

NO.

STATE OF TEXAS,
Plaintiff

v.

SONIC-READING L.P. d/b/a
TOYOTA OF BAYTOWN,
Respondent

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IN THE DISTRICT COURT OF

HARRIS COUNTY, TEXAS

_____ JUDICIAL DISTRICT

ASSURANCE OF VOLUNTARY COMPLIANCE

COMES NOW the STATE OF TEXAS, acting by and through Attorney General GREG ABBOTT, and Respondent SONIC-READING L.P. d/b/a TOYOTA OF BAYTOWN (hereinafter "TOYOTA OF BAYTOWN") and respectfully submits the following Assurance of Voluntary Compliance ("AVC") in accordance with the Deceptive Trade Practices - Consumer Protection Act ("DTPA"), TEX. BUS. & COM. CODE ANN. § 17.58.

I.

The Office of the Attorney General alleges that Respondent TOYOTA OF BAYTOWN advertised goods or services with the intent not to sell them as advertised, in violation of DTPA § 17.46(b)(9) and 17.46(a). More specifically, it is alleged that Respondent improperly required its customers to purchase its coupon book (ie. "Consumer Service")¹ in addition to the price negotiated for a new or used automobile. Toyota of Baytown denies the allegations of the Office of the Attorney General and admits no liability of any sort. The payment and compromise made herein are to terminate further controversy respecting the allegations and concerns that the Office of the Attorney General have heretofore asserted against Toyota of Baytown.

¹"Consumer Service" means any charge for coupons or any other programs entitling a consumer to

II.

It is further stipulated that this Assurance of Voluntary Compliance shall fully and finally resolve any and all claims, causes of action, and allegations which may have arisen out of the investigation by the Consumer Protection Division of the Texas Attorney General's Office into the business practices of TOYOTA OF BAYTOWN pertaining to the "Consumer Service" fees sold before October 2004, including any and all claims for injunctive relief, court costs, civil fines and penalties, restitution, damages, investigative costs and attorneys' fees. It is further stipulated that the State and Respondent agree to and do not contest the entry of this agreement. This agreement shall not be deemed an admission of, or a finding of, the truth of the allegations made by the Office of the Attorney General.

III.

Respondent assures the Office of the Attorney General and thereby the consumers of Texas that from the date of the signing of this Assurance of Voluntary Compliance, which shall be filed with the appropriate District Court in Harris County, that Respondent, its successors, assigns, officers, directors, servants, agents, and employees, representatives, and any other persons in active concert or participation with them², agree to *adhere* to the following guidelines if requiring or mandating consumers to purchase a dealer "Consumer Service" package and/or any other package offering discounts for automobile related goods or services in conjunction with the purchase of a new or used vehicle:

discounts on parts, service and related items at the dealership.

²Notwithstanding anything else stated or implied in this Assurance of Voluntary Compliance, it is agreed and understood that the injunctions, prohibitions and mandates herein shall only be binding upon the Respondent and its employees and not as to any other dealership, entity or person other than Sonic-Reading, L.P. d/b/a Toyota of Baytown.

- A. Include in any Print, Radio or Television advertisement wherein a specific price or a specific price reduction is advertised for a specific vehicle or a specific category of vehicles (not a general or liner advertisement) specific language stating that “the sale of any new or used vehicle is subject to a mandatory fee of \$_____³, in addition to any negotiated vehicle price, for coupons entitling the purchaser to discounts on service and parts”;
- B. For all print advertisements, the language set forth in paragraph “A” above, shall be placed in said advertisements in **Bold, Times New Roman, 10 point font**;
- C. Placement of a clear and conspicuous supplemental window sticker on each new and used vehicle on the lot (at least 14 point bold Times New Roman font) immediately adjacent to the MSRP or retail sales price sticker that states that “The sale of this vehicle is subject to a mandatory fee in the amount of \$_____⁴ for coupons entitling the purchaser to discounts on service and parts that this dealership requires in order to purchase this vehicle. This fee of \$_____ is in addition to any price negotiated for this vehicle.”
- D. Each salesperson shall orally represent to every consumer (at the onset and during negotiations of the sales price) that a mandatory fee or charge for coupons, entitling the purchaser to discounts on service and parts, will be required to be paid in a specified amount in addition to any price negotiated for the vehicle; and
- E. A separate disclosure document shall be presented to every purchaser for signature

³The actual amount of any fee is to be inserted into the ‘blank’.

during the signing of any lease or retail installment agreement which states at least in part that "the purchase of coupons, entitling the purchaser to discounts on service and parts, is a dealer required option, and not required by law for the purchase of the vehicle." This language needs to be printed in bold 13 point font, Times New Roman, and be placed immediately preceding the signature line of the purchaser.

