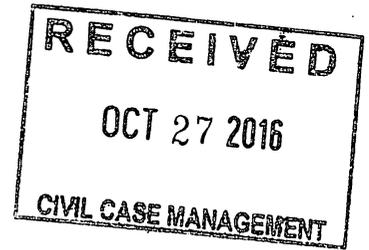


CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Division of Law  
124 Halsey Street - 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, New Jersey 07101  
Attorney for Plaintiffs



By: Jeffrey Koziar (015131999)  
Deputy Attorney General  
(973) 648-7819

SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION  
MERCER COUNTY  
DOCKET NO.: MER-C-

CHRISTOPHER S. PORRINO, Attorney  
General of the State of New Jersey, and  
STEVE C. LEE, Director of the New Jersey  
Division of Consumer Affairs,

Plaintiffs,

v.

HYUNDAI MOTOR COMPANY;  
HYUNDAI AMERICA; KIA MOTORS  
CORPORATION; and KIA MOTORS  
AMERICA;

Defendants.

Civil Action

**COMPLAINT**

1. Plaintiff, Christopher S. Porrino, Attorney General of the State of New Jersey (“Attorney General”), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Steve C. Lee, Director of the New Jersey Division of Consumer Affairs (“Director”), with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, (collectively, “Plaintiffs”), brings this action against Defendants Hyundai Motor Corporation, Hyundai Motor

America, Kia Motors Corporation, Inc., and Kia Motors America, Inc. (hereinafter collectively referred to as “Defendants” or “Hyundai”) for violating the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), as follows:

### **JURISDICTION AND VENUE**

2. This action is brought for and on behalf of the People of the State of New Jersey, by the Attorney General and Director, pursuant to the provisions of the CFA, N.J.S.A. 56:8-1 et seq.

3. This Court has jurisdiction over the Defendants pursuant to the CFA, N.J.S.A. 56:8-1 et seq. because Defendants have transacted business within the State of New Jersey or have engaged in conduct impacting New Jersey at all times relevant to this complaint.

4. Venue for this action properly lies in pursuant to R. 4:3-2 as Defendants transact business in Mercer County, the transactions out of which this action arose occurred in Mercer County, and this action is brought by the Plaintiffs on behalf of the People of the State of New Jersey, for the benefit thereof.

### **PARTIES**

5. The Attorney General is charged with enforcing the CFA. The Director is charged with administering the CFA on behalf of the Attorney General. The Attorney General and the Director have brought this action in connection with a multi-state investigation of the Defendant conducted by the Attorneys General of Alabama, Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Delaware, Florida, Georgia, Iowa, Illinois, Indiana, Kansas, Kentucky, Maryland, Maine, Massachusetts, Missouri, Nebraska, New Jersey, New Mexico, Nevada, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee,

Texas, Virginia, Washington, Wisconsin (hereinafter collectively referred to as the “Attorneys General”).

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

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

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

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

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

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

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

### COMMERCE

13. The CFA, N.J.S.A. 56:8-1(a), defines “advertisement” as:

. . . the attempt directly or indirectly by publication, dissemination, solicitation, endorsement or circulation or in any other way to induce directly or indirectly any person to enter or not enter into any obligation or acquire any title or interest in any merchandise or to increase the consumption thereof . . .

14. The CFA, N.J.S.A., 56:8-1(c), defines “merchandise” as “any objects, wares, goods, commodities, services or anything offered directly or indirectly to the public for sale.”

15. The CFA, N.J.S.A. 56:8-1(e), defines “sale” as “any sale, rental or distribution, offer for sale, rental or distribution or attempt directly or indirectly to sell, rent or distribute.”

16. The CFA, N.J.S.A. 56:8-1(d) defines "person" as “any natural person or his legal representative, partnership, corporation, company, trust, business entity or association, and any agent, employee, salesman, partner, officer, director, member, stockholder, associate, trustee or *cestuis que trustent* thereof.”

