations  
21 on the claims asserted here.

22 142. Plaintiffs' insureds were unaware of the Defect and Defendants'  
23 misconduct when they purchased or leased their Subject Vehicles.

24 143. Defendants' affirmative acts and omissions alleged herein were  
25 wrongfully concealed and carried out in a manner that precluded detection of both the  
26 acts and omissions themselves, and the existence, nature, extent, and scope of the  
27 Defect and its manifestations in Subject Vehicles.

28

BLOOD HURST & O' REARDON, LLP

1 144. By its very nature, Defendants' misconduct was inherently self-  
2 concealing. Vehicle systems and components are subject to regulations and other laws  
3 governing their safety and merchantability.

4 145. Plaintiffs' insureds reasonably expected the Subject Vehicles, including  
5 their systems and components, to meet or exceeded such standards.

6 146. Accordingly, a reasonable person under the circumstances would have  
7 no cause to investigate the legitimacy of Defendants' conduct before or after  
8 purchasing or leasing a Subject Vehicle and would have faced extreme difficulty in  
9 discerning the Defect that they had no reason to suspect in the first place.

10 147. Because the misconduct was both self-concealing and affirmatively  
11 concealed by Defendants, Plaintiffs' insureds had no knowledge of the misconduct,  
12 or of any facts or information that would have caused a reasonably diligent person to  
13 investigate whether misconduct existed.

14 148. For these reasons, the statute of limitations did not begin to run and has  
15 been tolled with respect to the claims that Plaintiffs allege in this Complaint and any  
16 others that might relate to it.

17 **CAUSES OF ACTION**

18 **COUNT I**

19 **VIOLATION OF CALIFORNIA CONSUMERS LEGAL REMEDIES ACT**  
20 **AND MATERIALLY IDENTICAL STATE STATUTES**

21 149. Plaintiffs repeat and reallege all other paragraphs as if fully set forth  
22 herein.

23 150. Defendants are each a "person" under Cal. Civ. Code § 1761(c).

24 151. Plaintiffs' insureds at issue are "consumers" as defined by Cal. Civ. Code  
25 § 1761(d) because they purchased or leased one or more Subject Vehicles for  
26 personal, family or household purposes.

27 152. The Subject Vehicles are "goods" as defined by Cal. Civ. Code  
28 § 1761(a).

BLOOD HURST & O' REARDON, LLP

1 153. Defendants' conduct, as described herein, in misrepresenting the safety  
2 and security of the Subject Vehicles, and omitting the fact that they designed and  
3 manufactured the Subject Vehicles with the Defect making them unsafe and unfit for  
4 the ordinary purpose for which they were used, violates the California Consumers  
5 Legal Remedies Act ("CLRA"), Cal. Civ. Code §§ 1750, *et seq.* Specifically,  
6 Defendants violated the CLRA by misrepresenting and omitting material facts  
7 regarding the Defect in the Subject Vehicles, and by engaging in the following  
8 practices proscribed by Cal. Civil Code § 1770(a) in transactions that were intended  
9 to result in, and did result in, the sale of Subject Vehicles:

- 10 a. representing that Subject Vehicles have approval, characteristics,  
11 ingredients, uses, benefits, or quantities which they do not have;
- 12 b. representing that Subject Vehicles were of a particular standard,  
13 quality, or grade if they are of another;
- 14 c. advertising Subject Vehicles with intent not to sell them as  
15 advertised; and
- 16 d. representing that Subject Vehicles have been supplied in  
17 accordance with previous representations when they have not.

18 154. Defendants violated the CLRA by selling Subject Vehicles that it knew  
19 possessed the common Defect that caused the Subject Vehicles to be stolen and  
20 damaged, and exposed Plaintiffs' insureds and the public to an unreasonable safety  
21 risk. Defendants omitted from Plaintiffs' insureds, to whom it had a duty to disclose,  
22 the material fact that Subject Vehicles were sold with the Defect. This is a fact that a  
23 reasonable consumer would consider important in selecting a vehicle to purchase or  
24 lease.

