

DOCKET NO.

RETURN DATE: Nov. 8, 2016

STATE OF CONNECTICUT
Plaintiff,

SUPERIOR COURT

v.

JUDICIAL DISTRICT

HYUNDAI MOTOR COMPANY;
HYUNDAI MOTOR AMERICA;
KIA MOTORS CORPORATION, INC.; and
KIA MOTORS AMERICA, INC.;
Defendants

OF HARTFORD

OCTOBER 27, 2016

COMPLAINT

1. This is an action arising under the Connecticut Unfair Trade Practices Act ("CUTPA"), Chapter 735a of the General Statutes, and more particularly General Statutes 42-110m, to obtain injunctive relief for the Defendants' violation of General Statutes § 42-110b(a), to obtain such relief as may be necessary to address injury to consumers resulting from the defendants' violations of law, for disgorgement of ill-gotten gains, for an accounting and other appropriate relief pursuant to General Statutes § 42-110m(a), and for civil penalties pursuant to General Statutes § 42-110o.

2. The Defendants are Hyundai Motor Company, Hyundai Motor America, Kia Motors Corporation, Inc., and Kia Motors America, Inc.

3. The Defendant, Hyundai Motor Company, is a multi-national corporation with its principal corporate headquarters in Seoul, South Korea.

4. The Defendant, Hyundai Motor Company, manufactures, offers and sells Hyundai vehicles in the United States through its wholly-owned subsidiary, the Defendant Hyundai Motor America.

5. The Defendant, Hyundai Motor America, is a California corporation with a principal place of business in Fountain Valley, California.

6. The Defendant, Kia Motors Corporation, is a multi-national corporation with its principal corporate headquarters in Seoul, South Korea.

7. The Defendant, Kia Motors Corporation, manufactures, offers and sells Kia vehicles in the United States through its wholly-owned subsidiary, the Defendant Kia Motors America.

8. Defendant, Kia Motors America is a California corporation with a principal place of business in Irvine, California.

9. The acts or practices described in this complaint occurred in trade or commerce in Connecticut.

10. Whenever reference is made in this complaint to any act or practice of a Defendant, such allegation shall be deemed to mean that the principals, officers, directors, employees, agents or representatives of such Defendant did, or authorized, such act or practice on behalf of such Defendant while actively engaged in the scope of their duties.

11. Whenever reference is made in this complaint to any act, practice, or conduct of a Defendant, such allegation shall be deemed to mean the act of that Defendant acting individually or jointly, through an agreement to so act or through that Defendant's provision of assistance or encouragement in accomplishing an unfair act or practice, given either in breach of that Defendant's own duty or with knowledge that the other Defendants were wrongful.

12. The defendants conduct business in all fifty states, including the State, through the marketing, promotion, offer, sale, financing, and service of new and used motor vehicles.

13. At all relevant times, the Defendants have purposefully availed themselves of this forum.

14. At all relevant times, the Defendants acted in concert to design, promote, and sell passenger vehicles in the United States, to secure the requisite legal certifications from state and federal regulators to sell passenger vehicles, and otherwise to engage with state and federal regulators regarding all emissions-related compliance and registration issues.

15. Specifically, the Defendants have manufactured, assembled, advertised, marketed, promoted, sold, and distributed millions of vehicles in the United States in general, and the State in particular. For the model years ("MY") 2011 through 2013, the Defendants offered and sold certain light duty passenger vehicles identified in Exhibit A, attached hereto (the "Subject Vehicles"). The Subject Vehicles were offered and sold during a period of very high gasoline prices in the United States, and the Defendants' marketing efforts touted, indeed trumpeted, the Subject Vehicles allegedly superior fuel economy.

16. Before they could be offered for sale in the United States, however, the Subject Vehicles had to be certified by the United States Environmental Protection Agency ("EPA") and the California Air Resources Board ("CARB") as being in compliance with applicable emissions limits set forth in state and federal law.

17. The Defendants, like all other auto manufacturers, conducted their own testing of the Subject Vehicles and used the resulting data to support their applications for certificates of conformity.

18. In filing their applications, the Defendants expressly and impliedly represented that their testing complied in all material respects with the procedures mandated by EPA and CARB.

19. In truth and in fact, however, the Defendants deviated from the mandated testing protocols in numerous respects, thereby producing data that underestimated the road load forces for the Subject Vehicles and overstated the fuel efficiency estimates for the Subject Vehicles.

20. The Defendants thereafter incorporated the inflated and inaccurate data into the estimated mileage ratings displayed on hundreds of thousands of Monroney (or window) stickers affixed to Subject Vehicles in dealerships across the nation.

