SHEPHERD, FINKELMAN, MILLER 1 & SHAH, LLP Kolin Tang (SBN 279834) 1401 Dove Street, Suite 510 3 Newport Beach, CA 92660 Telephone: (323) 510-4060 Facsimile: (866) 300-7367 5 Email: ktang@sfmslaw.com 6 [Additional Counsel Listed on Signature Page] 7 Attorneys for Plaintiff and the Proposed Class 8 9 IN THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA 10 11 HOWARD BARNETT, On 12 CIVIL ACTION NO.: 8:20-cv-2162 Behalf of Himself and All Others 13 Similarly Situated, 14 **CLASS ACTION COMPLAINT** Plaintiff. 15 VS. 16 HYUNDAI MOTOR AMERICA, JURY TRIAL DEMANDED 17 Defendant. 18 19 20 Plaintiff, Howard Barnett ("Plaintiff"), by and through his attorneys, 21 brings this action on behalf of himself and all others similarly situated against 22 Defendant, Hyundai Motor America ("Defendant" or "Hyundai"), and alleges as 23 follows: 24 **NATURE OF THE ACTION** 25 Plaintiff brings this action individually and on behalf of a proposed 1. 26 nationwide class (more fully defined below) for the benefit and protection of 27 purchasers and lessees of Defendant's model year 2020 Ioniq vehicles with SE,

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SEL, or Limited trims ("Ioniq(s)" or "Vehicle(s)"). As alleged herein, Defendant deceptively markets and advertises the Ioniq as having Blind Spot and Rear Cross Traffic Collision-Avoidance Assist systems (together, "BS and RCT Collision-Avoidance Assist Systems") when, in fact, it does not. This causes a safety issue as customers are led to believe that their Vehicles have safety features that will assist them with avoiding accidents, and may rely on those non-existent features, to their detriment.

- 2. At all relevant times, Defendant has deceptively marketed, advertised, and sold the Ioniqs as vehicles with BS and RCTC Collision-Avoidance Assist Systems, when, in fact, the Ioniqs do not have such systems.
- 3. Plaintiff brings this action on behalf of himself and all other similarly-situated consumers to stop Defendant's false and misleading advertising relating to the sale and lease of the Ioniqs and to obtain redress for those who have purchased or leased Ioniqs across the United States. Plaintiff alleges violations of the California Consumers Legal Remedies Act, Civil Code § 1750, et seq. ("CLRA"); the Unfair Competition Law, California Business and Professions Code § 17200, et seq. ("UCL"); and the False Advertising Law, California Business and Professions Code § 17500, et seq. ("FAL").

JURISDICTION AND VENUE

- 4. This Court has subject matter jurisdiction under 28 U.S.C. § 1332(d)(2)(A) because the claims relating to the matter in controversy exceed \$5 million, exclusive of interest and costs; the proposed classes have at least 100 members; and this is a class action in which certain of the class members (including Plaintiff) and Defendant are citizens of different states.
- 5. Venue is proper in this judicial District under 28 U.S.C. § 1391 because Defendant is a resident of this judicial District, does business throughout this District, and a substantial part of the acts and omissions giving rise to Plaintiff's claims occurred in or emanated from this District.

6. At all pertinent times, Defendant was engaged in the marketing, advertisement, and sale/lease of Ioniqs, which are the subject of this lawsuit, in this District and throughout the United States.

PARTIES

- 7. Plaintiff is, and, at all times relevant to this action has been, a resident of Monticello, Florida, and, thus, is a citizen of Florida.
- 8. Defendant is a California corporation with its principal place of business at 10550 Talbert Ave., Fountain Valley, California. Defendant, thus, is a California citizen. Upon information and belief, Defendant is a wholly-owned subsidiary of Hyundai Motor Company, and is responsible for its U.S. operations such as the design, manufacture, testing, marketing, and distribution of Hyundai vehicles. Defendant markets and sells and leases the Ioniqs throughout the United States, including in this District.