25 155. Defendants had a duty to disclose the Defect because:  
26 a. The safe and reliable operation and functionality of the Subject  
27 Vehicles' immobilizer system is central to the secure and reliable function of the  
28 Subject Vehicles as a whole, including preventing and deterring thieves;



BLOOD HURST & O' REARDON, LLP

1           b. Defendants were in a superior position to know that the Defect  
2 existed as the designers, manufacturers, assemblers, distributors, marketers, and  
3 warrantors of the Subject Vehicles, and Defendants remain in that position as to the  
4 vast majority of unwitting owners and lessees of the Subject Vehicles;

5           c. Plaintiffs' insureds were not involved in the design or manufacture  
6 of the Subject Vehicles, and as such could not be expected to learn or know about the  
7 existence and cause of the Defect;

8           d. Defendants knew that Plaintiffs' insureds lacked access to the  
9 design and manufacturing materials necessary to understand the existence and cause  
10 of the Defect;

11           e. Defendants knew that ordinary reasonable consumers would  
12 expect the Subject Vehicles to be free of significant defects central to the security and  
13 safety of the vehicles such that the Defect would constitute a material fact in any  
14 purchasing or leasing decision, i.e., it would have influenced any and every reasonable  
15 consumer's purchasing or leasing decision, including whether and how much to pay  
16 to purchase or lease a vehicle; and

17           f. Defendants' public pronouncements and representations in  
18 marketing and labeling the Subject Vehicles were uniformly positive and consistent  
19 in terms of theme and content, thus giving rise to a duty to tell the whole truth about  
20 the Subject Vehicles.

21           156. Ordinary reasonable consumers have no general appreciation of the  
22 components and subcomponents of vehicles and vehicle immobilizing systems, but  
23 would expect the vehicle to be well-designed and to offer a reasonable level of safety  
24 and reliability when used as intended.

25           157. Ordinary and objectively reasonable consumer would expect the Subject  
26 Vehicles to be free of significant defects central to the security of the vehicles and  
27 thus implicitly and necessarily would hold such an expectation as to the engine  
28 immobilizing system and its component parts.

BLOOD HURST & O' REARDON, LLP

1 158. The safe, reliable, and proper functioning of the engine immobilizer is a  
2 material component of a vehicle transaction because it is required to prevent thieves  
3 from easily hot-wiring and stealing the Subject Vehicles. Accordingly, every ordinary  
4 and objectively reasonable consumer would have considered the Defect to be an  
5 important and material fact that would have substantially influenced their decision of  
6 whether to purchase or lease a Subject Vehicle and how much to pay, if anything.

7 159. Every ordinary and objectively reasonable consumer acting reasonably  
8 under the circumstances would have been deceived by Defendants' misconduct,  
9 including their concealment of the Defect.

10 160. As a direct, foreseeable, and proximate result of Defendants' deceptive  
11 practices, Plaintiffs or their insureds:

- 12 a. Purchased or leased a Subject Vehicle they otherwise would not
- 13 have purchased or leased or paid more than they otherwise would have;
- 14 b. Purchased or leased a Subject Vehicle that was stolen and
- 15 damaged; and
- 16 c. Suffered actual damages and other economic harms because of the
- 17 latent Defect, including the losses described elsewhere in this Complaint.

18 161. Pursuant to California Civil Code §1782(d), Plaintiffs seek a Court order  
19 enjoining the above-described wrongful acts and practices of Defendants, ordering  
20 Defendants to extend repair remedies to all Subject Vehicles, and awarding restitution  
21 and disgorgement.

22 162. Pursuant to § 1782 of the Act, Plaintiffs notified Defendants in writing  
23 of the particular violations of § 1770 of the CLRA and demanded that Defendants  
24 rectify the problems associated with the actions detailed above and give notice to all  
25 affected consumers of Defendants' intent to so act. A copy of the letters are attached  
26 hereto as Exhibit A.

