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[EXEMPT FROM FILING FEES
UNDER GOV. CODE, § 6103]

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF ORANGE

13 **THE PEOPLE OF THE STATE OF
14 CALIFORNIA,**

15 Plaintiff,

16 v.

17 **HYUNDAI MOTOR AMERICA,
HYUNDAI MOTOR COMPANY,
18 HYUNDAI MOTOR NORTH AMERICA,
HYUNDAI MOTOR MANUFACTURING
19 ALABAMA, HYUNDAI AMERICA
TECHNICAL CENTER
20 INCORPORATED, KIA CORPORATION,
KIA AMERICA, INC., and KIA
21 GEORGIA, INC.,**

22 Defendants.

Case No.

**COMPLAINT FOR PERMANENT
INJUNCTION, CIVIL PENALTIES,
RESTITUTION, AND OTHER
EQUITABLE RELIEF**

(BUS. & PROF. CODE, §§ 17200 et seq. and
17500 et seq.)

23
24 The People of the State of California (“People”), by Rob Bonta, Attorney General of the
25 State of California, bring this action against Hyundai Motor America, Hyundai Motor Company,
26 Hyundai Motor North America, Hyundai Motor Manufacturing Alabama, Hyundai America
27 Technical Center Incorporated, Kia Corporation, Kia America, Inc., and Kia Georgia, Inc.
28 (collectively, “Defendants”) for violating the Unfair Competition Law (Bus. & Prof. Code, §

17200 et seq.) and False Advertising Law (Bus. & Prof. Code, § 17500 et seq.), and allege the following on information and belief:

JURISDICTION AND VENUE

1. This Court has jurisdiction over the allegations and subject matter of the People's Complaint filed in this action, and the parties to this action; and venue is proper in this County.

2. Pursuant to Business and Professions Code sections 17203, 17204, and 17206, the California Attorney General may bring a civil action in the name of the People of the State of California to enjoin any person who engages, has engaged, or proposes to engage in unfair competition, as defined in Business and Professions Code section 17200, and to obtain mandatory civil penalties for each act of unfair competition.

3. Pursuant to Business and Professions Code sections 17535 and 17536, the California Attorney General may bring a civil action in the name of the People of the State of California to enjoin any person who violates or proposes to violate Business and Professions Code section 17500 (false and misleading advertising), and to obtain mandatory civil penalties for each violation.

4. Defendants have transacted business within the State of California, including in the County of Orange, at all times relevant to this Complaint. The violations of law described herein occurred in the County of Orange and throughout the State of California and this Court is the proper venue for the trial of this action pursuant to section 393 of the Code of Civil Procedure.

DEFENDANTS

5. Defendant Hyundai Motor America (also referred to as Hyundai Motor North America) is a California corporation with its principal place of business in Fountain Valley, California.

6. Defendant Hyundai Motor Company is a foreign corporation with its principal place of business in Seoul, South Korea.

7. Defendant Hyundai Motor Manufacturing Alabama is a Delaware corporation with its principal place of business in Montgomery, Alabama.

1 8. Defendant Hyundai America Technical Center Incorporated is a Michigan
2 corporation with its principal place of business in Superior, Michigan.

3 9. Defendant Kia Corporation is a foreign corporation with its principal place of
4 business in Seoul, South Korea.

5 10. Defendant Kia America, Inc. is a California corporation with its principal place of
6 business in Irvine, California.

7 11. Defendant Kia Georgia, Inc. is a Delaware corporation with its principal place of
8 business in West Point, Georgia.

9 12. Whenever reference is made in this Complaint to any act or omission of a
10 corporate or other entity defendant, such allegations shall be deemed to mean that a said corporate
11 or other entity defendant, and its officers, directors, managers, agents and employees, did or
12 authorized such act while actively engaged in the management, direction, or control of the
13 officers of said a corporate or other entity defendant, and each of them, while acting within the
14 scope of their employment.

15 13. Whenever reference is made in this Complaint to any act of Defendants, such
16 allegations shall be deemed to mean the act of each Defendant acting individually, jointly and
17 severally.

18 14. At all relevant times, each Defendant has acted as a principal, agent, employee,
19 owner, operator, contractor, or representative of each of the other defendants and has acted within
20 the course and scope of said agency or representation with respect to the acts herein alleged.

