

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

If you bought or leased a 2011–2019 model year Hyundai Sonata, 2013–2019 Hyundai Santa Fe Sport, or a 2014–2015 or 2018–2019 Hyundai Tucson equipped with a 2.0L or 2.4L Gasoline Direct Injection engine you may benefit from a class action settlement.

A federal court has authorized this notice. This is not a solicitation from a lawyer.

Your rights are affected whether you act or don't act. Read this notice carefully.

- The purpose of this Notice is to inform you of a proposed settlement of a class action lawsuit known as *In re: Hyundai and Kia Engine Litigation*, No. 8:17-cv-00838-JLS-JDE and *Flaherty v. Hyundai Motor Company, et al.*, No. 18-cv-02223 (C.D. Cal.). You are receiving this Notice because Hyundai Motor America, Inc.'s ("HMA") and Hyundai Motor Company ("HMC") records indicate that you may be entitled to claim certain financial benefits offered by this Settlement.
- These lawsuits allege that the Class Vehicles suffer from a defect that can cause engine seizure, stalling, engine failure, and engine fire, that engine seizure or stalling can be dangerous if experienced and that some owners and lessees have been improperly denied repairs under the vehicle's warranty. Neither HMA or HMC have been found liable for any of the claims alleged in these lawsuits. The parties have instead reached a voluntary settlement in order to avoid a lengthy litigation. The individuals who owned or leased Class Vehicles are known as "Class Members." Settlement Class Members may be entitled to compensation if they submit valid and timely claims that are approved pursuant to the review process described in this Notice and approved by the Court.
- Under the proposed settlement, and subject to proof, HMA and HMC will provide financial and other benefits for certain engine related repairs.
- The settlement extends the Powertrain Warranty to a Lifetime Warranty for the engine short block assembly, upon completion of the Knock Sensor Detection System Update. It also provides a free recall inspection for any recalled vehicles not yet inspected, regardless of current mileage or prior repairs, and rental car reimbursement or loaner vehicles for any vehicles that undergo engine replacement.
- The settlement provides cash reimbursements for qualifying past out-of-pocket repairs and repair-related expenses, such as rental cars and towing, and cash reimbursements for certain trade-ins and sales of unrepaired vehicles.
- The settlement provides compensation for inconvenience due to repair delays while the vehicle was serviced by Hyundai dealers.
- The settlement provides compensation for vehicles lost due to certain engine fires. In some instances, the settlement also provides a cash rebate if you lost faith in the vehicle after experiencing engine troubles related to the defect and you purchased another Hyundai vehicle within a specified timeframe.
- To qualify you must have bought or leased a "Class Vehicle," which are 2011–2018 and certain 2019 Hyundai Sonata, 2013–2018 and certain 2019 Hyundai Santa Fe Sport, and 2014–2015, 2018, and certain 2019 Hyundai Tucson vehicles equipped with or replaced with a genuine Theta II 2.0 liter or 2.4 liter gasoline direct injection engine within OEM specifications. For 2019 model year vehicles, the Class shall include those vehicles that were manufactured before the Knock Sensor Detection System technology was incorporated into their production.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM	The <u>only</u> way to get a reimbursement. It is not necessary to submit a claim form to benefit from the Lifetime Warranty, as long as you have installed the Knock Sensor Detection System Update. The deadline to submit a claim is April 12, 2021 and any extension of that date will be posted on the settlement website.
EXCLUDE YOURSELF	Get no payment and no Lifetime Warranty, (any lifetime warranty offered under a previous service campaign will remain in effect). This is the only option that allows you to ever file or be part of any pending or future lawsuit against Hyundai about the legal claims in this case. The deadline to submit a request for exclusion is October 30, 2020.
OBJECT	In order to object to the Settlement, you must remain a member of the lawsuit — you cannot ask to be excluded. You may object to the Settlement by writing to Class Counsel (identified on page 8) and indicating why you do not like the Settlement. The deadline to object is October 30, 2020.
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement.
DO NOTHING	Get no reimbursement. Receive only the Lifetime Warranty upon installation of the Knock Sensor Detection System software.

- These rights and options — **and the deadlines to exercise them** — are explained in this notice.
- The Court in charge of this case still must decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after appeals are resolved. The Court approval process may take some time, so please be patient.
- Please visit HyundaiThetaEngineSettlement.com for a copy of this notice in Spanish. Visite HyundaiThetaEngineSettlement.com para obtener una copia de este aviso en español.

