

# AGs Settle Two Car Manufacturer Multistates at the End of 2025 in Multimillion Dollar Enforcement Actions

Paul L. Singer, Beth Bolen Chun, Abigail Stempson, Brianna Robinson

January 15, 2026

Three years have flown by since we last [wrote](#) about the letter state AGs sent to Hyundai and Kia over the companies' lack of anti-theft technology. In response to an alarming rate of thefts and joyrides, including a viral social media trend that promoted hotwiring specific Hyundai and Kia vehicles, AGs pursued Hyundai and Kia for selling a large number of vehicles between 2011 to 2022 that allegedly lacked industry standard anti-theft engine immobilizers. Last month, 35 states and the District of Columbia reached a \$9 million [settlement](#) with Hyundai and Kia. The multistate settlement was led by attorneys general William Tong of Connecticut, Keith Ellison of Minnesota, and John Formella of New Hampshire.

In the respective settlements, Hyundai and Kia agreed to comply with state unfair, deceptive, or abusive acts or practices laws and equip future vehicles with engine immobilizer (or equivalent) technology. The companies also agreed to provide notice to impacted consumers that zinc sleeves, which prevent thieves from removing the vehicle's ignition cylinder, are available for installation at no cost for a one-year period. In addition, the companies must continue to provide window decals indicating zinc sleeves have been installed, and for 5 years, continue to publicize antitheft measures and share certain theft-related data. As part of the \$9 million settlement, up to \$4.5 million will go to pay expenses for eligible consumers whose cars were damaged by thieves on or after April 29, 2025, and before consumers have had the opportunity to have zinc sleeves installed at no cost. (Eligible consumers whose cars were damaged by thieves before April 29, 2025, had the opportunity to submit a claim for reimbursement for purchasing anti-theft devices in a prior private class action settlement). The remaining \$4.5 million will be paid to the states collectively.

Most states settled with either an Assurance of Voluntary Compliance or an Assurance of Discontinuance. However, California, Arizona, and Washington obtained Final Judgments, filing lawsuits against the car manufacturers as part of the settlement proceedings. For example, the [complaint](#) in California's lawsuit alleged that companies violated state false advertising and unfair competition laws by failing to disclose security weaknesses, making false statements about certain vehicles' anti-theft capabilities, and failing to install engine immobilizers under industry standards. According to the complaint, ignition locks could be easily bypassed "in a matter of minutes by anyone with a screwdriver and a USB charger." The security flaw, widely publicized on social media as the "Kia Boyz" method, contributed to a surge in vehicle thefts and, according to the AGs, posed a threat to public safety and significant harm to consumers.

In another recent multistate action with Mercedes-Benz USA and Mercedes-Benz Group, AGs reached over a \$149 million [settlement](#) regarding the car company's equipment and use of hidden devices to bypass emission tests in vehicles marketed to consumers as "environmentally friendly." Attorneys general of Alabama, Connecticut, Delaware, Georgia, Maryland, New Jersey, New York, South Carolina, and Texas led the coalition of 50 attorneys general in the settlement with Mercedes for violating state consumer protection laws.

Between 2008 through 2017, the states allege that Mercedes sold over 200,000 vehicles equipped with software that made vehicles appear to be compliant with emissions standards. This software also reduced emission controls outside of emission tests resulting in vehicles emitting harmful pollutants that exceeded legal limits. The states contended that Mercedes misled consumers about its light-duty trucks and passenger diesel vehicles and deceived state and federal regulators by concealing its vehicles with technology to circumvent emissions tests. In response, Mercedes [agreed](#) to maintain an Advanced Engine Management (AEM) Installation Incentive Program and notify eligible consumers to make claims. The company must also report AEM data and cease future engagement in deceptive practices directed at consumers on diesel vehicles. (This wasn't the first AG multistate action regarding defeating emissions tests, either. In 2016, another multistate action resulted in a [settlement with Volkswagen](#) for similar conduct.)

## Takeaways

With social media trends encouraging illegal practices, AGs contend businesses are on notice to protect consumers from known criminal conduct. Expect AGs to continue to investigate and bring enforcement actions against businesses for failing to implement safety measures and failing to adequately disclose to consumers known risks. Businesses that attempt to sidestep government regulations should also be prepared to defend their actions as AGs stand firm on their commitment to protect consumers from alleged deceptive marketing campaigns that harm consumer safety.