IV.

Respondent assures the Office of the Attorney General and thereby the consumers of Texas that from the date of the signing of this Assurance of Voluntary Compliance, which shall be filed with the appropriate District Court in Harris County, that Respondent, their successors, assigns, officers, directors, servants, agents, employees, representatives, and any other persons in active concert or participation with them⁵, agree to *refrain* from engaging in the following acts or practices if electing to sell optional "Consumer Service" packages and/or any other packages offering discounts for automobile related goods or services in conjunction with the purchase of a new or used vehicle :

- F. Representing, expressly or by clear implication, to any person⁶ that the purchase of a "Consumer Service" package or any other coupon package offering discounts for automobile related goods or services is mandatory, or required by the seller, when

⁴The actual amount of any fee is to be inserted into the 'blank'.

⁵Notwithstanding anything else stated or implied in this Assurance of Voluntary Compliance, it is agreed and understood that the injunctions, prohibitions and mandates herein shall only be binding upon the Respondent and its employees and not as to any other dealership, entity or person other than Sonic-Reading, L.P. d/b/a Toyota of Baytown.

purchasing a new or used automobile;

- G. Charging any person for a "Consumer Services" package, in connection with the sale or lease of a new or used automobile, which is not agreed to by the person prior to such charge and after appropriate oral and written disclosure that the item or package is optional;
- H. Representing to any person, expressly or by clear implication as demonstrated by a consistent pattern or practice, that the purchase of any optional item or benefit package in connection with the sale or lease of a new or used automobile, is mandatory or required in order to purchase or lease a new or used automobile; and
- I. Failing to inform any person interested in purchasing a new or used automobile that the purchase of a "Consumer Service" package, or any other coupon package offering discounts for automobile related goods or services, is optional.
- J. Representing on vehicle purchase and order forms (including lease agreements and retail installment agreements) that the fee for the coupon book or "Consumer Service" package is mandatory by having this item and fee pre-printed on the form.

V.

It is further stipulated that Respondent shall institute reasonable practices to provide notice of the applicable terms of this agreement to all agents and employees involved in the sale of new or used automobiles.

⁶as that term is defined in DTPA § 17.45(3).

VI.

As set forth in TEX. BUS. & COM. CODE ANN. § 17.58(c), both the STATE OF TEXAS
and

TOYOTA OF BAYTOWN acknowledge that unless this AVC has been rescinded by agreement of the parties or voided by the Court for good cause, subsequent failure to comply with the terms of this AVC is *prima facie* evidence of a violation of the Texas Deceptive Trade Practices Act in any action by the State of Texas acting by and through the Office of the Attorney General. It is also agreed and understood that this AVC shall not in any way affect individual rights of action by any consumers.

VII.

It is agreed that TOYOTA OF BAYTOWN shall fully refund⁷ to all consumers of Toyota of Baytown who purchased the "Consumer Service" package the cost of such package if 1) the consumer requests such a refund in writing to the Attorney General's Office after paying a "Consumer Service" fee and 2) if the request for a refund is received by TOYOTA OF BAYTOWN within 180 days after the date this AVC is approved by the court. Any requests for refunds of "Consumer Service" fees subsequent to the 180 day refund period will be left to the discretion of TOYOTA OF BAYTOWN.

VIII.

The acceptance of this AVC is conditioned upon payment by Respondents to the STATE

⁷The obligation for refunds shall not obligate the Respondent for any refunds prior to the date that the Respondent owned Toyota of Baytown which was the 4th day of August, 1999.

OF TEXAS the sum of Forty Five Thousand and No/100 Dollars (\$45,000) for reimbursement of investigative costs and attorneys' fees incurred by the Office of the Attorney General in pursuit and resolution of this matter. Payment of the total amount of \$45,000 to the State of Texas is in addition to the cost of any refunds set forth in the immediately preceding paragraph of this AVC. Payment of this amount shall be made to the State of Texas by submission of a company check, payable to the State of Texas and delivered or mailed to 808 Travis, Suite 300, Houston, Texas 77002, on or before September 30, 2004, provided this AVC is approved by the Court.