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BASIC INFORMATION

1. Why did I get this notice package?

According to the records of HMA or HMC, you bought or leased a Class Vehicle in the United States. This may also include a Class Vehicle you purchased while abroad on active U.S. military duty.

The Court has ordered this notice be sent to you because you have a right to know about a proposed settlement of a class action lawsuit and about your options in that lawsuit before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after objections and appeals are resolved, HMA or HMC, will provide payments and other benefits agreed to in the Settlement. This notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

You should read this entire notice.

2. What are these lawsuits about?

The people who filed these lawsuits are called Plaintiffs, and the companies they sued, HMA, HMC, and others, are called Defendants. The Plaintiffs allege that the Class Vehicles suffer from a defect that can cause engine seizure, stalling, engine failure, and engine fire. The Plaintiffs also allege that engine seizure or stalling can be dangerous if experienced. The Plaintiffs also allege that some owners and lessees have been improperly denied repairs under the vehicle’s warranty. HMA and HMC deny Plaintiffs’ allegations.

3. Why is this a class action?

In a class action lawsuit, one or more persons, called “Class Representatives” (in this case Cara Centko, Jenn Lazar, Christopher Stanczak, Rose Creps, James Kinnick, Wallace Coats, Maryanne Brogan, Andrea Smolek, Danny Dickerson, Robert Fockler, Amy Franklin, Donald House, Dave Loomis, Joseph McCallister, Arron Miller, Ricky Montoya, Lynn North, Mark Rice, Reid Schmitt, James Smith, and Chris Stackhouse), sue on behalf of people who have similar claims. All of these people and those similarly situated are a “Settlement Class” or “Settlement Class Members.” One court resolves the issues for all Class Members, except those who exclude themselves from the Settlement Class. The court in charge of the cases is the United States District Court for the Central District of California, and the cases are known as *In re: Hyundai and Kia Engine Litigation*, No. 8:17-cv-00838-JLS-JDE and *Flaherty v. Hyundai Motor Company, et al.*, No. 18-cv-02223 (C.D. Cal.). District Judge Josephine Staton is presiding over this class action.

4. Why is there a settlement?

The Class Representatives and Defendants agreed to a Settlement to avoid the cost and risk of further litigation, including a potential trial, and so that the Class Members can get payments and other benefits, in exchange for releasing Defendants from liability. The Settlement does not mean that Defendants broke any laws and/or did anything wrong, and the Court did not decide which side was right.

The Class Representatives and Defendants entered into a Settlement Agreement that was preliminarily approved by the Court, which authorized the issuance of this notice. The Class Representatives and the lawyers representing them (called "Class Counsel") believe that the Settlement is in the best interest of the Settlement Class Members.

This notice summarizes the essential terms of the Settlement. The Settlement Agreement along with all exhibits and addenda sets forth in greater detail the rights and obligations of all the parties and are available at HyundaiThetaEngineSettlement.com. If there is any conflict between this notice and the Settlement Agreement, the Settlement Agreement governs.

WHO IS IN THE SETTLEMENT?

5. How do I know if I am part of the Settlement?

Judge Staton decided that, for the purposes of this proposed settlement, everyone who fits this description is covered by the Settlement: All owners and lessees of a Class Vehicle who purchased or leased the Class Vehicle in the United States including those that were purchased while the owner was abroad on active U.S. military duty, but excluding those purchased in the U.S. territories and/or abroad.

However, the Class excludes all claims for death, personal injury, property damage, and subrogation.

The Class also excludes HMA, HMC, KMC, and KMA; any affiliate, parent, or subsidiary of Hyundai Motor America or Kia Motors America; any entity in which HMA, HMC, KMC, or KMA has a controlling interest; any officer, director, or employee of HMA, HMC, KMC, or KMA; any successor or assign of HMA, HMC, KMC, or KMA; any judge to whom this Action is assigned, his or her spouse, and all persons within the third degree of relationship to either of them, as well as the spouses of such persons; individuals and/or entities who validly and timely opt-out of the settlement; consumers or businesses that have purchased Class Vehicles previously deemed a total loss (i.e., salvage) (subject to verification through Carfax or other means); and current or former owners of a Class Vehicle that previously released their claims against HMA, HMC, KMC, or KMA with respect to the same issues raised in this class action.