27 163. If Defendants fail to rectify or agree to rectify the problems associated  
28 with the actions detailed above and or to give notice to all affected consumers within

BLOOD HURST & O' REARDON, LLP

1 30 days of the date of written notice pursuant to § 1782 of the CLRA, Plaintiffs will  
2 amend this Complaint to add claims for actual, punitive and statutory damages, as  
3 appropriate.

4 164. Defendants' conduct is fraudulent, wanton, and malicious.

5 165. Plaintiffs also seek attorneys' fees and costs as permitted by the CLRA.

6 166. Pursuant to § 1782(d) of the Act, attached hereto as Exhibit B is the  
7 affidavit showing that this action has been commenced in the proper form.

8 **COUNT II**

9 **VIOLATION OF CALIFORNIA'S UNFAIR COMPETITION LAW**  
10 **AND MATERIALLY IDENTICAL STATE STATUTES**

11 167. Plaintiffs repeat and reallege all other paragraphs as if fully set forth  
12 herein.

13 168. The Unfair Competition Law, California Business & Professions Code  
14 §§ 17200, *et seq.* ("UCL") prohibits any "unlawful," "fraudulent," or "unfair"  
15 business act or practice and any false or misleading advertising. In the course of  
16 conducting business, Defendants committed "unlawful" business practices by, among  
17 other things, making the representations and omissions of material facts, as set forth  
18 more fully herein, and violating California Civil Code §§ 1572, 1573, 1709, 1711,  
19 1770(a)(5), (7), (9), and (16), 1790, *et seq.* (the Song-Beverly Consumer Warranty  
20 Act), California Business & Professions Code §§ 17500, *et seq.*, the Magnuson-Moss  
21 Warranty Act (15 U.S.C. §§ 2301, *et seq.*), Federal Motor Vehicle Safety Code  
22 Standard 114, breach of the implied duty of merchantability, and the common law,  
23 including fraudulent omissions and concealment. Plaintiffs reserve the right to allege  
24 other violations of the law, which constitute other unlawful business acts or practices.  
25 Such conduct is ongoing and continues to this date.

26 169. In the course of conducting business, Defendants committed "unfair"  
27 business practices by, among other things, making the representations and omissions  
28 of material facts concerning the Subject Vehicles' security and safety despite the fact

1 that they all contained the material Defect. There is no societal benefit from such false  
2 and misleading representations and omissions—only harm. While Plaintiffs and their  
3 insureds were harmed by this conduct, Defendants were unjustly enriched. Despite  
4 acknowledging the significant effectiveness of immobilizers in decreasing auto thefts,  
5 considering the relatively minimal cost of installing the component, and knowing that  
6 almost all their competitors provide immobilizers as a standard feature, Defendants  
7 have deliberately sold millions of Subject Vehicles without this crucial safety  
8 component. By prioritizing profits over safety, Defendants have exposed millions of  
9 individuals to the potential risks of property loss, injury, and even death. As a result,  
10 Defendants' conduct is "unfair," as it has offended an established public policy.  
11 Further, Defendants engaged in immoral, unethical, oppressive, and unscrupulous  
12 activities that are substantially injurious to consumers.

13 170. Further, as set forth in this complaint, Plaintiffs allege violations of  
14 consumer protection, unfair competition, and truth in advertising laws in California  
15 and other states, resulting in harm to consumers. Defendants' acts and omissions also  
16 violate and offend the public policy against engaging in false and misleading  
17 advertising, unfair competition, and deceptive conduct towards consumers. This  
18 conduct constitutes violations of the unfair prong of California Business &  
19 Professions Code §§ 17200, *et seq.* There were reasonably available alternatives to  
20 further Defendants' legitimate business interests other than the conduct described  
21 herein.

22 171. California Business & Professions Code §§ 17200, *et seq.*, also prohibits  
23 any "fraudulent business act or practice." In the course of conducting business,  
24 Defendant committed "fraudulent business act[s] or practices" by among other things,  
25 prominently making the representations (which also constitute advertising within the  
26 meaning of § 17200) and omissions of material facts regarding the security and safety  
27 of the Subject Vehicles.