AGREED:

GREG ABBOTT
Attorney General of Texas

BARRY R. McBEE
First Assistant Attorney General

EDWARD D. BURBACH
Deputy Attorney General for Litigation

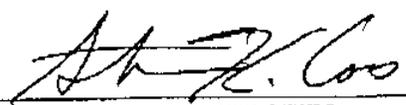
PAUL CARMONA
Chief, Consumer Protection & Public Health Division



John Owens
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(713) 223-5886, ext. 107
(713) 223-5821-fax
ATTORNEYS FOR STATE OF TEXAS



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713-621-7094 fax
**ATTORNEY FOR RESPONDENT
SONIC READING L.P.
d/b/a TOYOTA OF BAYTOWN**



TOYOTA OF BAYTOWN

NO. _____

STATE OF TEXAS
Plaintiff

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IN THE DISTRICT COURT OF

v.

HARRIS COUNTY, TEXAS

MAC HAIK CHEVROLET, LTD. d/b/a
MAC HAIK CHEVROLET,
Respondents

_____ JUDICIAL DISTRICT

ASSURANCE OF VOLUNTARY COMPLIANCE

COMES NOW the STATE OF TEXAS, acting by and through Attorney General GREG ABBOTT, and Respondent MAC HAIK CHEVROLET, LTD. d/b/a MAC HAIK CHEVROLET (hereinafter MAC HAIK CHEVROLET) and respectfully submits the following Assurance of Voluntary Compliance (“AVC”) in accordance with the Deceptive Trade Practices - Consumer Protection Act (“DTPA”), TEX. Bus. & COM. CODE ANN. § 17.58 (Vernon’s 2002).

I.

The Office of the Attorney General alleges that Respondent MAC HAIK CHEVROLET advertised goods or services with the intent not to sell them as advertised, in violation of DTPA § 17.46(b)(9) and 17.46(a). More specifically, it is alleged that Respondent improperly required its customers to purchase its coupon book (ie. “Consumer Benefits”) in addition to the price negotiated for a new or used automobile. Respondent, MAC HAIK CHEVROLET properly and timely filed its response denying each of the claims and allegations asserted by The Office of the Attorney General.

II.

It is stipulated that this Assurance of Voluntary Compliance shall fully and finally resolve any and all claims, causes of action, and allegations which may have arisen out of, or could have arisen out of, the investigation by the Consumer Protection Division of the Texas Attorney General’s Office into the business practices of MAC HAIK CHEVROLET pertaining to the “Consumer Benefits & Services” sold

before July 1, 2004, including any and all claims for injunctive relief, court costs, civil fines and penalties, restitution, damages, investigative costs and attorneys' fees.

Respondent, MAC HAIK CHEVROLET alleges it voluntarily stopped selling the "Consumer Benefits" packages made the basis of this Assurance of Voluntary Compliance, on or about August, 2002.

It is further stipulated that the State and Respondents agree to and do not contest the entry of this agreement.

III.

Respondent assures the Office of the Attorney General and thereby the consumers of Texas that from the date of the signing of this Assurance of Voluntary Compliance, which shall be filed with the appropriate District Court in Harris County, that Respondents, their successors, assigns, officers, directors, servants, agents, employees, representatives, and any other persons in active concert or participation with them, agree to *refrain* from engaging in the following acts or practices:

- A. Representing, expressly or by implication, to any person¹ that the purchase of "Consumer Benefits" or any other coupon package offering discounts for automobile related goods or services is mandatory when purchasing a new or used automobile;
- B. Charging any person for any optional item or benefit package, in connection with the sale or lease of a new or used automobile, which is not agreed to by the person prior to such charge and after appropriate oral and written disclosure that the item or package is optional;
- C. Representing to any person, expressly or by implication, that the purchase of any optional item or benefit package in connection with the sale or lease of a new or used automobile, is mandatory or required in order to purchase or lease a new or used automobile; and
- D. Failing to inform any person interested in purchasing a new or used automobile that the purchase of "Consumer Benefits" or any other coupon package offering discounts for automobile related

¹ as that term is defined in DTPA § 17.45(3)

goods or services, is optional.

IV.

It is further stipulated that Respondents shall institute reasonable practices to provide notice of the applicable terms of this agreement to all agents and employees involved in the sale of new or used automobiles.

V.

As set forth in TEX. BUS. COM. CODE § 17.58(c), both the STATE OF TEXAS and MAC HAIK CHEVROLET acknowledge that unless this AVC has been rescinded by agreement of the parties or voided by the Court for good cause, subsequent failure to comply with the terms of this AVC is *prima facie* evidence of a violation of the Texas Deceptive Trade Practices Act. It is also agreed and understood that this AVC shall not in any way affect individual rights of action by any consumers.