6. Which vehicles are included?

The "Class Vehicles," for the purposes of the description in section 5 above, are 2011–2019 model year Hyundai Sonata, 2013–2019 model year Hyundai Santa Fe Sport, and 2014–2015 and 2018–2019 model year Hyundai Tucson equipped with 2.0 liter and 2.4 liter genuine Theta II gasoline direct injection engines within OEM specifications.

7. If I bought or leased a Class Vehicle that has not had problems, am I included?

Yes. You did NOT have to experience stalling, engine seizure, engine failure, or a vehicle fire to be included in this Settlement. If you still own or lease a Class Vehicle, you will be eligible to take advantage of the Settlement's extension of the Powertrain Warranty to a Lifetime Warranty, as well as certain other benefits of the Settlement.

8. I am still not sure if I'm included.

If you are still not sure whether you are included, you can ask for free help. You can visit the website at HyundaiThetaEngineSettlement.com. You can also call 1-866-944-7620 and ask whether your vehicle is included in the Settlement. Whether you visit the website or call the toll-free number, you will need to have your Vehicle Identification Number ("VIN") ready. The VIN is located on a small placard on the top

of the dashboard and is visible through the driver's side corner of the windshield. It also appears on your vehicle registration card and probably appears on your vehicle insurance card. Your VIN should have 17 characters, a combination of both letters and numbers.

SETTLEMENT BENEFITS — WHAT YOU GET

9. What does the Settlement provide?

The Settlement provides the following benefits:

1. Warranty Extension

HMA is extending the Powertrain Warranty to a Lifetime Warranty for Hyundai Class Vehicles. The extension of the warranty will cover the short block assembly, consisting of the engine block, crankshaft and bearings, connecting rods and bearings, and pistons, in those Class Vehicles owned by individual consumers that have completed the knock sensor program software update. With the exception of cases of exceptional neglect (defined below) and subject to the existing terms, limitations, and condition of the Class Vehicles' original Powertrain Warranty, the Limited Warranty shall otherwise endure for bearing wear or damage irrespective of the Class Vehicle's mileage, duration of ownership, or prior warranty engine repairs and/or warranty replacements.

The extension of the warranty covers all costs of inspections and repairs including, parts, labor, and diagnosis, for the engine short block assembly. Class members are suggested to retain all vehicle maintenance records after the Notice Date, and if Hyundai believes there to be Exceptional Neglect, such Class members may be required to provide records for vehicle maintenance performed after the Notice Date to receive Lifetime Warranty repairs.

The warranty extension may be denied for "Exceptional Neglect" of the vehicle, which means (a) when the vehicle clearly evidences a lack of maintenance or care for a significant period of time of not less than one (1) year, such that the vehicle appears dilapidated, abandoned, and/or beyond repair unless such lack of maintenance was due to a Loss Event, as defined in the settlement agreement; or (b) where a class member has failed to have the KSDS ("Knock Sensor Detection Software") installed in the vehicle pursuant to the KSDS Product Improvement Campaign by a Hyundai dealer.

Hyundai will provide a free recall inspection for up to 90 days after the Final Approval Order for any vehicle where recall inspections were not completed, regardless of current mileage or prior repairs.

Hyundai dealerships will provide a free loaner vehicle of comparable value if requested, until repairs are completed. If no loaner vehicle is available, Hyundai will provide full reimbursement of reasonable rental car expenses up to \$40 per day. (See below for how to make a claim for rental car reimbursements.)

Any repairs to Hyundai Class Vehicles performed pursuant to the Lifetime Warranty will preclude class members from opting out of the class.

You do NOT need to submit a Claim Form to receive this extension of the Powertrain Warranty for the engine short block assembly under this Settlement.

2. Reimbursement for Past Repairs

Money you spent on certain Class Vehicle repairs will be reimbursed in full, and in certain instances, you may receive an additional \$140 goodwill payment and/or inconvenience payment based on the following requirements:

(a) DATE OF REPAIRS

- Any Qualifying Repairs completed prior to 90 days following the Final Approval Order.

(b) TYPES OF "QUALIFYING REPAIRS"

- Any repair to the engine short block assembly, which includes the engine block, crankshaft and bearings, connecting rods and bearings, and pistons.
- Repairs to any other components (such as the long block assembly, battery, or starter) if paperwork shows the work was an attempt to address (i) engine seizure, (ii) engine stalling,

(iii) engine noise, or (iv) illumination of the oil lamp. (Repair costs will not be reimbursed if the paperwork reflects that the repairs were plainly unrelated to the short block assembly).