28

BLOOD HURST & O' REARDON, LLP

1 172. Defendants' actions, claims, omissions, and misleading statements, as  
2 more fully set forth above, were also false or misleading and likely to deceive the  
3 consuming public within the meaning of California Business & Professions Code  
4 §§ 17200, *et seq.*

5 173. Plaintiffs and their insureds have in fact been deceived as a result of their  
6 reliance on Defendants' material representations and omissions, which are described  
7 above. Plaintiffs have suffered injury in fact and lost money as a result of the property  
8 damage to the Subject Vehicles proximately caused by Defendant's misconduct as  
9 alleged herein.

10 174. Unless restrained and enjoined, Defendants will continue to engage in  
11 the above-described conduct. Accordingly, injunctive relief is appropriate. Plaintiffs  
12 seek restitution from Defendants of all money obtained from Plaintiffs as a result of  
13 unfair competition, an injunction prohibiting Defendants from continuing such  
14 practices, corrective advertising, and all other relief this Court deems appropriate,  
15 consistent with California Business & Professions Code § 17203.

16 **COUNT III**

17 **COMMON LAW FRAUDULENT OMISSION/CONCEALMENT**

18 175. Plaintiffs repeat and reallege all other paragraphs as if fully set forth  
19 herein.

20 176. Defendants were aware of the Defect within the Subject Vehicles when  
21 the Subject Vehicles were marketed and sold to Plaintiffs' insureds and the other  
22 owners and lessees of the Subject Vehicles.

23 177. Having been aware of the Defect within the Subject Vehicles, and having  
24 known that Plaintiffs and their insureds could not have reasonably been expected to  
25 know of the Defect, Defendants had a duty to disclose the Defect to Plaintiffs'  
26 insureds in connection with the sale or lease of the Subject Vehicles.

27 178. Defendants did not disclose the Defect to Plaintiffs' insureds in  
28 connection with the sale or lease of the Subject Vehicles.

BLOOD HURST & O' REARDON, LLP

1 179. For the reasons set forth above, the Defect within the Subject Vehicles  
2 comprises material information with respect to the sale or lease of the Subject  
3 Vehicles.

4 180. In purchasing or leasing the Subject Vehicles, Plaintiffs' insureds  
5 reasonably relied on Defendants to disclose known material defects with respect to  
6 the Subject Vehicles.

7 181. Had Plaintiffs' insureds known of the Defect within the Subject  
8 Vehicles, they would have not purchased or leased the Subject Vehicles or would  
9 have paid less for the Subject Vehicles.

10 182. Through their omissions regarding the Defect within the Subject  
11 Vehicles, Defendants intended to induce, and did induce, Plaintiffs' insureds to either  
12 purchase or lease a Subject Vehicle that they otherwise would not have purchased or  
13 leased, or pay more for a Subject Vehicle than they otherwise would have paid.

14 183. As a direct and proximate result of Defendants' omissions, Plaintiffs and  
15 their insureds suffered property damage, including the loss of use of the Subject  
16 Vehicles that they would not have suffered had Defect had been disclosed to them,  
17 and, therefore, have incurred damages in an amount to be determined at trial.

18 **COUNT IV**

19 **BREACH OF THE IMPLIED WARRANTY OF MERCHANTABILITY**

20 184. Plaintiffs repeat and reallege all other paragraphs as if fully set forth  
21 herein.

22 185. Defendants are and were, at all relevant times, a merchant with respect  
23 to Subject Vehicles and manufactured, distributed, warranted and/or sold Subject  
24 Vehicles.

25 186. A warranty that Subject Vehicles were in merchantable condition and fit  
26 for the ordinary purposes for which they were sold was implied by law in the instant  
27 transaction.

28

BLOOD HURST & O' REARDON, LLP

1 187. Plaintiffs' insureds purchased and leased Subject Vehicles that were  
2 manufactured and sold by Defendants in consumer transactions.

