

JUL 07 2014

STATE OF OHIO
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION SECTION

CONSUMER PROTECTION SECTION
PUBLIC INSPECTION FILE

IN THE MATTER OF:)
Stewart Auto Group of Pataskala, Inc.)

DOCKET NO. 478833

ASSURANCE OF VOLUNTARY COMPLIANCE

This Assurance of Voluntary Compliance ("Assurance") is entered into this 1 day of June, 2014 between Stewart Auto Group of Pataskala, Inc., conducting business as Stewart Auto Group Pataskala and Stewart Auto Group Columbus, referred to in this Assurance collectively as "Stewart Auto," and the Attorney General of the State of Ohio ("Attorney General").

WHEREAS, the Attorney General, having reasonable cause to believe that Stewart Auto has engaged in acts and practices that violate Consumer Sales Practices Act, R.C. 1345.01 et seq. ("CSPA"); its Substantive Rules, O.A.C. 109:4-3-01 et seq.; and the Certificate of Motor Vehicle Title Act, R.C. 4505.01 et seq. ("the Title Act"); has conducted an investigation pursuant to the authority granted him by R.C. 1345.06; and

WHEREAS, the Attorney General may, pursuant to R.C. 1345.06(F)(2), enter into and accept a written Assurance of Voluntary Compliance; and

WHEREAS, this Assurance of Voluntary Compliance ("Assurance") is an assurance in writing by Stewart Auto that it intends to conduct its business in a manner designed to comply with the provisions of the CSPA, the Substantive Rules, and the Title Act; and

WHEREAS, Stewart Auto desires to comply with all aspects of the CSPA, the Substantive Rules, and the Title Act, Stewart Auto hereby voluntarily enters into this Assurance with the Attorney General.

NOW THEREFORE, in consideration of the mutual promises and conditions set forth in this Assurance, the parties **AGREE** as follows:

- (1) The "Effective Date" shall mean the date indicated on the first page of this Assurance.
- (2) By accepting this written Assurance, the Attorney General agrees to terminate the current investigation of Stewart Auto's business practices and actions occurring on or before the Effective Date.
- (3) By giving this written Assurance, Stewart Auto agrees to comply with all the terms of this Assurance.

FACTS

- (4) Stewart Auto is an Ohio corporation conducting business as Stewart Auto Group Pataskala in Pataskala, Ohio, and Stewart Auto Group Columbus in Groveport, Ohio, with its principal place of business located at 361 Broad Street S.W., Pataskala, OH 43062.
- (5) Stewart Auto operates a used motor vehicle dealership that engaged in the business of effecting consumer transactions by advertising and selling used motor vehicles in the State of Ohio, including Franklin County.
- (6) Stewart Auto committed, allowed, directed, ratified or otherwise caused the acts and practices described in this Assurance.
- (7) Stewart Auto holds licenses #UD015959 and UD018816 issued by the State of Ohio under R.C. 4517.01 et seq., which allow it to engage in the business of displaying or selling at retail or wholesale used motor vehicles.

- (8) Stewart Auto sold or transferred used motor vehicles to Ohio retail purchasers and failed to apply for certificates of title in the name of the retail purchasers on or before the thirtieth day following the dates of assignment or delivery.
- (9) Stewart Auto notified prospective consumers via direct mail advertisements that the consumers had won a specific prize when such was not the case.
- (10) Stewart Auto notified prospective consumers via direct mail advertisements that they had won a prize without clearly and conspicuously disclosing at the time of notification of the prize that upon the consumers' arrival to claim the prize, sales representatives would attempt to induce the prospective consumer to undertake a monetary obligation.
- (11) Stewart Auto notified prospective consumers via direct mail advertisements that the consumers had been selected or were eligible to win a prize or receive something of value without clearly and conspicuously disclosing to the consumers all the conditions necessary to win the prize or receive the thing of value.
- (12) Stewart Auto made offers in written advertisements and promotional literature without stating, clearly and conspicuously in close proximity to the words stating the offers, any material exclusions, reservations, limitations, modifications, or conditions.
- (13) Stewart Auto misrepresented the availability of an advertised motor vehicle by stating that "Cars" were available at prices "starting at only \$59," and then indicating in fine print that only one car was available at that price.
- (14) Stewart Auto advertised a closed-end credit transaction in a print advertisement without clearly and conspicuously disclosing the amount of any down payment, the number of payments, and the annual percentage rate.
- (15) Stewart Auto is a "supplier" as that term is defined in R.C. 1345.01(C).