- Any replacement of an oil filter based on Hyundai TSB No. 12-EM-006 necessitated by an engine short block assembly issue.
- It does not include repairs caused by a collision involving a Class Vehicle, unless the collision was directly caused by a Class Vehicle failure otherwise subject to a Qualifying Repair, such as an engine fire.

(c) GOODWILL PAYMENT FOR PREVIOUSLY DENIED WARRANTY REPAIRS

- If before receiving notice of this Settlement you presented a Qualifying Repair to a Hyundai dealership and were denied an in-warranty repair and subsequently obtained the Repair elsewhere, you are eligible to receive an additional \$140 goodwill payment.

(d) COMPENSATION FOR INCONVENIENCE DUE TO REPAIR DELAYS

- If you experienced prolonged delays (exceeding 60) days obtaining any Qualifying Repair from an authorized Hyundai dealership you are eligible to receive a goodwill payment based on the length of the delay.
- This compensation is also available to Settlement Class Members who were also members of the prior settlement class of 2011–2014 Hyundai Sonatas (i.e., the *Mendoza v. Hyundai Motor Co.*, No. 15-cv-01685-BLF (C.D. Cal.), class population) for the inconvenience of delayed repairs under the terms of this section in connection with Qualifying Repairs that arose after the claims period expired under the terms of that settlement.
- If you had delays between 61 and 90 days you will be entitled to \$50, and an additional \$25 for each additional 30-day period of delay. (E.g., a Class Member may receive \$50 for delays lasting 61–90 days, \$75 for delays lasting 91–120 days, etc.).
- A class member may elect to receive this compensation in the form of a dealer service card valued at 150% of the amount that would otherwise be paid.

(e) MAKE A TIMELY CLAIM

- See section 10 for how to make your claim using the Claim Form.

* * *

Class members are eligible for a reimbursement even if warranty coverage was denied on grounds of improper service or maintenance (excepting limited Exceptional Neglect circumstances), and even if the repairs were performed at an independent mechanic. Exceptional Neglect means (a) when the vehicle clearly evidences a lack of maintenance or care for a significant period of time of not less than one (1) year, such that the vehicle appears dilapidated, abandoned, and/or beyond repair unless such lack of maintenance was due to a Loss Event, as defined in the settlement agreement; or (b) where a class member has failed to have the KSDS (“Knock Sensor Detection Software”) installed in the vehicle pursuant to the KSDS Product Improvement Campaign by a Hyundai dealer within 60 days from Notice Date, or within 60 days of mailing of KSDS campaign notice, whichever is later.

3. Reimbursement for Rental Cars, Towing, etc.

Money you spent on rental cars, towing services, and similar services will also be reimbursed in full, based on the following requirements:

- The expense was reasonably related to obtaining one of the Qualifying Repairs listed above, and
- You make a timely claim using the Claim Form. (See section 10 for how to do so.)

4. Compensation If You Sold or Traded-In a Class Vehicle

If your Class Vehicle (i) experienced an engine seizure, engine stall, engine noise, engine compartment fire, or illumination of the oil lamp diagnosed as requiring repair of the engine block, AND (ii) you sold or traded-in the Class Vehicle without first procuring the recommended repair, you may receive compensation for any effect on fair market value of the Class Vehicle that resulted. You may also receive an additional goodwill payment of \$140.

The amount of compensation will be based on the sale or trade-in transaction as a whole (among other considerations). The vehicle’s maintenance history or lack thereof before the repair diagnosis will not be a basis for denying or limiting compensation under this section (excepting limited Exceptional Neglect

circumstances). Exceptional Neglect means (a) when the vehicle clearly evidences a lack of maintenance or care for a significant period of time of not less than one (1) year, such that the vehicle appears dilapidated, abandoned, and/or beyond repair unless such lack of maintenance was due to a Loss Event, as defined in the settlement agreement; or (b) where a class member has failed to have the KSDS (“Knock Sensor Detection Software”) installed in the vehicle pursuant to the KSDS Product Improvement Campaign by a Hyundai dealer within 60 days from Notice Date, or within 60 days of mailing of KSDS campaign notice, whichever is later.

