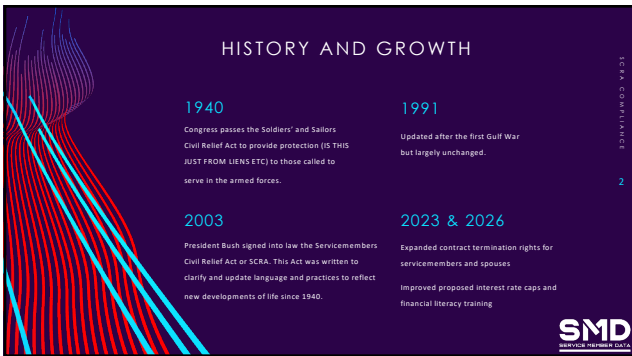




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50 U.S.C. § 537

A person holding a lien on the property or persibak effects of a servicemember may not, during any period of military service of the servicemember and for 90 days thereafter, foreclose or enforce any lien on such property or effects without a court order granted before the foreclosure or enforcement.

For the purposes of paragraph (1), the term "lien" includes a lien for storage, repair, or cleaning of the property or effects of a servicemember or a lien on such property or effects for any other reason.

A person who knowingly takes an action contrary to this section, or attempts to do so, shall be fined as provided in title 18, United States Code or imprisoned for a misdemeanor for not more than one year.



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WHAT DOES IT MEAN

The US Attorney General may commence a civil action in any appropriate district court of the US against any person who:

1. Engages in a pattern or practice of violation this Act
2. Engages in a violation of this Act that raises an issue of significant public importance.




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RELIEF

In a civil action commenced under subsection (a), the court may:

1. Grant any appropriate equitable or declaratory relief with respect to violation of this Act; and award all other appropriate relief including monetary damages, to any person aggrieved by the violation
2. May, to vindicate the public interest, assess a civil penalty in an amount not exceeding \$55,000 for a first violation and not exceeding \$110,000 for any subsequent violation.



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PRIVATE RIGHT OF ACTION


Any person aggrieved by a violation of this Act may in a civil action:

1. Obtain any appropriate equitable or declaratory relief with respect to the violation
2. Recover all other appropriate relief, including monetary damages, including costs and attorneys' fees.




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SOLUTIONS




Waiver



Stay/Judgment



Search



8

WAIVER

A servicemember may waive any of the rights and protections provided by this act. Any such waiver that applies to an action:

1. Must be in writing and executed as an instrument separate from the obligation or liability to which it applies
2. The waiver is only effective if made pursuant to a written agreement that is executed during or after the servicemember's period of military service



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STAY OF PROCEEDINGS

This U.S.C. applies to any civil action, in which the plaintiff at the time of at the time of filing:

1. Is in the military service or is within 90 days after termination of or release from the military
2. Has received notice of the action or proceeding
3. The court can on its own motion upon application by the servicemember stay an action for a period not less than 90 days

SMD
SERVICE MEMBER DATA

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HOW DO YOU PROTECT YOURSELF

Comply
Have written policies and a procedure in place and brief your employees

Determine
Work with each LRO/RO individually to determine their status prior to auction or sale.

Obtain Certificate
From Secretary of Department of Defense that determines status.

Obtain Waiver
Written and signed from servicemember. Not quid pro quo for lien enforcement.

Obtain Judgment
If necessary, prior to executing a lien.

Maintain Records
Detailed secure records of each waiver/certificate.

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SERVICE MEMBER DATA

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EXAMPLES OF ENFORCEMENT ACTIONS

1. **United States v. Todisco Services (Salem, Massachusetts)**
 - Tower illegally auctioned the vehicle of a U.S. Air Force Staff Sergeant deployed in Qatar.
 - DOJ filed a complaint in 2023
 - Penalties of **\$5,000** in compensation, **\$1,000** civil penalty and new policies and training to ensure compliance
2. **United States v. Billy Joe Goines (North Carolina)**
 - Compliant was filed in 2023 for the tower violating the SCRA for auctioning or otherwise disposing of servicemembers vehicles pursuant to judgments without proper military affidavits.
 - Consent order requires **\$66,805** in relief for impacted servicemembers and a **\$30,000** civil penalty as well as return of a servicemember vehicle, forgiveness of storage fees and new policies and procedures to ensure compliance

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SERVICE MEMBER DATA

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EXAMPLES OF ENFORCEMENT ACTIONS CONT.