21 15. At all relevant times, each Defendant knew or realized that the other Defendants
22 were engaging in or planned to engage in the violations of law alleged in this Complaint.
23 Knowing or realizing that other Defendants were engaged or planning to engage in such unlawful
24 conduct, each Defendant nevertheless facilitated or aided and abetted the commission of those
25 unlawful acts. Each Defendant intended to and did encourage, facilitate, aid and abet, or assist in
26 the commission of the unlawful acts, and thereby aided and abetted the other defendants in the
27 unlawful conduct.

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FACTUAL BACKGROUND

16. For years, Defendants designed, manufactured, marketed, and sold vehicles¹ in the United States (including in California) that contained significant security weaknesses, including ignition locks that were easily bypassed and the lack of industry-standard engine immobilizers. As a result, the Subject Vehicles could be stolen in a matter of minutes by anyone with a screwdriver and a USB charger.

17. The security flaw became evident beginning in late 2021, when many states, including California, witnessed an explosion of thefts and joyriding involving Defendants' Subject Vehicles. These events were tied to videos circulating on social media platforms (including the "Kia Boyz" method) showing the easy circumvention of anti-theft features on the Subject Vehicles. The Kia Boyz method involved breaking a window and using a screwdriver, USB connector, or similarly-shaped object to start the Subject Vehicle, with no need for an ignition key.

18. In California, following exposure of the security weaknesses in the Subject Vehicles, high rates of thefts and attempted thefts of Defendants' Subject Vehicles have posed a threat to public safety and placed demands on law enforcement and other first responders. According to statewide theft data, in 2021, the Subject Vehicles accounted for approximately 8 of the 40 highest-theft automobiles in the state.² As the Kia Boyz theft method became popularized and thefts surged, the Subject Vehicles rose to approximately 19 of the 40 highest-theft

¹ The vehicle models at issue are Hyundai: 2011-2022 Accent, 2011-2022 Elantra, 2013-2014 Elantra Coupe, 2013-2020 Elantra GT, 2011-2012 Elantra Touring, 2011-2014, Genesis Coupe, 2018-2022 Kona, 2020-2021 Palisade, 2011-2022 Santa Fe, 2013-2018 Santa Fe Sport, 2019 Santa Fe XL, 2011-2019 Sonata, 2011-2022 Tucson, 2021-2017 and 2019-2021 Veloster, 2020-2021 Venue, 2011-2012 Veracruz, and Kia: 2011-2021 Forte, 2021-2022 K5, 2011-2020 Optima, 2011-2021 Rio, 2011-2021 Sedona, 2021-2022 Seltos, 2011-2022 Sorento, 2011-2022 Soul, and 2011-2022 Sportage (hereafter "Subject Vehicles").

² California Highway Patrol, 2021 California Vehicle Theft and Recovery Data, <https://www.chp.ca.gov/contentassets/b654520539d84b198842cea7293f2935/2021-vehicle-theft-and-recovery-data.pdf>.

1 automobiles in California in 2022,³ and approximately 32 of the 40 highest-theft automobiles in
2 2023.⁴

3 19. City-specific data illustrates the problem in California further. In Los Angeles, for
4 example, thefts of Hyundais and Kias increased by approximately 85% in 2022, and made up
5 almost three quarters of the entire increase in stolen cars of any make and model in the city.⁵
6 Hyundais and Kias also constituted approximately 20% of stolen cars in Los Angeles in 2022, up
7 from 13% in 2021.⁶ Similarly, in Berkeley, California, Hyundai and Kia vehicles accounted for
8 approximately 1 percent to 2 percent of all automobile thefts in 2019 but surged to 38 percent in
9 2023, according to Berkeley Police Department statistics.⁷

10 20. As a result of the security weaknesses in the Subject Vehicles, California
11 consumers have suffered significant harm from the thefts and attempted thefts. These consumer
12 harms include, but are not limited to, having their vehicles stolen and unavailable; having the
13 resale value of their vehicles reduced; incurring significant costs for repairs, towing, and
14 insurance deductibles; incurring other costs including alternative transportation; and having to
15 pay increased insurance premiums or suffering loss of insurance coverage.