VI.

It is agreed that MAC HAIK CHEVROLET shall fully refund to all consumers² who purchased the "Consumer Benefits" package the cost of such package if 1) the consumer requests such a refund after providing sufficient proof that they paid for the "Consumer Benefits" package (ie. presentment of coupon book containing the consumer's name; a purchase order; and/or an invoice/receipt indicating such coupon charge was incurred by the consumer; and if, 2) the request for a refund is received by MAC HAIK CHEVROLET within 180 days after the date this AVC is approved by the court. Any requests for refunds of "Consumer Benefits & Services" fees subsequent to the 180 day refund period will be left to the discretion of MAC HAIK CHEVROLET.

VII.

The acceptance of this AVC is conditioned upon payment by Respondents to the STATE OF

² Does not include consumers who "defaulted" on their first payment as required under the contract.

TEXAS the total sum of Forty-Five Thousand and No/100 Dollars (\$45,000) for reimbursement of investigative costs and attorneys' fees incurred by the Office of the Attorney General in pursuit and resolution of this mater. Payment of the total amount of \$45,000 to the State of Texas is in addition to the cost of any refunds set forth in the immediately preceding paragraph of this AVC. Payment of this amount shall be made to the State of Texas by submission of a cashier's check, payable to the State of Texas and delivered or mailed to 808 Travis, Suite 300, Houston, Texas 77002 on or before November 5, 2004, provided this AVC is approved by the Court.

AGREED:

GREG ABBOTT
Attorney General of Texas

BARRY R. McBEE
First Assistant Attorney General

EDWARD D. BURBACH
Deputy Attorney General for Litigation

PAUL CARMONA
Chief, Consumer Protection Division and Elder Law



John Owens
Assistant Attorney General
Consumer Protection Division
808 Travis, Suite 300
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ATTORNEY FOR STATE OF TEXAS



Henry L. Robertson

Attorney at Law

8323 Southwest Freeway, Suite 605

Houston, Texas 77074-1609

713-271-5656-phone

713-271-5522 fax

ATTORNEY FOR RESPONDENT

MAC HAIK CHEVROLET, LTD.



MAC HAIK CHEVROLET, LTD.

NO. _____

STATE OF TEXAS
Plaintiff

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IN THE DISTRICT COURT OF

v.

HARRIS COUNTY, TEXAS

MAC HAIK FORD, LTD. d/b/a
MAC HAIK FORD,
Respondents

_____ JUDICIAL DISTRICT

ASSURANCE OF VOLUNTARY COMPLIANCE

COMES NOW the STATE OF TEXAS, acting by and through Attorney General GREG ABBOTT, and Respondent MAC HAIK FORD, LTD. d/b/a MAC HAIK FORD (hereinafter Mac Haik Ford) and respectfully submits the following Assurance of Voluntary Compliance (“AVC”) in accordance with the Deceptive Trade Practices - Consumer Protection Act (“DTPA”), TEX. BUS. & COM. CODE ANN. § 17.58 (Vernon’s 2002).

I.

The Office of the Attorney General alleges that Respondent Mac Haik Ford advertised goods or services with the intent not to sell them as advertised, in violation of DTPA § 17.46(b)(9) and 17.46(a). More specifically, it is alleged that Respondent improperly required its customers to purchase its coupon book (ie. “Consumer Benefits & Services”) in addition to the price negotiated for a new or used automobile. Respondent, Mac Haik Ford properly and timely filed its response denying each of the claims and allegations asserted by The Office of the Attorney General.

II.

It is stipulated that this Assurance of Voluntary Compliance shall fully and finally resolve any and all claims, causes of action, and allegations which may have arisen out of, or could have arisen out of, the investigation by the Consumer Protection Division of the Texas Attorney General’s Office into the business practices of Mac Haik Ford pertaining to the “Consumer Benefits & Services” sold before July 1,

2004, including any and all claims for injunctive relief, court costs, civil fines and penalties, restitution, damages, investigative costs and attorneys' fees.

Respondent, Mac Haik Ford alleges it voluntarily stopped selling the "Consumer Benefits & Services" packages made the basis of this Assurance of Voluntary Compliance, on or about August, 2002.

It is further stipulated that the State and Respondents agree to and do not contest the entry of this agreement.

III.