1. City of El Paso and contractor United Road Towing (Texas)

- Tower alleged to have engaged in a pattern or practice of violating the SCRA where they disposed over 170 vehicles owned by service members without obtaining court orders
- Deposit **\$57,935** in settlement fund, Pay a **\$24,980** fine, develop policies and practices to ensure compliance by key employees

2. United States v. Steve's Towing (Virginia Beach)

- Violation of the SCRA through illegal auction, selling, otherwise disposing of vehicles belonging to at least seven servicemembers.
- Compliant brought in 2022
- Resulted in **\$67,500** in damages, up to **\$12,500** in reserve for servicemembers yet to be identified and **\$10,000** civil penalty

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SERVICEMEMBERS' DAMAGES

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EXAMPLES OF ENFORCEMENT ACTIONS CONT.

1. CarMax Inc., Nations largest retailer of used cars (Virginia)

- Settlement announced in February of 2025
- CarMax violated SCRA by repossessing motor vehicles owned by servicemembers.
- CarMax will pay at least **\$420,000** in damages to servicemembers and a civil penalty of **\$79,380**

2. United States v. S & K Towing Inc. (San Clemente, California)

- Complaint filed in March of 2025, Tower alleged to have sold, auctioned or disposed of approximately 148 vehicles owned by SCRA protected servicemembers without verifying owner status or obtained court order
- Relief requested includes declarations of violations, prohibits lien enforcement without proper verification, awards of monetary damage and civil penalties

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SERVICEMEMBERS' DAMAGES

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EXAMPLES OF ENFORCEMENT ACTIONS CONT.

Honolulu, Hawaii settlement agreement requires the City and Tower to adopt new SCRA-compliant procedures, compensate three servicemembers.

- **\$55,857**, establish a **\$150,000** settlement fund, and a **\$60,788** civil penalty.

Dallas, Texas towing company for allegedly auctioning five service members' vehicles in violation of the Servicemembers Civil Relief Act.

- **50,000** compensation and **\$10,000** civil penalty

Florida towing company

- **\$99,500** compensation and **\$20,000** civil penalty

Washington State settles with Clark County towing company

- **\$25,587** in compensation and **\$4,000** for future investigations and litigation

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SERVICEMEMBERS' DAMAGES

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THE BOTTOM LINE FOR DOJ

Since 2011, the DOJ has obtained over \$474 million in monetary relief for over 120,000 servicemembers through its enforcement of the SCRA.

"Towing companies must respect and abide by the federal laws that protect members of our Armed Forces," said Assistant Attorney General Harmeet K. Dhillon of the Justice Department's Civil Rights Division. "Servicemembers are often absent for extended periods due to training and deployments and may not know that their vehicle has been towed. The SCRA plays an important role in providing these servicemembers with adequate legal protections, including notice and the opportunity to have towing and storage fees adjusted in light of their military service."

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HOW WE CAN HELP

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THE SMD BUSINESS MODEL

Accurate and Reliable Fast Affordable

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SERVICES

1. Advise and assist in developing SCRA policies & procedures
2. Complete high-quality research to verify active-duty status of LRO/RO
3. Provide DOD active-duty military certificates digitally
4. If AD service cannot be verified, a declaration is provided to customer for their records and review
5. Historical storage of digital information provided to you
6. We attempt to secure waivers from AD personnel to permit you to auction the vehicle
7. Daily rechecks of currently active-duty vehicles
8. Audit previous sales to ensure accurate record keeping and compliance

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SERVICE MEMBER DATA

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FOUNDERS

PETER LUKEVICH

- President
- 25 years in the industry
- Leadership in sales and Federal courts
- Administrative Director of Lawing and Recovery, Administrator of Washington
- Working familiarity with issues and regulations in Texas, Missouri

ROBERT LUKEVICH

- Managing Director of Washington State
- 20 years in the industry
- Experience related to Foreign Corrupt Practices Act
- Developed systems for records and data review for SMD

KIEFER HAGIN

- Chief Technology Officer
- Software Engineer
- Software Architect
- Business to Business
- Software and software development and maintenance

RESEARCH TEAM

- Database researchers
- Service to State to States
- Service to State to States
- Florida to Washington State

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