To be considered for compensation, submit a claim using the Claim Form. Instructions are provided in section 10 below. After you submit your claim, you will be contacted by HMA and advised of the process for evaluation of your transaction and proposed compensation. If you are unhappy with the proposal, you can elect arbitration through the Better Business Bureau (“BBB”).

5. Compensation for Vehicle Involved in Engine Fire

If your Class Vehicle suffered an engine fire that would have otherwise been addressed by a Qualifying Repair that caused you to lose the vehicle because either the cost of the repair was too great or you had to dispose your vehicle at a loss, you may receive compensation for the value of the vehicle, and an additional \$140 goodwill payment.

The amount of compensation will be based on the maximum Black Book value of the vehicle, provided that you submit a claim demonstrating the fire originated from the engine compartment and was unrelated to any sort of collision.

The vehicle’s maintenance history or lack thereof before the repair diagnosis will not be a basis for denying or limiting compensation under this section (excepting limited Exceptional Neglect circumstances). Exceptional Neglect means (a) when the vehicle clearly evidences a lack of maintenance or care for a significant period of time of not less than one (1) year, such that the vehicle appears dilapidated, abandoned, and/or beyond repair unless such lack of maintenance was due to a Loss Event, as defined in the settlement agreement; or (b) where a class member has failed to have the KSDS (“Knock Sensor Detection Software”) installed in the vehicle pursuant to the KSDS Product Improvement Campaign by a Hyundai dealer within 60 days from Notice Date, or within 60 days of mailing of KSDS campaign notice, whichever is later.

To be considered for compensation, submit a claim using the Claim Form. Instructions are provided in section 10 below. After you submit your claim, you will be contacted by HMA and advised of the process for evaluation of your transaction and proposed compensation. If you are unhappy with the proposal, you can elect arbitration through the Better Business Bureau (“BBB”).

6. Rebate Program

If you have lost faith in your Class Vehicle as a result of an engine failure or engine compartment fire and you purchase a replacement Hyundai vehicle, you may be entitled to a rebate. You must complete the claim form to be entitled to any rebate, but may qualify for the following amounts: for model year 2011–2012 Class Vehicles \$2,000; for model year 2013 and 2014 Class Vehicles \$1,500; for model year 2015 and 2016 Class Vehicles: \$1,000; and for model year 2017, 2018, and 2019 Class Vehicles \$500.

7. Informational Pamphlet

The Settlement provides that HMA will distribute an informational pamphlet to Class Members that provides further recommended guidance on the maintenance of the engines in the Class Vehicles and that reminds Class Members of the available inspections and repairs.

HOW YOU GET A REIMBURSEMENT — SUBMITTING A CLAIM FORM

10. How do I make a claim?

- Fill out the Claim Form (paper or online), and
- Include the documentation specified on the Claim Form, and
- Submit online, by mail, or email the Claim Form to the address listed on the Claim Form, and

- Do so by April 12, 2021 (any extension of that date will be posted on the settlement website) unless your claim is for rental car or towing costs incurred in the future, in which case you have 90 days from the date those costs were incurred.

Please keep a copy of your completed Claim Form and all documentation you submit for your own records. If you fail to submit a Claim Form and supporting documents by the required deadline, you will not get paid. Sending in a Claim Form late will be the same as doing nothing.

11. When would I get my reimbursement?

In general, valid claims will be paid as they are approved after the Effective Date. The Effective Date for the Settlement will be the date of the Court’s Order giving final approval to the Settlement if there are no objections or appeals. If there are objections or appeals, the date will be later. When the date becomes known it will be posted at HyundaiThetaEngineSettlement.com.

The Hon. Josephine Staton, U.S. District Court Judge, will hold a Fairness Hearing on November 13, 2020 at the U.S. District Court for the Central District of California, Los Angeles Courthouse, 411 W. Fourth St., Santa Ana, CA 92701, to decide whether to approve the Settlement. (The hearing may be rescheduled without further notice. To obtain updated scheduling information, see HyundaiThetaEngineSettlement.com.) If the Court approves the Settlement, there may be appeals afterwards. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Please be patient.