17. Defendants were at all times relative hereto, engaged in trade or commerce in the State of New Jersey, to wit: manufacturing, assembling, advertising, marketing, promoting, selling and distributing motor vehicles.

18. The Defendants have manufactured, assembled, advertised, marketed, promoted, sold, and distributed millions of motor vehicles in the United States in general, and the State of New Jersey 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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 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 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 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.

25. On November 12, 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 after an investigation by EPA and CARB uncovered the Defendants' deviations from the mandated testing protocols, which deviations resulted in the mileage overstatements.

## VIOLATIONS OF LAW

### COUNT I

#### **VIOLATIONS OF THE CFA BY DEFENDANTS (UNCONSCIONABLE COMMERCIAL PRACTICES MISREPRESENTATIONS AND KNOWING OMISSIONS)**

26. The State incorporates by reference and realleges each allegation contained in paragraph 1-25.

27. The CFA, N.J.S.A., 56:8-2 prohibits:

The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing[] concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise . . .

28. 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.

29. 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 of New Jersey.

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

31. 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.

32. 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.

33. The Defendants' acts or practices, as described herein, therefore constitute unfair or deceptive acts or practices, in violation of the CFA, N.J.S.A. 56:8-2.

34. Each and every unfair act or practice engaged in by Defendants, as recited above, constitutes a separate violation of the CFA as provided by N.J.S.A. 56:8-2.

**PRAYER FOR RELIEF**

WHEREFORE, the People of the State of New Jersey respectfully request that this honorable Court enter an order:

- A. Permanently enjoining Defendants from engaging in, continuing to engage in, or doing any acts or practices in violation of the CFA, N.J.S.A. 56:8-1 et seq.;
- B. Directing Defendants to restore to any affected person, whether or not named in this Complaint, any money or real or personal property acquired by means of any practice alleged herein to be unlawful and found to be unlawful, as authorized by the CFA, N.J.S.A. 56:8-8;
- C. Ordering Defendants to pay civil penalties of up to \$10,000 for each violation of the CFA as provided by N.J.S.A. 56:8-13;
- D. Ordering Defendants to pay all costs for the prosecution and investigation of this action, as provided by N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19; and
- E. Granting such other and further relief as the Court deems equitable and proper.

Respectfully submitted,

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By: Jeffrey Koziar  
Jeffrey Koziar  
Deputy Attorney General  
Consumer Fraud Prosecution Section

Dated: October 27, 2016  
Newark, New Jersey

**RULE 4:5-1 CERTIFICATION**

I certify, to the best of my information and belief, that the matter in this action involving the aforementioned violations of the CFA, N.J.S.A. 56:8-1 et seq., is not the subject of any other action pending in any other court of this State. I further certify that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, nor is any other action or arbitration proceeding contemplated. I certify that there is no other party who should be joined in this action at this time.

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By:   
\_\_\_\_\_  
Jeffrey Koziar  
Deputy Attorney General  
Consumer Fraud Prosecution Section

Dated: October 27, 2016  
Newark, New Jersey

**RULE 1:38-7(c) CERTIFICATION OF COMPLIANCE**

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

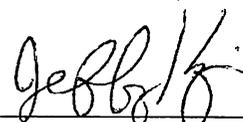
By:   
Jeffrey Koziar  
Deputy Attorney General  
Consumer Fraud Prosecution Section

Dated: October 27, 2016  
Newark, New Jersey

**DESIGNATION OF TRIAL COUNSEL**

Pursuant to R. 4:25-4, Deputy Attorney General Jeffrey Koziar is hereby designated as trial counsel for the Plaintiffs in this action.