Respondent assures the Office of the Attorney General and thereby the consumers of Texas that from the date of the signing of this Assurance of Voluntary Compliance, which shall be filed with the appropriate District Court in Harris County, that Respondents, their successors, assigns, officers, directors, servants, agents, employees, representatives, and any other persons in active concert or participation with them, agree to *refrain* from engaging in the following acts or practices:

- A. Representing, expressly or by implication, to any person¹ that the purchase of "Consumer Benefits & Services" or any other coupon package offering discounts for automobile related goods or services is mandatory when purchasing a new or used automobile;
- B. Charging any person for any optional item or benefit package, in connection with the sale or lease of a new or used automobile, which is not agreed to by the person prior to such charge and after appropriate oral and written disclosure that the item or package is optional;
- C. Representing to any person, expressly or by implication, that the purchase of any optional item or benefit package in connection with the sale or lease of a new or used automobile, is mandatory or required in order to purchase or lease a new or used automobile; and
- D. Failing to inform any person interested in purchasing a new or used automobile that the purchase of "Consumer Benefits & Services" or any other coupon package offering discounts for

¹ as that term is defined in DTBA § 17.45(3)

automobile related goods or services, is optional.

IV.

It is further stipulated that Respondents shall institute reasonable practices to provide notice of the applicable terms of this agreement to all agents and employees involved in the sale of new or used automobiles.

V.

As set forth in TEX. BUS. COM. CODE § 17.58(c), both the STATE OF TEXAS and MAC HAIK FORD acknowledge that unless this AVC has been rescinded by agreement of the parties or voided by the Court for good cause, subsequent failure to comply with the terms of this AVC is *prima facie* evidence of a violation of the Texas Deceptive Trade Practices Act. It is also agreed and understood that this AVC shall not in any way affect individual rights of action by any consumers.

VI.

It is agreed that MAC HAIK FORD shall fully refund to all consumers² who purchased the "Consumer Benefits & Services" the cost of such package if 1) the consumer requests such a refund after providing sufficient proof that they paid for the "Consumer Benefits & Services" (i.e. presentment of coupon book containing the consumer's name; a purchase order; and/or an invoice/receipt indicating such coupon charge was incurred by the consumer; and if, 2) the request for a refund is received by Mac Haik Ford within 180 days after the date this AVC is approved by the court. Any requests for refunds of "Consumer Benefits & Services" fees subsequent to the 180 day refund period will be left to the discretion of Mac Haik Ford.

VII.

The acceptance of this AVC is conditioned upon payment by Respondents to the STATE OF

² Does not include consumers who "defaulted" on their first payment as required under the contract.

TEXAS the total sum of Forty-Five Thousand and No/100 Dollars (\$45,000) for reimbursement of investigative costs and attorneys' fees incurred by the Office of the Attorney General in pursuit and resolution of this mater. Payment of the total amount of \$45,000 to the State of Texas is in addition to the cost of any refunds set forth in the immediately preceding paragraph of this AVC. Payment of this amount shall be made to the State of Texas by submission of a cashier's check, payable to the State of Texas and delivered or mailed to 808 Travis, Suite 300, Houston, Texas 77002 on or before November 5, 2004, provided this AVC is approved by the Court.

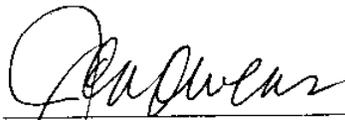
AGREED:

GREG ABBOTT
Attorney General of Texas

BARRY R. McBEE
First Assistant Attorney General

EDWARD D. BURBACH
Deputy Attorney General for Litigation

PAUL CARMONA
Chief, Consumer Protection Division and Elder Law



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ATTORNEY FOR STATE OF TEXAS



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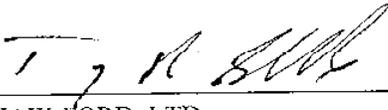
Houston, Texas 77074-1609

713-271-5656-phone

713-271-5522 fax

ATTORNEY FOR RESPONDENT

MAC HAIK FORD, LTD.



MAC HAIK FORD, LTD.

their customers to purchase their coupon books (i.e., "Consumer Services")¹ in addition to the price negotiated for a new or used automobile. Respondents deny the allegations of the Office of the Attorney General.

II.