16 21. The thefts and attempted thefts of Subject Vehicles were entirely foreseeable.
17 Defendants, like all automakers, have an obligation to their customers and to the public to make
18 their vehicles resistant to theft. Instead, they designed and built the Subject Vehicles with easily-
19 bypassed ignition locks. Among other things, these vehicles failed to meet federal standards,

20 ³ California Highway Patrol, 2022 California Vehicle Theft Facts,
21 <https://www.chp.ca.gov/contentassets/b654520539d84b198842cea7293f2935/2022-vehicle-theft-fact-sheet.pdf>.

22 ⁴ California Highway Patrol, 2023 California Vehicle Theft Facts,
23 <https://www.chp.ca.gov/contentassets/b654520539d84b198842cea7293f2935/2023-vehicle-theft-fact-sheet.pdf>.

24 ⁵ Mercury News, “Thousands more Kia, Hyundai vehicles stolen in Los Angeles this year
because of a TikTok challenge, LAPD says” (Sept. 1, 2022),
25 <https://www.mercurynews.com/2022/09/01/thousands-more-kia-hyundai-vehicles-stolen-in-los-angeles-this-year-because-of-a-tiktok-challenge-lapd-says>.

26 ⁶ Santa Monica Mirror, “Los Angeles Sees Increase in Kia and Hyundai Thefts Fueled by
TikTok” (Jan. 31, 2023), <https://smmirror.com/2023/01/los-angeles-sees-increase-in-kia-and-hyundai-thefts-fueled-by-tiktok>.

27 ⁷ CBS News Bay Area, “California AG Bonta calls for recall of Hyundai, Kia vehicles
over missing anti-theft devices” (Apr. 20, 2023),
28 <https://www.cbsnews.com/sanfrancisco/news/california-ag-bonta-calls-for-recall-of-hyundai-kia-vehicles-over-missing-anti-theft-devices>.

1 which require cars to have starting systems that prevent steering or forward movement when the
2 key is removed from the ignition.”⁸ Defendants could have readily prevented most of the thefts
3 had they simply installed industry-standard engine immobilizers or other equivalent anti-theft
4 technology on the Subject Vehicles. Engine immobilizers require the use of a “smart key”
5 matching a vehicle’s engine immobilizer code to start the engine and allow the vehicle to move.
6 Defendants chose not to install engine immobilizers on the Subject Vehicles sold in the United
7 States (despite having done so in other counties) and instead relied on more rudimentary anti-theft
8 technology such as a physical key, door locks, and ignition and steering locks, and inadequate
9 alarm and ignition kill systems which only prevented the engine from starting if the alarm was
10 triggered by opening the Subject Vehicle without using a key. Importantly, breaking a window,
11 which is a common method of entry by thieves, does not trigger the Subject Vehicle alarm and
12 does not prevent the engine from starting.

13 22. Defendants failed to warn and misled consumers and regulators about the security
14 weaknesses and lack of anti-theft features installed on the Subject Vehicles.

15 23. In response to the explosion in thefts and the initiation of investigations by federal,
16 state, and local officials including state Attorneys General, Defendants offered a software update
17 which purported to counter the Kia Boyz method when consumers locked the Subject Vehicle
18 using a key fob. Defendants also developed an alternative fix involving the installation of a zinc
19 sleeve on the steering column of the roughly 20% of Subject Vehicles which were not eligible for
20 the software update, but initially refused to install a zinc sleeve on every Subject Vehicle whose
21 owner wanted one once the security weaknesses were exposed.

22 24. The software update initially offered by Defendants had flaws including, but not
23 limited to, the fact that it could be circumvented by thieves by simply removing the cover on the
24 Subject Vehicle door lock and unlocking the door using a drill or screwdriver. The Kia Boyz
25 method described above could then be used to start the Subject Vehicle.

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28 ⁸ 49 CFR § 571.114

1 **FIRST CAUSE OF ACTION**

2 **VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17500**

3 **(FALSE ADVERTISING)**

4 25. The allegations in paragraphs 1 through 24 are incorporated here by reference.