You may continue to check on the progress of the Settlement by visiting the website HyundaiThetaEngineSettlement.com or calling 1-866-944-7620. **Payments under the Settlement will begin once the Settlement has been finally approved by the Court and any appeals from that decision are completed.**

12. What if my claim is found to be deficient?

If a claim is found to be deficient and is rejected during the review process by the Settlement Administrator, the Settlement Class Member will be notified of the deficiency. The Settlement Class Member will then have an opportunity to remedy the deficiency within 35 days of the notice.

13. What am I giving up to stay in the Settlement Class?

Unless you exclude yourself in writing as described in the answer to Question 13, you will be treated as part of the Settlement Class, and that means that **you can’t sue, continue to sue, or be part of any other lawsuit** against HMA, HMC, or other related entities or individuals (listed in the Settlement Agreement, which you can view at HyundaiThetaEngineSettlement.com) about the legal issues in *this* case if the Settlement is approved, including but not limited to claims of false advertising, deceptive practices, fraud, breach of implied or express warranties, lemon laws, unjust enrichment, strict product liability, and negligence. You will not be able to sue even on existing claims that you may already hold against HMC, HMA, or other related entities or individuals listed in the Settlement Agreement. It also means that all of the Court’s orders will apply to you and legally bind you.

However, nothing in this Settlement will prohibit you from pursuing claims for: (i) death; (ii) personal injury; (iii) damage to property other than to a Class Vehicle; (iv) subrogation or (v) any and all claims that relate to something other than a Class Vehicle and the alleged defect here.

If you have any questions about the scope of the legal claims you give up by staying the Settlement Class, you may view Section VI of the Settlement Agreement (available at HyundaiThetaEngineSettlement.com) or you can contact the lawyers representing the Settlement Class for free or speak with your own lawyer at your own expense:

Matthew D. Schelkopf
1109 Lancaster Avenue
Berwyn, PA 19312
mds@sstriallawyers.com
www.sauderschelkopf.com

Bonner Walsh
Walsh PLLC
1561 Long Haul Road
Grangeville, ID 83530
bonner@walshpllc.com

Steve Berman
Hagens Berman Sobol Shapiro LLP
1301 Second Avenue, Suite 2000
Seattle, WA 98101

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want the benefits or reimbursements provided in this settlement, and you want to keep the right to sue or continue to sue HMA, HMC, or other related entities or individuals, on your own, about the legal issues in this case, including for any existing claims you may currently have, then you must take steps to get out of the Settlement Class. This is called excluding yourself — or is sometimes referred to as opting out of the Settlement Class.

14. How do I get out of the Settlement?

To exclude yourself from the Settlement, you must send a letter by U.S. mail (or an express mail carrier) saying that you want to “opt-out of” or “be excluded from” the Class Settlement in *In re: Hyundai and Kia Engine Litigation*, No. 8:17-cv-00838-JLS-JDE and *Flaherty v. Hyundai Motor Company, et al.*, No. 18-cv-02223 (C.D. Cal.). Be sure to include (i) your full name and current address, (ii) the model year, approximate date(s) of purchase or lease, and Vehicle Identification Number (“VIN”) of your vehicle (which is located on a placard on the top of the dashboard visible through the driver’s side corner of the windshield), and (iii) clearly state your desire to be excluded from the settlement and from the Class. You must mail your exclusion request postmarked no later than October 30, 2020 to:

Defense Counsel

Shon Morgan
Quinn Emanuel Urquhart & Sullivan, LLP
865 S. Figueroa Street, 10th Floor
Los Angeles, CA 90017

You can’t exclude yourself on the phone, on any website, or by e-mail. Please keep a copy of any exclusion (or opting out) letter for your records.

If you ask to be excluded, you cannot receive any benefits under this Settlement, and you cannot object to the Settlement. If you choose to be excluded or opt out, you will be excluded for all claims you have that are included in the Settlement. You will not be legally bound by anything that happens in this lawsuit. Depending on the laws in your state, you may be able to sue (or continue to sue) HMA, HMC, or other related entities or individuals in the future about the legal issues in this case.

With respect to Hyundai Class Vehicles only, any repairs performed pursuant to the Settlement’s extension of the Powertrain Warranty on your Hyundai Class Vehicle shall preclude you from excluding yourself from the Class or opting out.

15. If I don’t exclude myself, can I sue for the same thing later?

No. Unless you exclude yourself (opting out), you give up the right to sue HMA, HMC, and other related entities or individuals for the claims that this Settlement resolves.