COMPLIANCE PROVISIONS

- (16) Stewart Auto shall not sell or transfer a motor vehicle to an Ohio retail purchaser without applying for a certificate of title in the name of the retail purchaser on or before the thirtieth day following the date of the assignment or delivery.
- (17) Stewart Auto shall not sell or transfer a motor vehicle to an Ohio purchaser without obtaining title to the vehicle in the name of the retail purchaser on or before the fortieth day following the date of the assignment or delivery.
- (18) Stewart Auto shall not notify consumers that they have won a specific prize when such is not the case.
- (19) Stewart Auto shall not represent in solicitations that the prizes that may be awarded to consumers are of a particular standard, quality, or grade when they are not.
- (20) Stewart Auto shall not notify prospective consumers that they have won a prize without clearly and conspicuously disclosing at the time of notification of the prize that upon the consumers' arrival to claim the prize, sales representatives will attempt to induce the prospective consumers to undertake a monetary obligation.
- (21) Stewart Auto shall not notify consumers that they have been selected or were eligible to win a prize or receive something of value without clearly and conspicuously disclosing to the consumers all the conditions necessary to win the prize or receive the thing of value.
- (22) Stewart Auto shall not make offers in written advertisements and promotional literature without stating clearly and conspicuously, in close proximity to the words stating the offers, any material exclusions, reservations, limitations, modifications, or conditions.
- (23) Stewart Auto shall not misrepresent the availability of an advertised motor vehicle.

- (24) Stewart Auto shall not advertise a closed-end credit transaction in a print, television, or radio advertisement without clearly and conspicuously disclosing the amount of any down payment, the number of payments, and the annual percentage rate.
- (25) Stewart Auto shall carefully review and comply with the Attorney General's Guidelines for Motor Vehicle Advertising as published on the Effective Date and as amended thereafter.
- (26) Stewart Auto shall send courtesy copies any new advertisements, whether in radio, television, internet, or print, to the Consumer Protection Section of the Ohio Attorney General's Office, Consumer Protection Section, 30 East Broad Street, 14th Floor, Columbus, OH 43215, within thirty days of the publication or dissemination of the advertisement for a period of six months. In no way shall compliance with this requirement be construed to be an endorsement or approval of the advertisements. Neither shall it be used by Stewart Auto as evidence of compliance or partial compliance with the CSPA or any other law.

GENERAL PROVISIONS

- (27) Stewart Auto understands and agrees that this Assurance applies to its principals, officers, directors, agents, servants, representatives, salespersons, employees, instructors, independent contractors, successors in interest and assigns, jointly and severally.
- (28) This Assurance shall be governed by the laws of the State of Ohio.
- (29) Stewart Auto freely and voluntarily enters into this Assurance with full knowledge and understanding of the nature of the proceedings and the obligations and duties imposed.
- (30) This Assurance does not constitute an approval by the Attorney General of any of Stewart Auto's business practices and Stewart Auto shall not represent directly or indirectly, or in

any way whatsoever, that the Attorney General has sanctioned, condoned, or approved any part or aspect of Stewart Auto's business practices.