5 26. Defendants have violated, and continue to violate, the False Advertising Law,
6 Business and Professions Code section 17500 et seq. by making or disseminating, or causing to
7 be made or disseminated, false or misleading statements with the intent to induce members of the
8 public to purchase and/or lease Subject Vehicles, when Defendants knew, or by the exercise of
9 reasonable care should have known, that the statements were false or misleading. Defendants'
10 violations include, but are not limited to, the following:

11 A. Defendants failed to disclose information to consumers about the security
12 weaknesses in the Subject Vehicles and made false statements regarding the anti-theft capabilities
13 of the Subject Vehicles, including the theft risk associated with the lack of engine immobilizers
14 on the Subject Vehicles; and

15 B. Following the rollout of software updates to supposedly address the
16 security weaknesses in the Subject Vehicles, Defendants made false statements regarding the
17 efficacy of the updates Defendants offered in response to the attempted thefts and thefts of
18 Subject Vehicles.

19 **SECOND CAUSE OF ACTION**

20 **VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200**

21 **(UNFAIR COMPETITION)**

22 27. The allegations in paragraphs 1 through 24 are incorporated here by reference.

23 28. Defendants have engaged in business acts or practices that constitute unfair
24 competition as defined in the Unfair Competition Law, Business and Professions Code section
25 17200 et seq. These unlawful, fraudulent, and unfair acts or practices include, but are not limited
26 to, the following:

27 A. Violating Business and Professions Code section 17500 et seq., as alleged
28 in the First Cause of Action;

B. Violating Federal Motor Vehicle Safety Standards, Standard Number 114, 49 C.F.R. § 571.114, which provides vehicle performance requirements to reduce the incidence of crashes resulting from theft and accidental rollaway of motor vehicles. Specifically, FMVSS Number 114, S5.1 requires vehicles to have “a starting system which, whenever the key is removed from the starting system prevents: (a) [t]he normal activation of the vehicle’s engine or motor; and (b) [e]ither steering, or forward self-mobility, of the vehicle, or both”;

C. Making numerous untrue or misleading statements and omissions regarding the anti-theft capabilities of the Subject Vehicles, including the theft risk associated with the lack of engine immobilizers on the Subject Vehicles and the efficacy of software updates offered following exposure of the security flaws in the Subject Vehicles; and

D. Engaging in other acts of unfair competition, including but not limited to (1) failing to install engine immobilizers as standard equipment on the Subject Vehicles, even though such immobilizers were a standard feature in almost every other new car manufactured during that time period—including in the same Hyundai and Kia models sold in Canada and Europe; and (2) refusing to install a zinc sleeve on every Subject Vehicle whose owner wanted one once the security weaknesses were exposed.

PRAYER FOR RELIEF

WHEREFORE, the People pray for judgment as follows:

29. Under Business and Professions Code section 17535, that Defendants, their affiliates, subsidiaries, successors, and assigns, their officers and employees, and all persons who act in concert with Defendants, be permanently enjoined from making any false or misleading statements in violation of California Business and Professions Code section 17500, as alleged in this Complaint;

30. Under Business and Professions Code section 17203, that Defendants, their affiliates, subsidiaries, successors, and assigns, their officers and employees, and all persons who act in concert with Defendants, be permanently enjoined from committing any acts of unfair competition in violation of Business and Professions Code section 17200, as alleged in this Complaint;

1 31. That the Court make such orders or judgments as may be necessary to restore to
2 any person in interest any money which may have been acquired by means of Defendants'
3 violations of Business and Professions Code sections 17200 and 17500, pursuant to Business and
4 Professions Code sections 17203 and 17535;

5 32. That the Court assess a civil penalty of up to \$2,500 against Defendants for each
6 violation of Business and Professions Code section 17500 in an amount according to proof, under
7 the authority of Business and Professions Code section 17536;

8 33. That the Court assess a civil penalty of up to \$2,500 against Defendants for each
9 violation of Business and Professions Code section 17200 in an amount according to proof, under
10 the authority of Business and Professions Code section 17206;

11 34. That the Court award disgorgement in an amount according to proof, under the
12 authority of California Government Code section 12527.6;

13 35. That the People recover its costs of suit, including costs of its investigation; and

14 36. For such other and further relief that the Court deems just and proper.

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16 Dated: December 16, 2025

Respectfully Submitted,

17 ROB BONTA
18 Attorney General of California

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21 Holly C. Mariella
22 Deputy Attorney General
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