SUBSTANTIVE ALLEGATIONS

- 9. This is an action brought against Defendant on behalf of Plaintiff and all persons who purchased or leased an Ioniq in the United States of America.
- 10. The Ioniq is a compact five-door hatchback offered in hybrid, plug-in hybrid, and all electric variants originally introduced into the North American market in 2017.
- 11. Defendant deceptively markets and advertises the Ioniq as having BS and RCT Collision-Avoidance Assist Systems.
- 12. Every Ioniq's Monroney Sticker, *i.e.*, window sticker, specifically states that its features include "Blind-Spot Collision-Avoidance Assist" and "Rear Cross-Traffic Collision-Avoidance Assist." *See* Exhibit A.
- 13. According to Hyundai, a vehicle with the Rear Cross-Traffic Collision-Avoidance Assist system has "[r]adar sensors in the rear bumper [that] monitor cross traffic approaching from left and right side of the vehicle during

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https://www.hyundai.com/worldwide/en/suv/newsantafe/safety. ² *Id*.

reverse maneuvers, and if necessary appl[ies] emergency braking to prevent from [sic] collision."1

- Meanwhile, according to Hyundai, a vehicle with the Blind-Spot 14. Collision-Avoidance Assist has "[r]adar sensors in the rear bumper [which] are used to warn the driver of approaching vehicles in the blind sport area and activate[s] the brakes when there is a collision risk in lane changing maneuvers."2
- 15. There is no practicable or safe way for consumers to test if the BS and RCT Collision-Avoidance Assist Systems are installed and/or working in their Vehicles, whether before or after purchase, unless they are involved in or simulate an actual or potential accident involving cross traffic during reverse maneuvers and vehicles approaching their Vehicles' blind spots.
- As it is responsible for U.S. operations, including the design, 16. manufacture, testing, marketing, and distribution of Hyundai vehicles such as the Ioniq, Hyundai knew or should have known that the Ioniqs it sold/leased did not contain the BS and RCT Collision-Avoidance Systems prior to the time of sale.

Plaintiff's Experience

- On or about June 16, 2020, Plaintiff purchased a model year 2020 Ioniq Limited from Werner Hyundai in Tallahassee, Florida, an authorized agent of Defendant, to replace his wife's Toyota Camry hybrid.
- Safety features were very important to Plaintiff and his wife, who 18. would be the Ioniq's primary driver.
- 19. Indeed, Plaintiff and his wife purchased their Ioniq because of all of the safety features listed on their Ioniq's Monroney Sticker, which they

reviewed prior to purchase and which stated that the Ioniq they would purchase had the BS and RCT Collision-Avoidance Assist Systems. *See* Exhibit A.

- 20. On or about August 12, 2020, however, Plaintiff received a letter from Hyundai, informing him that his Ioniq did not, contrary to the Monroney Sticker, have the BS and RCT Collision-Avoidance Assist Systems. *See* Exhibit B.
- 21. Instead, Hyundai informed Plaintiff that his Vehicle only had the Blind-Spot Collision and Rear Cross-Traffic Collision *Warning* Systems. In other words, his Vehicle, contrary to Hyundai's representations at the time of purchase, will only warn of approaching vehicles and vehicles in the Ioniq's blind spots, but will not automatically apply brakes as needed to avoid an accident. *See* Exhibit B.
- 22. After receiving and reviewing the letter, Plaintiff contacted Hyundai customer support and the dealership, requesting that Hyundai provide him relief for representing, at the time of sale, that his Vehicle had the Collision-Avoidance Assist Systems when it did not. Despite Plaintiff's repeated attempts and follow-up communications, Hyundai did not provide Plaintiff any such relief.
- 23. Plaintiff and other members of the Class would have paid less for the Vehicles or not purchased or leased the Vehicles had they known that Hyundai's representations were false.

CLASS ACTION ALLEGATIONS

- 24. Plaintiff brings this lawsuit, both individually and as a class action, on behalf of similarly-situated purchasers and lessees of the Ioniqs, pursuant to Federal Rule of Civil Procedure 23(b)(2) and (3).
- 25. Plaintiff seeks to represent the following classes (collectively, the "Class" defined as follows:

All owners and lessees of Defendant's model year 2020 Ioniq vehicles with SE, SEL, or Limited trims.