3 188. Subject Vehicles, when sold and at all times thereafter, were not in  
4 merchantable condition and were not fit for the ordinary purpose for which cars are  
5 used. Subject Vehicles left Defendants' possession and control with defective safety,  
6 security and anti-theft measures that rendered them at all times thereafter  
7 unmerchantable, unfit for ordinary use, unsafe, and a threat to public safety.  
8 Plaintiffs' insureds used their Subject Vehicles in the normal and ordinary manner for  
9 which Subject Vehicles were designed and advertised.

10 189. Defendants knew before the time of sale or lease to Plaintiffs' insureds,  
11 or earlier, that Subject Vehicles were produced with the Defect, rendering Subject  
12 Vehicles unfit for their ordinary purpose.

13 190. Despite Plaintiffs' insureds' normal and ordinary use, maintenance, and  
14 upkeep, the Subject Vehicles were stolen and damaged as a result of a manufacturing  
15 or design defect that existed at the time Defendants transferred Subject Vehicles from  
16 their possession or control. The Defect rendered Subject Vehicles unfit for their  
17 ordinary use and incapable of performing the tasks they were designed, advertised,  
18 and sold to perform.

19 191. As a result, the Subject Vehicles and their safety, security and anti-theft  
20 measures are not of fair or average quality. Nor would they pass without objection in  
21 the automotive industry. The fact that the Defect makes it exceedingly simple for  
22 thieves to seal the Subject Vehicles, and hence, a target for thieves to steal, renders  
23 the vehicle unsafe to drive and requires repairs of Subject Vehicle's safety and  
24 security measures before safe, ordinary use or ownership can resume.

25 192. All conditions precedent have occurred or been performed.

26 193. Defendants had actual notice of their breach of warranty. Through  
27 consumer complaints, news stories, insurance claims, and law enforcement reports,  
28 Defendants learned that the Defect, the existence and ubiquity of which it knew much

BLOOD HURST & O' REARDON, LLP

1 earlier, has been the subject of publicized disputes nationwide. Their implementation  
2 of the customer service advisory directed to Subject Vehicles shows actual notice.

3 194. Defendants' warranty disclaimers, exclusions, and limitations, to the  
4 extent that they may be argued to apply, were, at the time of sale, and continue to be  
5 unconscionable and unenforceable to disclaim liability for a known, latent defect.  
6 Defendants knew when it first made these warranties and their limitations that the  
7 defect existed and that the warranties might expire before a reasonable consumer  
8 would notice or observe the defect. Defendants also failed to take necessary actions  
9 to adequately disclose or cure the Defect after the existence of the Defect came to the  
10 public's attention and sat on their reasonable opportunity to cure or remedy the  
11 Defect, their breaches of warranty, and losses to Plaintiffs and their insureds. Under  
12 these circumstances, it would be futile to enforce any informal resolution procedures  
13 or give Defendants any more time to cure the Defect, their breaches of warranty, or  
14 otherwise attempt to resolve or address Plaintiffs' claims.

15 195. As a direct and foreseeable result of the Defect in Subject Vehicles,  
16 Plaintiffs and their insureds suffered property damage to the Subject Vehicles, out-of-  
17 pocket losses related to repairing or replacing their defective Subject Vehicles, costs  
18 associated with arranging and obtaining alternative means of transportation, and other  
19 incidental and consequential damages recoverable under the law.

20 196. Plaintiffs and their insureds have had sufficient direct dealings with  
21 Defendants or their agents (dealerships) to establish privity of contract between  
22 Plaintiffs and their insureds. Notwithstanding this, privity is not required in this case  
23 because Plaintiffs and their insureds are intended third-party beneficiaries of contracts  
24 between Defendants and their dealers; specifically, they are the intended beneficiaries  
25 of Defendants' implied warranties. The dealers were not intended to be the ultimate  
26 consumers of Subject Vehicles; the warranty agreements were designed for and  
27 intended to benefit the ultimate consumers only. Finally, privity is also not required  
28



1 because the Subject Vehicles are inherently unfit and dangerous due to the  
2 aforementioned Defect and nonconformities.