It is further stipulated that this Assurance of Voluntary Compliance shall fully and finally resolve any and all claims, causes of action, and allegations which may have arisen out of the investigation by the Consumer Protection Division of the Texas Attorney General's Office into the business practices of Respondents pertaining to the "Consumer Services" sold at any time before August 2004, including any and all claims for injunctive relief, court costs, civil fines and penalties, restitution, damages, investigative costs and attorneys' fees. It is further stipulated that the State of Texas and Respondents agree to and do not contest the entry of this agreement. This agreement is being entered into to avoid the cost and time of litigation and shall not be deemed an admission of, or a finding of, the truth of the allegations made by the Office of the Attorney General. The Office of the Attorney General acknowledges that Respondents voluntarily discontinued the sale of the Consumer Services Package prior to the issuance of the Civil Investigative Demand.

III.

Respondents assure the Office of the Attorney General and thereby the consumers of Texas that from the date of the signing of this Assurance of Voluntary Compliance, which shall be filed with the appropriate District Court in Harris County, that Respondents, their successors, assigns, officers, directors, servants, agents, employees, representatives, and any other persons in active concert or participation with them, agree to *refrain* from engaging in the following acts or

¹ "Consumer Services" means any charge for coupons entitling a consumer to discounts on parts and/or service at the dealership.

practices:

- A. Representing, expressly or by clear implication, to any person² that the purchase of a "Consumer Services" package, or any other coupon package offering discounts for automobile related goods or services, is mandatory or required by the seller when purchasing a new or used automobile;
- B. Charging any person for a Consumer Services Package in connection with the sale or lease of a new or used automobile, which is not agreed to by the person prior to such charge, and after appropriate oral and written disclosure that the item or package is optional;
- C. Representing to any person, expressly or by clear implication as demonstrated by a consistent pattern or practice, that the purchase of any optional item or benefit package in connection with the sale or lease of a new or used automobile, is mandatory or required in order to purchase or lease a new or used automobile; and
- D. Failing to inform any person interested in purchasing a new or used automobile that the purchase of a "Consumer Services" package, or any other coupon package offering discounts for automobile related goods or services, is optional.

IV.

It is further stipulated that Respondents shall institute reasonable practices to provide notice of the applicable terms of this agreement to all agents and employees involved in the sale of new or used automobiles.

V.

As set forth in TEX. BUS. COM. CODE § 17.58(e), both the STATE OF TEXAS and Respondents acknowledge that unless this AVC has been rescinded by agreement of the parties or voided by the Court for good cause, subsequent failure to comply with the terms of this AVC is *prima facie* evidence of a violation of the Texas Deceptive Trade Practices Act in any action by the State of Texas by and through the Office of the Attorney General. It is also agreed and understood that this AVC shall not in any way affect individual rights of action by any consumers.

²as that term is defined in DTPA § 17.45(3).

VI.

It is agreed that JOE MYERS AUTOMOTIVE, JOE MYERS FORD, JOE MYERS MAZDA, and JOE MYERS MITSUBISHI shall fully refund to all consumers³ who purchased their "Consumer Services"⁴ the cost of such package if 1) the consumer requests such a refund in writing to the Attorney General's Office after paying for the "Consumer Services" and 2) if the request for a refund is received by Respondents within 180 days after the date this AVC is approved by the court. Any requests for refunds of "Consumer Services" fees subsequent to the 180 day refund period will be left to the discretion of Respondents.

VII.

The acceptance of this AVC is conditioned upon payment by Respondents JOE MYERS AUTOMOTIVE and JOE MYERS FORD to the STATE OF TEXAS the sum of Thirty Thousand and No/100 Dollars (\$30,000) *each*, and by Respondents JOE MYERS MAZDA and JOE MYERS MITSUBISHI to the STATE OF TEXAS the sum of Forty-five Thousand and No/100 Dollars (\$45,000) *each*, for reimbursement of investigative costs and attorneys' fees incurred by the Office of the Attorney General in pursuit and resolution of this matter. Payment of these amounts to the State of Texas is in addition to the cost of any refunds set forth in the immediately preceding paragraph of this AVC. Payment of these amounts shall be made to the State of Texas by submission of a cashier's check, payable to the State of Texas and delivered or mailed to 808 Travis, Suite 300, Houston, Texas 77002, on or before October 22, 2004.

³Does not include consumers who "defaulted" on their first payment as required under the contract.

⁴Irrespective of when the consumer purchased the consumer services package.