- (31) This Assurance sets forth the entire agreement between the Attorney General and Stewart Auto and supersedes all directly-related prior agreements or understandings, whether written or oral, between the Parties and their respective counsel. This Assurance may be amended only by written agreement between the Parties, subject to any further requirements imposed by state law.
- (32) The Parties acknowledge that no other promises, representations, or agreements of any nature have been made or entered into by the Parties. The Parties further acknowledge that this Assurance constitutes a single and entire agreement that is not severable or divisible, except that if any provision is found to be legally insufficient or unenforceable, the remaining provisions shall continue in full force and effect.
- (33) Stewart Auto shall keep the office of the Attorney General apprised of any changes in ownership, addresses, or telephone numbers by notifying the Ohio Attorney General's Office, Consumer Protection Section, 30 East Broad Street, 14th Floor, Columbus, OH 43215, within thirty days of the change. In addition, all future correspondence should be sent to the attention of the Consumer Protection Section at the same address.
- (34) Stewart Auto shall negotiate in good faith, through the office of the Attorney General, any consumer complaints filed with the office concerning Stewart Auto's conduct occurring prior to or after the Effective Date of this Assurance. The Attorney General shall direct all complaints to the attention of Stewart Auto.
- (35) This Assurance is a public record and shall be maintained in the Public Inspection File.

PAYMENT TO THE STATE

- (36) As consideration for the termination of the Attorney General's investigation of Stewart Auto under the CPSA, Stewart Auto shall pay Fifteen Thousand Dollars (\$15,000.00) to the Office of the Ohio Attorney General for attorneys fees and investigative costs, \$5,000 due at the time the Parties execute this Assurance, an additional \$5,000 due on the one month anniversary of the Assurance's date of execution, and the last \$5,000 due on the second month anniversary of the Assurance's date of execution. Payment shall be in the form of certified check or money order, made payable to the "Ohio Attorney General's Office," and addressed to:

**Compliance Officer
Consumer Protection Section
30 E. Broad St., 14th Floor
Columbus, Ohio 43215**

PENALTIES FOR FAILURE TO COMPLY

- (37) Pursuant to R.C. 1345.06(F), this Assurance is not, and shall not be construed as, evidence of any violation of the CSPA or the CSPA's Substantive Rules. Evidence of a violation of this Assurance, however, shall be prima-facie evidence of an act or practice that violates the CPSA in an action brought under the CSPA.
- (38) This Assurance shall in no way exempt Stewart Auto from any other obligations imposed by law, and nothing contained herein shall relieve Stewart Auto of any legal responsibility for any acts or practices engaged in by Stewart Auto other than those acts specifically resolved by this Assurance.
- (39) Nothing in this Assurance shall in any way preclude any investigative or enforcement action against Stewart Auto under any legal authority granted to the Attorney General:


- (a) With respect to the transactions or occurrences that are the subject of this Assurance if the terms of this Assurance are not fully obeyed; or
- (b) With respect to transactions or occurrences that are not the subject of this Assurance.

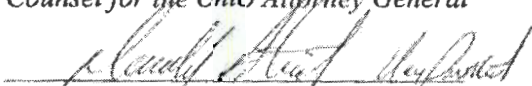
REPRESENTATIONS AND WARRANTIES

- (40) Stewart Auto warrants and represents that the individual signing this Assurance on behalf of Stewart Auto is doing so in the individual's official capacity, is fully authorized to enter into this Assurance, and can legally bind Stewart Auto to all of this Assurance's terms and conditions.
- (41) By executing this Assurance, Stewart Auto represents that it has carefully read this Assurance, has had the opportunity to discuss the Assurance's terms and conditions with an attorney, and agrees to these terms and conditions.

WHEREFORE, the parties hereto affix their signatures in recognition and acceptance of the terms contained herein on this 1 day of June, 2014.

ACCEPTED BY:

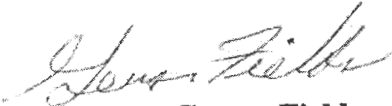

Bradley Turner (0091043)
Assistant Attorney General
Consumer Protection Section
30 East Broad Street, 14th Floor
Columbus, Ohio 43215-3428
Phone (614) 466-1031
Counsel for the Ohio Attorney General


[Individual], [Position], on behalf of
Stewart Auto Group of Pataskala, Inc.,
in her/his individual capacity, and as guarantor
361 Broad Street S.W.
Pataskala, Ohio 43062

6/11/14
Date



6/11/14
Date


George Fields
My Commission Expires
December 08, 2016