3 **COUNT V**

4 **VIOLATION OF THE SONG-BEVERLY CONSUMER WARRANTY ACT**  
5 **CAL. CIV. CODE §§ 1790, et seq.**

6 197. Plaintiffs repeat and reallege all paragraphs as if fully set forth herein.

7 198. Plaintiffs’ insureds, and thus because they stand in their shoes for these  
8 and the other legal claims, Plaintiffs, are each a buyer as Civil Code section 1791,  
9 subdivision (b), defines the term “buyer.”

10 199. The Subject Vehicles are consumer goods, as Civil Code section 1791,  
11 subdivision (a), defines the term “consumer good.” The Subject Vehicles include new  
12 motor vehicles, as Civil Code section 1793.22, subdivision (e)(2), defines the term  
13 “new motor vehicle.”

14 200. Defendants were, at all times relevant hereto, the manufacturers,  
15 distributors, warrantors, lessors, and/or sellers of the Subject Vehicles. Defendants  
16 knew or had reason to know of the specific use for which the Subject Vehicles were  
17 purchased or leased.

18 201. Plaintiffs’ insureds purchased or leased a Subject Vehicle and  
19 Defendants provided Plaintiffs’ insureds with a standard express written warranty  
20 covering the Subject Vehicles.

21 202. Defendants are unable to conform Subject Vehicles to its express  
22 warranty as it has no fix for the Defect. Defendants are only prepared to offer a  
23 software patch on the Subject Vehicles, which is an inferior safety and anti-theft  
24 measure that means Plaintiffs’ insureds cannot safely operate the Subject Vehicles,  
25 which cannot be made to conform to Defendants’ express warranty.

26 203. Under the Song-Beverly Consumer Warranty Act, all express warranties  
27 are accompanied by the implied warranty of merchantability, which may not be  
28 disclaimed by the manufacturer or retail seller.

BLOOD HURST & O’ REARDON, LLP

BLOOD HURST & O' REARDON, LLP

1           204. Defendants provided Plaintiffs and their insureds with an implied  
2 warranty that the Subject Vehicles and their components and parts are merchantable  
3 and fit for the ordinary purposes for which they are sold. However, the Subject  
4 Vehicles are not fit for their ordinary purpose of providing reasonably reliable and  
5 safe transportation with adequate anti-theft protection because, among other things,  
6 the Subject Vehicles suffered from the inherent Defect at the time of sale and  
7 thereafter are not fit for their particular purpose of providing safe and reliable  
8 transportation with adequate anti-theft protection.

9           205. Defendants impliedly warranted that the Subject Vehicles were of  
10 merchantable quality and fit for such use. This implied warranty included, among  
11 other things: (1) a warranty that the Subject Vehicles that were manufactured,  
12 supplied, distributed, and/or sold by Defendants were safe and reliable for providing  
13 transportation; and (2) a warranty that the Subject Vehicles would be fit for their  
14 intended use while they were being operated.

15           206. Contrary to the applicable implied warranties, the Subject Vehicles at  
16 the time of sale and thereafter were not fit for their ordinary and intended purpose of  
17 providing Plaintiffs' insureds with safe transportation and adequate anti-theft  
18 protection. Instead, the Subject Vehicles are defective.

19           207. Defendants' breach of implied warranties was willful and has deprived  
20 Plaintiffs and their insureds of the benefit of their bargain.

21           208. Defendants had notice of their breach as alleged herein.

22           209. As a direct and proximate cause of Defendants' breach of implied  
23 warranties, Plaintiffs and their insureds sustained damages and other losses in an  
24 amount to be determined at trial. Defendants' conduct damaged Plaintiffs and their  
25 insureds, who are entitled to recover under section 1794 of the act, including civil  
26 penalties, actual damages, consequential damages, specific performance, diminution  
27 in value, costs, attorneys' fees, and/or other such relief the Court deems appropriate.  
28

BLOOD HURST & O' REARDON, LLP

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**COUNT VI**  
**VIOLATION OF THE MAGNUSON-MOSS WARRANTY ACT**  
**15 U.S.C. §§ 2301, et seq.**

210. Plaintiffs repeat and reallege all paragraphs as if fully set forth herein.

211. Plaintiffs' insureds, and thus because they stand in their shoes for these and the other legal claims, Plaintiffs, are "consumers" within the meaning of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301(3).