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By:   
Jeffrey Koziar  
Deputy Attorney General  
Consumer Fraud Prosecution Section

Dated: October 27, 2016  
Newark, New Jersey

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  
10-Year/100,000-Mile  
Powertrain Limited Warranty

 HYUNDAI  
Assurance

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

2012 EPA fuel economy: 24 city/32 hwy/41 city/42 hwy. Actual mileage may vary. See dealer for details. \*Based on a 2012 EPA fuel economy of 24 city/32 hwy/41 city/42 hwy. Actual mileage may vary. See dealer for details. ©2011 Hyundai Motor America

HMAA0026271

# EXHIBIT C

# The falls and back on a gallon.

BuffaloHyundaiDealers.com



## 2011 Elantra, 40 MPG standard.



INNOCEAN WORLDWIDE

Project Title: Eastern Region Elantra OOH - Buffalo Market 10x30

File Name: H11-MD-2107\_H-11-00176Buff(10X30) | Date: 5-11-2011 4:37 PM | Pubs: None

Job#: H11-MD-2107 | Ad#: H-11-00176 | Insertion Date: 5/30/2011

Client: HCAA Region: Eastern Dealer Tag: None Assend Order: None Advantage #: None	Product: Elantra Element/Media: Print OOH Material Due Date: 5-13-11 Vendor: Hi-Rms	Bleed: 0" x 3" Trim/Die: 7.75" x 2.75" Live: 7.25" x 2.25" Folded Size: None	Round: <b>F</b>
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Colors Used: Cyan, Magenta, Yellow, Black

**LIVE** **GUTTER/FOLD** **TRIM** **BLEED** INDICATES AREA DESIGNATION AND DOES NOT PRINT.

180 5th Street Suite 200 • Huntington Beach, CA 92648 714.861.5200

Placed Images  
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HY11\_MD\_LTD\_0057\_v2.psd (CMYK; 752 dpi;  
39.89%), Hyundai Logo\_whtLai (81.51%)

Fonts Used  
Helvetica Neue (65 Medium; 67 Condensed)

Creative Director: Ed Miller

Associate CD: Tyson Brown

Art Director: Tracy Stephens

Copywriter: Maliv McLaughlin

Proofreader: Chris Richards

Account Executive: Julie Guarnini

Product: Taj Tashamba

Print Production: Patricia Marquet

Trainer: Suzanne Cheng

Client: HCAA

Studio: Vanessa Violante

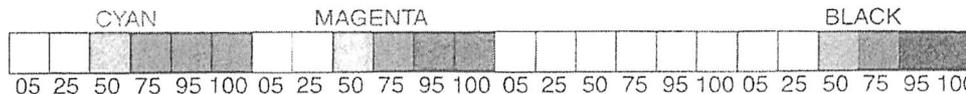
FILE IS BUILT AT 1/4 in = 1 in. PRINT-OUT IS AT None. THIS PRINT-OUT IS NOT FOR COLOR.



graphicindustries

phone 949 231 1452

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Time:	10:39 AM	Date:	5/12/11	QC:	PUBLICATION: 00176Buff



HMA0027920

# EXHIBIT D

# 40 NEVER LOOKED SO GOOD. 5 MODELS. 40MPG.

700.5.8880



#### ACCENT 5-DOOR

- 5 Door Versatility
- Best-in-Class Cargo Space
- Up to 456 Miles on a single tank of gas



#### ACCENT 4-DOOR

- Hands-Free Bluetooth
- Best-in-Class Horsepower
- Up to 456 Miles on a single tank of gas



#### ELANTRA

- 1.8L 4-Cylinder GVT Engine
- More interior space than Civic or Corolla
- Up to 512 Miles on a single tank of gas



#### SONATA HYBRID

- 5 Star Safety Rated
- Solar Controlled Glass
- Up to 688 miles on a single tank of gas



#### VELOSTER

- Standard 7" Touch Screen
- Blue Link®
- Up to 528 Miles on a single tank of gas

America's Best Warranty  
2015 J.D. Power  
2015 Kelley Blue Book  
2015 Consumer Reports  
 Assurance



FIND YOUR CLOSEST DEALER ONLINE AT  
[PacificNWHyundai.com](http://PacificNWHyundai.com)

HMA0000179