Excluded from the Class is Defendant, as well as Defendant's affiliates, employees, officers, and directors, and the Judge to whom this case is assigned. Plaintiff reserves the right to amend the definition of the Class if discovery and/or further investigation reveal that the Class should be expanded or otherwise modified.

- 26. Numerosity/Impracticability of Joinder: There are so many members of the Class that joinder of all members is impracticable, as a reported 9,239 Ioniqs were sold in the United States as of September 2020.³ Accordingly, Plaintiff estimates that there are thousands of members of the Class who are readily identifiable from information and records in Defendant's possession, custody, or control. The disposition of these claims will provide substantial benefits to the members of the Class.
- 27. <u>Commonality and Predominance:</u> There is a well-defined community of interest and common questions of law and fact that predominate over any questions affecting only individual members of the Class. These common legal and factual questions, which do not vary from members of the Class, and which may be determined without reference to the individual circumstances of any members of the Class, include, but are not limited to, the following:
 - a) whether Defendant's marketing, advertising and promotion of the Ioniqs was false and misleading;
 - b) whether Defendant concealed facts from Plaintiff and members of the Class about the BS and RCT Collision-Avoidance Assist Systems' safety features of their Ioniqs;
 - c) whether Defendant knew, or should have known, that its representations were false, or that the representations omitted material information;

³ <u>https://www.goodcarbadcar.net/hyundai-ioniq-usa-canada-sales-stats/.</u>

- d) whether Defendant's conduct was a violation of the CLRA;
- e) whether Defendant's conduct was a violation of the UCL;
- f) whether Defendant's conduct was a violation of the FAL;
- g) whether Defendant's conduct as alleged herein violates public policy; and
- h) whether Plaintiff and the members of the Class are entitled to damages, restitution, equitable relief and/or other damages and other relief, and, if so, the amount and nature of such relief.
- 28. Typicality and Adequacy: Plaintiff's claims are typical of the claims of the proposed Class, and Plaintiff will fairly and adequately represent and protect the interests of the proposed Class. Plaintiff does not have any interests antagonistic to those of the proposed Class. Plaintiff's counsel are experienced in the prosecution of this type of litigation. The questions of law and fact common to the members of the Class, some of which are set out above, predominate over any questions affecting only individual members of the Class.
- 29. <u>Superiority:</u> A class action is superior to all other available methods for the fair and efficient adjudication of this controversy. The expense and burden of individual litigation would make it impracticable or impossible for members of the Class to prosecute their claims individually. The litigation and trial of the Class-wide claims are manageable.
- 30. Unless a class is certified, Defendant will improperly retain monies that it received from Plaintiff and members of the Class as a result of its conduct. Unless Defendant is required to change its unfair and deceptive practices, it will continue to commit the violations and the members of the Class, and the general public, will continue to be misled.
- 31. Defendant has acted and refused to act on grounds generally applicable to Class, making appropriate final injunctive relief with respect to the Class as a whole.

Violation of Consumers Legal Remedies Act California Civil Code § 1750, et seq.

- 32. Plaintiff incorporates by reference each and every preceding paragraph as though fully set forth herein.
- 33. This cause of action is brought under the CLRA. Plaintiff and members of the Class are consumers as defined by California Civil Code § 1761(d), and the Ioniqs constitute goods within the meaning of the CLRA.
- 34. Defendant violated and continues to violate the CLRA by engaging in the following deceptive practices proscribed by California Civil Code § 1770(a) in connection with transactions intended to result in, and that did result in, the sale and lease of the Ioniqs to Plaintiff and members of the Class, in violation of, *inter alia*, the following provisions:
 - a) Representing that the goods have characteristics, uses, or benefits which they do not have (Cal. Civ. Code § 1770(a)(5));
 - b) Representing that the goods are of a particular standard, quality, or grade if they are of another (Cal. Civ. Code § 1770(a)(7));
 - c) Advertising goods with the intent not to sell them as advertised (Cal. Civ. Code § 1770(a)(9));
 - d) Representing that a transaction involves rights, remedies, or obligations that it does not have or involve (Cal. Civ. Code § 1770(a)(14)); and
 - e) Representing that the goods have been supplied in accordance with a previous representation when they have not (Cal. Civ. Code § 1770(a)(16)).
- 35. Plaintiff and other Class members, in purchasing and using the Ioniqs, did reasonably act in response to Defendant's above representations and considered the misrepresentation set forth herein as material to their purchasing decisions. Plaintiff and the other members of the Class have suffered damages