212. Defendants are "suppliers" and "warrantors" within the meaning of the Magnuson-Moss Warranty Act, 15 U.S.C. §§ 2301(4)-(5).

213. The Subject Vehicles are "consumer products" within the meaning of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301(1).

214. Defendants provided Plaintiffs and their insureds with an implied warranty that the Subject Vehicles and any parts thereof are merchantable and fit for the ordinary purpose for which they are sold. The Subject Vehicles' implied warranty of merchantability is covered by 15 U.S.C. § 2301(7).

215. With respect to Plaintiffs' insureds' purchases or leases of the Subject Vehicles, the terms of Defendants' implied warranty became part of the basis of the bargain between Defendants and Plaintiffs' insureds.

216. Defendants breached their implied warranties by not providing Plaintiffs' insureds with vehicles that have adequate anti-theft protection. Instead, the Subject Vehicles each have the same manufacturing or design Defect that renders them vulnerable to an abnormally high likelihood of being stolen and consequently increases the likelihood of suffering property damage and loss. This Defect renders the Subject Vehicles unmerchantable.

217. Further, Defendants have refused to provide an adequate and timely warranty repair for the Defect, thus rendering the satisfaction of any notice requirement futile. As stated above, owners and lessees of the Subject Vehicles report

BLOOD HURST & O' REARDON, LLP

1 the Defect to Defendants or their dealer, but Defendants have failed to repair the  
2 Defect.

3 218. At the time of sale or lease of each Subject Vehicle, Defendants knew,  
4 should have known, or were reckless in not knowing of the Subject Vehicles' inability  
5 to perform as warranted, but nonetheless failed to rectify the situation and/or disclose  
6 the Defect.

7 219. The amount in controversy of Plaintiffs' individual claims exceed the  
8 sum of \$25. The amount in controversy in this action exceeds the sum of \$50,000,  
9 exclusive of costs and interest, computed on the basis of all claims to be determined  
10 in this lawsuit.

11 220. Plaintiffs seek all damages permitted by law, including recovery of the  
12 losses that proximately resulted from the property damage to the Subject Vehicles as  
13 a result of the Defect, in an amount to be proven at trial.

14 **COUNT VII**  
15 **UNJUST ENRICHMENT**

16 221. Plaintiffs repeat and reallege all paragraphs as if fully set forth herein.

17 222. When they purchased and leased the Subject Vehicles, Plaintiffs'  
18 insureds conferred tangible and material economic benefits upon Defendants, who  
19 readily accepted and retained these benefits.

20 223. Had Plaintiffs' insureds known of the Defect within the Subject  
21 Vehicles, they would have not purchased or leased the Subject Vehicles or would  
22 have paid less for the Subject Vehicles. Therefore, Defendants profited from the sale  
23 and lease of the Subject Vehicles to the detriment and expense of Plaintiffs.

24 224. Defendants appreciated these economic benefits. These benefits were the  
25 expected result of Defendants acting in their pecuniary interest at the expense of their  
26 customers. They knew of these benefits because they were aware of the Defect, yet  
27 they failed to disclose this knowledge and misled the Subject Vehicles' owners and  
28

BLOOD HURST & O' REARDON, LLP

1 lessees regarding the nature and quality of the Subject Vehicles while profiting from  
2 this deception.

3 225. It would be unjust, inequitable, and unconscionable for Defendants to  
4 retain these benefits, including because they were procured as a result of their  
5 wrongful conduct alleged above.

6 226. Plaintiffs are entitled to restitution of the benefits Defendants unjustly  
7 retained and/or any amounts necessary to return Plaintiffs to the position they  
8 occupied prior to dealing with those Defendants, with such amounts to be determined  
9 at trial.