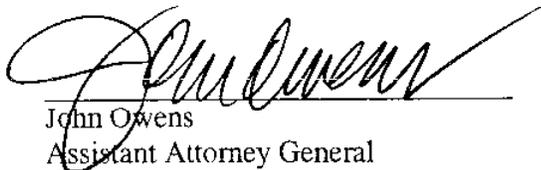
AGREED:

GREG ABBOTT
Attorney General of Texas

BARRY R. McBEE
First Assistant Attorney General

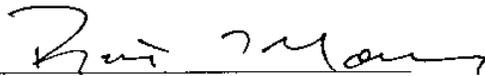
EDWARD D. BURBACH
Deputy Attorney General for Litigation

PAUL CARMONA
Chief, Consumer Protection and Public Health Division



John Owens
Assistant Attorney General
State Bar No: 15379200
Consumer Protection Division
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ATTORNEYS FOR STATE OF TEXAS



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(214) 740-8800 (Telecopy)

ATTORNEY FOR RESPONDENTS

**JOE MYERS AUTOMOTIVE,
INC., JOE MYERS FORD II, L.P.
d/b/a JOE MYERS FORD, JOE
MYERS MOTORS-THREE, INC.
d/b/a JOE MYERS MAZDA and
JOE MYERS MOTORS, INC.
d/b/a JOE MYERS MITSUBISHI**

Joe Myers Automotive, Inc.

Jeffery Rocco *By permission*
Jeffery Rocco, General Manager/Partner *Rfmu*

Joe Myers Ford II, L.P.
d/b/a Joe Myers Ford

Bill Tennant *By permission*
Bill Tennant, General Manager *Rfmu*

Joe Myers Motors-Three, Inc.
d/b/a Joe Myers Mazda

Joe Myers Motors, Inc.
d/b/a Joe Myers Mitsubishi

Mike Earls *By permission*
Mike Earls, General Manager *Rfmu*

	NO.	
STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
Plaintiff	§	
	§	
V.	§	HARRIS COUNTY, TEXAS
	§	
DEMONTROND BUICK COMPANY	§	
d/b/a DEMONTROND AUTOMOTIVE	§	
GROUP, INC., SAN JACINTO	§	
OLDSMOBILE-CADILLAC, INC.	§	
d/b/a DEMONTROND AUTO	§	
COUNTRY, & DEMONTROND	§	
MOTOR CORPORATION d/b/a	§	
DEMONTROND CHEVROLET-	§	
OLDSMOBILE, INC.	§	
Respondents	§	_____ JUDICIAL DISTRICT

ASSURANCE OF VOLUNTARY COMPLIANCE

COMES NOW the STATE OF TEXAS, acting by and through Attorney General GREG ABBOTT, and Respondents DEMONTROND BUICK COMPANY d/b/a DEMONTROND AUTOMOTIVE GROUP, INC. (hereinafter "Demontrond Buick"), SAN JACINTO OLDSMOBILE-CADILLAC, INC. d/b/a DEMONTROND AUTO COUNTRY (hereinafter "Demontrond Auto Country") and DEMONTROND MOTOR CORPORATION, d/b/a DEMONTROND CHEVROLET-OLDSMOBILE, INC. (hereinafter "Demontrond Chevrolet"), (hereinafter collectively "Respondents") and respectfully submits the following Assurance of Voluntary Compliance ("AVC") in accordance with the Deceptive Trade Practices - Consumer Protection Act ("DTPA"), TEX. BUS. & COM. CODE ANN. § 17.58 (Vernon's 2002).

I.

The Office of the Attorney General alleges that Respondents DEMONTROND BUICK, DEMONTROND AUTO COUNTRY, and DEMONTROND CHEVROLET advertised

goods or services with the intent not to sell them as advertised, in violation of DTPA § 17.46(b)(9) and 17.46(a). More specifically, it is alleged that Respondents improperly required its customers to purchase its coupon book (ie. "Consumer Service")¹ in addition to the price negotiated for a new or used automobile. Respondents deny the allegations of the Office of the Attorney General. It is understood that the execution and entry of this Assurance of Voluntary Compliance is not an admission of wrong doing by any Respondent. Respondents have contended and continue to contend that it is has not violated any law or regulation. This Assurance of Voluntary Compliance is entered into solely in order to end any dispute and to limit legal fees and costs for all parties.

II.