by the wrongful acts and practices of Defendant that are in violation of California Civil Code § 1781.

- 36. The representations regarding the Ioniqs were material to Plaintiff and members of the Class. Defendant intended for Plaintiff and Class members to rely on these representations and they did, in fact, rely on the representations.
- 37. In accordance with California Civil Code § 1780(a), Plaintiff and the members of the Class seek injunctive relief for Defendant's violations of the CLRA.

False and Misleading Advertising in Violation of California Business and Professions Code, § 17500, et seq.

- 38. Plaintiff incorporates by reference each and every preceding paragraph as though fully set forth herein.
- 39. Defendant's acts and practices as described herein have deceived and/or are likely to deceive members of the Class and the public. As detailed in this Complaint, Defendant misrepresented that the Vehicles had BS and RCT Collision-Avoidance Assist Systems when, in fact, they do not, in direct contradiction to the Monroney Sticker that is attached to every Ioniq prior to purchase or lease.
- 40. By its actions, Defendant has and continues to disseminate uniform false advertising concerning the Ioniqs, which advertisements, by their nature, are unfair, deceptive, untrue, or misleading within the meaning of the FAL. Such advertisements are likely to deceive, and continue to deceive, the consuming public for the reasons detailed above.
- 41. The above-described false, misleading, and deceptive advertising Defendant disseminated continues to have the likelihood to deceive in that Defendant has failed to disclose the true and actual nature of the Ioniqs. Upon information and belief, Defendant has failed to initiate a public information

campaign to alert consumers of the Ioniqs' actual features, which continues to create a misleading perception of the Ioniqs and their advertised safety features.

- 42. In making and disseminating the statements alleged herein,
 Defendant should have known its advertisements and representations, including
 those on the Ioniqs' Monroney Sticker, were untrue and misleading, in violation
 of the FAL. Plaintiff and the Class members based their decisions to purchase
 the Ioniqs, in substantial part, on Defendant's misrepresentations regarding the
 true nature of the Ioniq's safety features. The revenues to Defendant attributable
 to the Ioniqs sold or leased using those false and misleading advertisements
 amount to substantial monies paid for the Vehicles. Plaintiff and the Class were
 injured in fact and lost money as a result.
- 43. Defendant intended for Plaintiff and Class members to rely on its false and misleading representations, and Plaintiff and Class members consequently did rely on Defendant's misrepresentations.
- 44. The misrepresentations and non-disclosures by Defendant of the material facts detailed above constitute false and misleading advertising and, therefore, are violations of the FAL.
- 45. As a result of Defendant's wrongful conduct, Plaintiff and Class members request that this Court enjoin Defendant from continuing to violate the FAL. Such conduct is ongoing and continues to this date. Plaintiff and the Class are, therefore, entitled to the relief described below as appropriate for this cause of action.

Unlawful, Unfair, and Fraudulent Business Practices in Violation of California Business and Professions Code § 17200, et seq.

- 46. Plaintiff incorporates by reference each and every preceding paragraph as though fully set forth herein.
- 47. The UCL defines unfair competition to include any "unfair," "unlawful," or "fraudulent" business act or practice.

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Systems when, in fact, they do not, in direct contradiction to the Monroney

Sticker that is attached to every Ioniq prior to purchase or lease.

49. By engaging in the above-described acts and practices, Defendant has committed an unfair business practice within the meaning of the UCL.