If you have a pending lawsuit against HMA, HMC, or related entities, speak to your lawyer in that lawsuit immediately. You must exclude yourself from *this* Settlement Class to continue your own lawsuit if it concerns the same legal issues related to the Class Vehicles and the alleged defect in this case, even if it involves other causes of action, including but not limited to, false advertising, deceptive practices, fraud, breach of implied or express warranties, lemon laws, unjust enrichment, strict product liability, and negligence. Remember, the exclusion deadline is October 30, 2020.

If you are a Settlement Class Member and you do nothing, you will remain a Settlement Class Member and all of the Court’s orders will apply to you, you will be eligible for the Settlement benefits described above as long as you satisfy the conditions for receiving each benefit, and you will not be able to sue Defendants over the issues in this lawsuit.

16. If I exclude myself, can I get the benefits of this Settlement?

No. If you exclude yourself, do not send in a Claim Form to ask for any reimbursement and, with respect to Hyundai vehicles only, do not seek repairs under the Settlement’s extension of the Powertrain

Warranty. But, you may sue, continue to sue, or be part of a different lawsuit against HMA, HMC, and other related entities or individuals for the claims that this Settlement resolves.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

The Court has appointed Matthew D. Schelkopf of Sauder Schelkopf, Adam Gonnelli of The Sultzer Law Group, Steve Berman of Hagens Berman Sobol Shapiro LLP, and Bonner Walsh of Walsh PLLC to represent you and other Settlement Class Members. Together these lawyers are called Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own cost.

18. How will the lawyers be paid and will the Settlement Class representatives receive service payments?

At a later date, Class Counsel will ask the Court for attorneys' fees, expenses, and service payments to each of the named Settlement Class representatives, Cara Centko, Jenn Lazar, Christopher Stanczak, Rose Creps, James Kinnick, Wallace Coats, Maryanne Brogan, Andrea Smolek, Danny Dickerson, Robert Fockler, Amy Franklin, Donald House, Dave Loomis, Joseph McCallister, Arron Miller, Ricky Montoya, Lynn North, Mark Rice, Reid Schmitt, James Smith, and Chris Stackhouse. It will be up to the Court to decide whether Defendants will be ordered to pay any of those fees, expenses, and service payments. The Court may award less than the amounts requested by Class Counsel. Defendants will separately pay the fees and expenses and service payments that the Court awards. These amounts will not come out of the funds for payments to Settlement Class Members. Class Counsel will not seek more than \$12,000,000.00 in fees and expenses or a service award exceeding \$3,500 per named Settlement Class representative. Class Counsel will file their motion for attorneys' fees and expenses by September 30, 2020. You may continue to check on the progress of Class Counsel's request for attorneys' fees, expense and service awards by visiting the website HyundaiThetaEngineSettlement.com.

Defendants will also separately pay the costs to administer the settlement. The payment of settlement administration costs will not come out of the funds for payments to Settlement Class Members.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the Settlement or some part of it.

19. How do I tell the Court if I do not like the Settlement?

If you are a member of the Settlement Class, you can object to the Settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views.

To object, you must mail a letter to Class Counsel saying that you object to the addresses below:

Bonner Walsh Walsh PLLC 1561 Long Haul Road Grangeville, ID 83530	Matthew D. Schelkopf Sauder Schelkopf 1109 Lancaster Avenue Berwyn, PA 19312	Steve Berman Hagens Berman Sobol Shapiro LLP 1301 Second Avenue, Suite 2000 Seattle, WA 98101
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Your objection letter must include:

- 1) The name and title of the lawsuit, *In re: Hyundai and Kia Engine Litigation*, No. 8:17-cv-00838-JLS-JDE and *Flaherty v. Hyundai Motor Company, et al.*, No. 18-cv-02223 (C.D. Cal.);
- 2) A detailed written statement of each objection being made, including the specific reasons for each objection, and any evidence or legal authority to support each objection;
- 3) Your full name, address, and telephone number;
- 4) The model year and VIN of your Class Vehicle;

- 5) A statement whether you or your lawyer will ask to appear at the Fairness Hearing to talk about your objections, and if so, how long you will need to present your objections;
- 6) Any supporting papers, materials, exhibits, or briefs that you want the Court to consider when reviewing the objection;
- 7) The identity of all counsel who represent you, including any former or current counsel who may be entitled to compensation for any reason related to your objection;
- 8) The number of times in which you, your counsel (if any), or your counsel's law firm (if any) have objected to a class action settlement within the five years preceding the date that the objector files the objection and the caption of each case in which such objection was made;
- 9) A statement disclosing any consideration that you, your counsel (if any), or your counsel's law firm (if any) has received in connection with the resolution or dismissal of an objection to a class action settlement within the five years preceding the date that the objector files the objection; and
- 10) Your signature and that of your attorney, if you have one.