21. The Defendants further sought to capitalize on the erroneous mileage estimates by placing them front and center in a variety of advertisements and other promotional campaigns, including, but not limited to:

- a. Representing, without sufficient limitation or qualification, that the Hyundai Elantra could travel roundtrip between Los Angeles and Las Vegas "WITHOUT STOPPING FOR GAS". (Emphasis in the original). See Exhibit B hereto;
- b. Representing, without sufficient limitation or qualification, that the 2011 Hyundai Elantra could travel from Buffalo to Niagara Falls and back, a distance of 40 miles, on a single gallon of fuel. See Exhibit C hereto;
- c. Representing, without sufficient limitation or qualification, that five different Hyundai models were rated at 40 mpg. See Exhibit D hereto; and
- d. Utilizing the estimated mileage ratings for the Kia Sorrento EX in advertisements for the Kia Sorrento SX, a different model with a lower fuel economy rating.

22. On November 2, 2012, the Defendants announced that they were adjusting and restating the fuel economy ratings for all of the Subject Vehicles. The Defendants took this action only after an investigation by EPA and CARB uncovered the Defendants' deviations from the mandated testing protocols, which deviations resulted in the mileage overstatements.

23. By engaging in the aforesaid acts, practices, representations and omissions, the Defendants made deceptive or misleading statements to government agencies and to consumers regarding the features, performance and characteristics of the Subject Vehicles, including but not limited to:

- a. Misrepresenting, falsely certifying or falsely warranting the Subject Vehicles' compliance with applicable certification or other regulatory requirements;
- b. Failing to state material facts in connection with their sale and marketing of the Subject Vehicles, the omission of which deceived or tended to deceive consumers; and
- c. Misrepresenting or deceptively advertising, promoting and warranting the Subject Vehicles' fuel economy and performance.

24. The Defendants' misrepresentations to regulators enabled them to secure the requisite legal authorizations to sell the Subject Vehicles in the United States, and more particularly in the State.

25. The Defendants' acts and practices, as described herein, were likely to mislead consumers acting reasonably under the circumstances.

26. The Defendants' acts or practices, as described here, were material to consumers' decisions to purchase the Subject Vehicles during a time of high gasoline prices.

27. By engaging in the aforementioned acts and practices, the Defendants violated the public policy against making misrepresentations or nondisclosures, and against violating the duties of good faith and fair dealing.

28. The Defendants' acts or practices, as described herein, caused substantial injury to consumers in that consumers purchased Subject Vehicles that were improperly certified for sale, and which were offered for sale using inaccurate and deceptive mileage ratings.

29. The Defendants' acts or practices, as described herein, therefore constitute unfair or deceptive acts or practices, in violation of Gen. Stat. § 42-110b(a).

WHEREFORE, the Plaintiff claims the following relief:

1. An order pursuant to General Statutes § 42-110m(a), enjoining the Defendants from further violation of General Statutes § 42-110b(a).
2. An order pursuant to General Statutes § 42-110m(a), directing the Defendants to pay restitution.
3. An order pursuant to General Statutes § 42-110o(b), directing the Defendants to pay civil penalties for each willful violation of General Statutes § 42-110b(a).
4. An order pursuant to General Statutes § 42-110m(a), directing the Defendants to disgorge all revenues, profits and gains achieved in whole or in part through the unfair and/or deceptive acts or practices complained of herein.
5. An award of attorneys' fees, pursuant to General Statutes § 42-110m(a).
6. Such other and further relief as the Court deems appropriate.

Dated October 27, 2016.

PLAINTIFF
STATE OF CONNECTICUT,

GEORGE JEPSEN
ATTORNEY GENERAL

By: /s/ Brendan T. Flynn
Brendan T. Flynn
Assistant Attorney General
Juris No. 419935
Office of the Attorney General
110 Sherman Street
Hartford, Connecticut 06105
Phone: 860-808-5400
Fax: 860-808-5593
Email: Brendan.Flynn@ct.gov

DOCKET NO.

RETURN DATE: Nov. 8, 2016

STATE OF CONNECTICUT
Plaintiff,

:
:
:
:
:
:
:
:
:
:
:
:

SUPERIOR COURT

v.

JUDICIAL DISTRICT

HYUNDAI MOTOR COMPANY;
HYUNDAI MOTOR AMERICA;
KIA MOTORS CORPORATION, INC.; and
KIA MOTORS AMERICA, INC.;
Defendants

OF HARTFORD

OCTOBER 27, 2016

STATEMENT OF AMOUNT IN DEMAND

The Plaintiff states that the amount in demand is greater than \$15,000, exclusive of interest and costs.