Consumers have suffered substantial injury they could not reasonably have

avoided other than by not purchasing the Ioniqs.

misrepresenting the Ioniqs as having BS and RCT Collision-Avoidance Assist

Defendant violated, and continues to violate, the UCL by

- 50. Defendant's acts and practices have deceived and/or are likely to deceive Class members and the public and thus constitute a fraudulent business practice. Despite Defendant's knowledge of the Ioniq's actual features, Defendant uniformly marketed and advertised the Ioniqs as having BS and RCT Collision-Avoidance Assist Systems, when, in fact, they do not.
- 51. As discussed above, Plaintiff and the members of the Class purchased/leased Ioniqs directly from Defendant and/or its authorized agents. Plaintiff and members of the Class were injured in fact and lost money as a result of such acts of unfair competition.
- 52. The injuries suffered by Plaintiff and Class members are greatly outweighed by any potential countervailing benefit to consumers or to competition, nor are they injuries that Plaintiff and Class members should have or could have reasonably avoided.
- 53. Defendant received the funds paid by Plaintiff and the members of the Class and profited by misrepresenting the properties of the Ioniqs that it otherwise would not have sold/leased. Defendant's revenues attributable thereto are, thus, directly traceable to the substantial dollars paid out by Plaintiff and the Class for the Ioniqs.
- 54. Unless Defendant is enjoined from continuing to engage in the unlawful, unfair, and fraudulent business acts and practices as described herein,

which conduct is ongoing, Plaintiff and the Class will continue to be injured by Defendant's conduct.

- 55. Defendant, through its acts of unfair competition, has acquired money from the Class members. Plaintiff and the California Class request this Court to enjoin Defendant from continuing to violate the UCL.
- 56. The unlawful, unfair, and fraudulent conduct described herein is ongoing and continues to this date. Plaintiff and the Class, therefore, are entitled to relief described below as appropriate for this cause of action.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of himself and members of the proposed Class, prays for judgment as follows:

- a) Certification of the proposed Class under Federal Rule of Civil Procedure 23 and appointment of Plaintiff as representative of the Class and his counsel as Class counsel;
- b) Compensatory and other damages for economic and non-economic damages for the UCL claim;
- c) Awarding restitution and disgorgement of Defendant's revenues or profits to Plaintiff and the members of the proposed Class for the FAL and UCL claims;
- d) An Order requiring Defendant to cease and desist from engaging in the alleged wrongful conduct and to engage in a corrective advertising campaign;
- e) Statutory pre-judgment and post-judgment interest on any amounts;
- f) Payment of reasonable attorneys' fees and recoverable litigation expenses as may be allowable under applicable law; and
- g) Such other relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury on all causes of action so triable.

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2	Dated: November 9, 2020	Respectfully submitted,
3		By: <u>/s/Kolin C. Tang</u> Kolin Tang
4		SHEPHERD, FINKELMAN, MILLER & SHAH, LLP
5 6		1401 Dove Street, Suite 510 Newport Beach, CA 92660 Telephone: (323) 510-4060
7		Telephone: (323) 510-4060 Facsimile: (866) 300-7367 Email: ktang@sfmslaw.com
8		James C. Shah
9 10		SHEPHERD, FINKELMAN, MILLER & SHAH, LLP 1845 Walnut Street, Suite 806
11		Philadelphia, PA 19103 Telephone: (610) 891-9880 Facsimile: (866) 300-7367
12		Email: jshah@sfmslaw.com
13		Robert W. Murphy MURPHY LAW FIRM 1212 SE 2 nd Ave.
14		Ft. Lauderdale, FL 33316
15		Telephone (954) 763-8660 Facsimile: (854) 763-8607 Email: rwmurphy@lawfirmmurphy.com
16		David H. Abrams
17 18		THE LAW OFFICE OF DAVID H. ABRAMS P.O. Box 568587
19		Orlando, FL 32856
20		Telephone (407) 601-3635 Email: <u>david@dhabramslaw.com</u>
21		Attorneys for Plaintiff and the Proposed Class
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27		
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ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: <u>Class Action Says Hyundai Falsely Advertised 2020 Ioniq as Equipped with Blind Spot, Accident Avoidance Features</u>