Submitting an objection allows Class Counsel or counsel for Defendants to notice your deposition and to seek any documentary evidence or other tangible things that are relevant to your objection. Failure to make yourself available for such a deposition or comply with expedited discovery requests may result in the Court striking your objection or denying you the opportunity to be heard. The Court may require you or your counsel to pay the costs of any such discovery should the Court determine the objection is frivolous or made for improper purpose.

Objections must be sent by first class mail to each of the above addresses and postmarked no later than October 30, 2020. Objections submitted after this date will not be considered.

If you do not state your intention to appear in accordance with the applicable deadlines and specifications, or you do not submit an objection in accordance with the applicable deadlines and specifications, you will waive all objections and can be barred from speaking at the final approval hearing.

20. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you don't like something about the Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class and the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, subject to the requirements above, but you don't have to.

21. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing at 10:30 a.m. on November 13, 2020 at the U.S. District Court for the Central District of California, Los Angeles Courthouse, 411 W. Fourth St., Santa Ana, CA 92701. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel and whether to approve the class representatives' service awards. After the hearing, the Court will decide whether to finally approve the Settlement. We do not know how long these decisions will take.

The hearing may be rescheduled without further notice to you, so it is recommended you periodically check HyundaiThetaEngineSettlement.com for updated information.

22. Do I have to come to the Fairness Hearing?

No. Class Counsel will answer any questions Judge Staton may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long

as you mailed your written objection on time, the Court will consider it. You may also attend or pay your own lawyer to attend, but it's not necessary. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

23. May I speak at the Fairness Hearing?

You may ask the Court's permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear in *In re: Hyundai and Kia Engine Litigation*, No. 8:17-cv-00838-JLS-JDE and *Flaherty v. Hyundai Motor Company, et al.*, No. 18-cv-02223 (C.D. Cal.)" or state in your objections that you intend to appear at the hearing. Be sure to include your name, address, telephone number, the model year and VIN for your Class Vehicle(s), and signature, as well as the identities of any attorneys who will represent you. Your Notice of Intention to Appear must be postmarked no later than October 30, 2020, and be sent to Class Counsel and Defense Counsel, at the following addresses:

Defense Counsel

Shon Morgan
Quinn Emanuel Urquhart & Sullivan, LLP
865 S. Figueroa Street, 10th Floor
Los Angeles, CA 90017

Class Counsel

Matthew D. Schelkopf
Sauder Schelkopf
1109 Lancaster Avenue
Berwyn, PA 19312

IF YOU DO NOTHING

24. What happens if I do nothing at all?

If you do nothing, you'll get no reimbursements from this Settlement, though you will be entitled to the benefits of the Lifetime Warranty (if you continue to own or lease your Class Vehicle). But, unless you exclude yourself, you won't be able to start a lawsuit, continue a lawsuit, or be part of any other lawsuit against HMA, HMC, or other related entities or individuals about the legal issues in this case, ever again.

However, even if you take no action, you will keep your right to sue Defendant for any other claims not resolved by the Settlement.

GETTING MORE INFORMATION

25. Are there more details about the Settlement?

This notice summarizes the proposed Settlement. More details are in a Settlement Agreement, which you can view at HyundaiThetaEngineSettlement.com.

Neither Defendants nor the Class Representatives make any representation regarding the tax effects, if any, of receiving any benefits under this Settlement. Consult your tax adviser for any tax questions you may have.

26. How do I get more information?

You can call 1-866-944-7620 toll free or visit HyundaiThetaEngineSettlement.com, where you will find information and documents about the settlement, a Claim Form, plus other information. You may also contact Class Counsel listed in response to Question 13.

All papers filed in this action are also available for review via the Public Access to Court Electronic Resources System (PACER), available online at <http://www.pacer.gov>.

Other than a request to review the Court's files at the Clerk of the Court's Office, please do not contact the Clerk of the Court or the Judge with questions.