10 227. Plaintiffs plead this claim separately as well as in the alternative to their  
11 claims for damages under Fed. R. Civ. P. 8(a)(3), because if Plaintiffs' claims for  
12 damages are dismissed or judgment is entered on them in favor of Defendants,  
13 Plaintiffs will have no adequate legal remedy.

14 **COUNT VIII**  
15 **DECLARATORY RELIEF**

16 228. Plaintiffs repeat and reallege all paragraphs as if fully set forth herein.

17 229. Pursuant to 28 U.S.C. § 2201, the Court “may declare the rights and other  
18 legal relations of any interested party seeking such declaration, whether or not further  
19 relief is or could be sought.”

20 230. Defendants marketed, distributed, and sold Subject Vehicles without  
21 engine immobilizers and on account of this Defect, Subject Vehicles insured by  
22 Plaintiffs were stolen and damaged. Plaintiffs and their insureds suffered property  
23 damage and loss.

24 231. Accordingly, Plaintiffs seek entry of the following declarations: (1) the  
25 Subject Vehicles are defective and that this common Defect presents a serious security  
26 and safety issue to owners and lessees of the Subject Vehicles; (2) all persons who  
27 purchased the Subject Vehicles are to be provided the best practicable notice of the  
28 Defect, which cost shall be borne by Defendants; and (3) Defendants must establish

BLOOD HURST & O' REARDON, LLP

1 a repair and replacement program and protocol and notify Plaintiffs' insureds at issue  
2 of such program, pursuant to which Defendants, including their authorized  
3 representatives, and at no cost to Plaintiffs' insureds, will promptly fix the Subject  
4 Vehicles to include engine immobilizers at no cost to Plaintiffs or their insureds.

5 **REQUESTS FOR RELIEF**

6 **WHEREFORE**, Plaintiffs respectfully request that the Court enter an Order:

- 7 a. finding that Defendants engaged in the unlawful conduct as alleged
- 8 herein;
- 9 b. awarding Plaintiffs damages;
- 10 c. awarding Plaintiffs restitution and disgorgement of monies Defendants
- 11 acquired through their violations of the law;
- 12 d. awarding Plaintiffs injunctive and declaratory relief;
- 13 e. requiring Defendants to install engine immobilizers on Subject Vehicles;
- 14 f. awarding Plaintiffs pre-judgment and post-judgment interest on all
- 15 amounts awarded;
- 16 g. awarding Plaintiffs reasonable attorneys' fees, costs, and expenses; and
- 17 h. granting such other relief as the Court deems just and appropriate.

18 **JURY TRIAL DEMAND**

19 Pursuant to Federal Rule of Civil Procedure 38(b), Plaintiffs demand a trial by  
20 jury on all claims so triable.

21 Respectfully submitted,

22 Dated: June 14, 2023

BLOOD HURST & O'REARDON, LLP  
TIMOTHY G. BLOOD (149343)  
THOMAS J. O'REARDON II (247952)  
JAMES M. DAVIS (301636)

25 By: s/ Timothy G. Blood  
26 TIMOTHY G. BLOOD

27 501 West Broadway, Suite 1490  
28 San Diego, CA 92101  
Tel: 619/338-1100  
619/338-1101 (fax)

BLOOD HURST & O' REARDON, LLP

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

tblood@bholaw.com  
toreardon@bholaw.com  
jdavis@bholaw.com

MATTHIESEN, WICKERT  
& LEHRER, S.C.  
RICHARD A. SCHUSTER  
ASHTON T. KIRSCH  
1111 E. Sumner Street  
Hartford, WI 270670  
Tel: 262/673-7850  
262/673-3766 (fax)  
rschuster@mwl-law.com  
akirsch@mwl-law.com

POYNTER LAW GROUP  
SCOTT POYNTER  
407 President Clinton Ave., Ste 201  
Little Rock, AR 72201  
Tel: 501/812-3943  
scott@poynterlawgroup.com

*Attorneys for Plaintiffs*