PLAINTIFF
STATE OF CONNECTICUT,

GEORGE JEPSEN
ATTORNEY GENERAL

By: /s/ Brendan T. Flynn

Brendan T. Flynn
Assistant Attorney General
Juris No. 419935
Office of the Attorney General
110 Sherman Street
Hartford, Connecticut 06105
Phone: 860-808-5400
Fax: 860-808-5593
Email: Brendan.Flynn@ct.gov

EXHIBIT A

HYUNDAI VEHICLES

2013 Model Year

2013 Accent (automatic transmission; 1.6 liter engine)
2013 Accent (manual transmission; 1.6 liter engine)
2013 Azera (automatic transmission; 3.3 liter engine)
2013 Elantra (automatic transmission; 1.8 liter engine)
2013 Elantra (manual transmission; 1.8 liter engine)
2013 Elantra Coupe (automatic transmission; 1.8 liter engine)
2013 Elantra Coupe (manual transmission; 1.8 liter engine)
2013 Elantra GT (automatic transmission; 1.8 liter engine)
2013 Elantra GT (manual transmission; 1.8 liter engine)
2013 Genesis (automatic transmission; 3.8 liter engine)
2013 Genesis R-Spec (automatic transmission; 5.0 liter engine)
2013 Santa Fe Sport 2WD Turbo (automatic transmission; 2.0 liter engine)
2013 Santa Fe Sport 2WD (automatic transmission; 2.4 liter engine)
2013 Santa Fe Sport 4WD Turbo (automatic transmission; 2.0 liter engine)
2013 Santa Fe Sport 4WD (automatic transmission; 2.4 liter engine)
2013 Tucson 2WD (automatic transmission; 2.0 liter engine)
2013 Tucson 2WD (automatic transmission; 2.4 liter engine)
2013 Tucson 2WD (manual transmission; 2.0 liter engine)
2013 Tucson 4WD (automatic transmission; 2.4 liter engine)
2013 Veloster Turbo (automatic transmission; 1.6 liter engine)
2013 Veloster (automatic transmission; 1.6 liter engine)
2013 Veloster (manual transmission; 1.6 liter engine)

KIA VEHICLES

2013 Model Year

2013 Rio 2WD (automatic transmission; 1.6 liter engine)
2013 Rio 2WD (manual transmission; 1.6 liter engine)
2013 Rio 2WD (automatic (Eco) transmission; 1.6 liter engine)
2013 Sorento 2WD (automatic transmission; 2.4 liter engine (GDI))
2013 Sorento 4WD (automatic transmission; 2.4 liter engine (GDI))
2013 Soul 2WD (automatic transmission; 1.6 liter engine)
2013 Soul 2WD (manual transmission; 1.6 liter engine)
2013 Soul 2WD (automatic transmission; 2.0 liter engine)
2013 Soul 2WD (manual transmission; 2.0 liter engine)
2013 Soul ECO 2WD (automatic transmission; 1.6 liter engine)
2013 Soul ECO 2WD (automatic transmission; 2.0 liter engine)
2013 Sportage 2WD (automatic transmission; 2.0 liter engine)
2013 Sportage 2WD (automatic transmission; 2.4 liter engine)
2013 Sportage 2WD (manual transmission; 2.4 liter engine)
2013 Sportage 4WD (automatic transmission; 2.0 liter engine)
2013 Sportage 4WD (automatic transmission; 2.4 liter engine)
2013 Sportage 4WD (manual transmission; 2.4 liter engine)

2012 Model Year

2012 Rio 2WD (automatic transmission; 1.6 liter engine)
2012 Rio 2WD (manual transmission; 1.6 liter engine)
2012 Sorento 2WD (automatic transmission; 2.4 liter engine (GDI))
2012 Sorento 4WD (automatic transmission; 2.4 liter engine (GDI))

EXHIBIT B

DO THE HYUNDAI

- STEP 1** Grab Your Gas Receipt and See the Savings
- STEP 2** Raise Your Hands in the Air
- STEP 3** Cross Them to Complete the "H"
- STEP 4** Celebrate. Smile. Repeat.

7007-9135



HYUNDAI

ELANTRA

40
MPG
HWY

America's Best Warranty
by J.D. Power & Associates

5-Year/100,000-Mile
Assurance

Drive from Las Vegas to L.A. and Back WITHOUT STOPPING FOR GAS

HMA0026271

EXHIBIT C

EXHIBIT D