It is further stipulated that this Assurance of Voluntary Compliance shall fully and finally resolve any and all claims, causes of action, and allegations which may have arisen out of the investigation by the Consumer Protection Division of the Texas Attorney General's Office into the business practices of DEMONTROND BUICK, DEMONTROND AUTO COUNTRY and DEMONTROND CHEVROLET pertaining to the "Consumer Service" packages sold before September 2004, including any and all claims for injunctive relief, court costs, civil fines and penalties, restitution, damages, investigative costs and attorneys' fees. It is further stipulated that the State and Respondents agree to and do not contest the entry of this agreement. This agreement shall not be deemed an admission of, or a finding of, the truth of the allegations made by the Office of the Attorney General.

III.

Respondents assure the Office of the Attorney General and thereby the consumers

¹"Consumer Service" means any charge for coupons or other promotions entitling a consumer to discounts on parts, services, and related items at the dealership.

of Texas that from the date of the signing of this Assurance of Voluntary Compliance, which shall be filed with the appropriate District Court in Harris County, that Respondents, their successors, assigns, officers, directors, servants, agents, employees, representatives, and any other persons in active concert or participation with them, agree to refrain from engaging in the following acts or practices:

1. Representing, expressly or by implication, to any person² that the purchase of a "Consumer Service" package or any other coupon package offering discounts for automobile related goods or services is mandatory when purchasing a new or used automobile;
2. Charging any person for a Consumer Services package in connection with the sale or lease of a new or used automobile, which is not agreed to by the person prior to such charge and after appropriate oral and written disclosure that the item or package is optional;
3. Representing to any person expressly, or by clear implication as demonstrated by a consistent pattern or practice, that the purchase of any optional item or benefit package in connection with the sale or lease of a new or used automobile, is mandatory or required in order to purchase or lease a new or used automobile; and
4. Failing to inform any person interested in purchasing a new or used automobile that the purchase of "Consumer Service" or any other coupon package offering discounts for automobile related goods or services, is optional.

²as that term is defined in DTPA § 17.45(3).

5. Representing on vehicle purchase and order forms (including lease agreements and retail installment agreements) that the fee for the coupon book or "Consumer Service" is mandatory by having this item and/or fee pre-printed on the form.

IV.

It is further stipulated that Respondents shall continue to institute reasonable practices to provide notice of the applicable terms of this agreement to all agents and employees involved in the sale of new or used automobiles.

V.

As set forth in TEX. BUS. COM. CODE § 17.58(c), both the STATE OF TEXAS and Respondents acknowledge that unless this AVC has been rescinded by agreement of the parties or voided by the Court for good cause, subsequent failure to comply with the terms of this AVC is prima facie evidence of a violation of the Texas Deceptive Trade Practices Act in any action by the State of Texas acting by and through the Office of the Attorney General. It is also agreed and understood that this AVC shall not in any way affect individual rights of action by any consumers.

VI.

It is agreed that DEMONTROND BUICK, DEMONTROND AUTO COUNTRY, and DEMONTROND CHEVROLET shall fully refund to all consumers who purchased the "Consumer Service"³ package, the cost of such package if 1) the consumer requests such a refund in writing to the Attorney General's Office after paying for the "Consumer Service" fee; 2) if the request for a refund is received by Respondents within 180 days after the date

³ Irrespective of when the consumer purchased the consumer services package.

this AVC is approved by the court; and 3) Return to Respondent all unused coupons or coupon books to the extent that they have not been lost or destroyed. Any requests for refunds of "Consumer Service" fees subsequent to the 180 day refund period will be left to the discretion of Respondents.

VII.

The acceptance of this AVC is conditioned upon payment by Respondents DEMONTROND BUICK and DEMONTROND AUTO COUNTRY to the STATE OF TEXAS the sum of Forty Five Thousand and No/100 Dollars (\$45,000) each, for reimbursement of investigative costs and attorneys' fees incurred by the Office of the Attorney General in pursuit and resolution of each of these matters. This AVC is further conditioned upon payment by DEMONTROND CHEVROLET to the STATE OF TEXAS the sum of Twenty Thousand and No/100 Dollars (\$20,000), for reimbursement of investigative costs and attorneys' fees incurred by the Office of the Attorney General in pursuit and resolution of this matter. Payment of the total amount of \$110,000 by Respondents to the State of Texas is in addition to the cost of any refunds set forth in the immediately preceding paragraph of this AVC. Payment of these amounts shall be made to the State of Texas by submission of a cashier's check, payable to the State of Texas and delivered or mailed to 808 Travis, Suite 300, Houston, Texas 77002, on or before March 15, 2005.

AGREED:

GREG ABBOTT
Attorney General of Texas

BARRY R. McBEE
First Assistant Attorney General

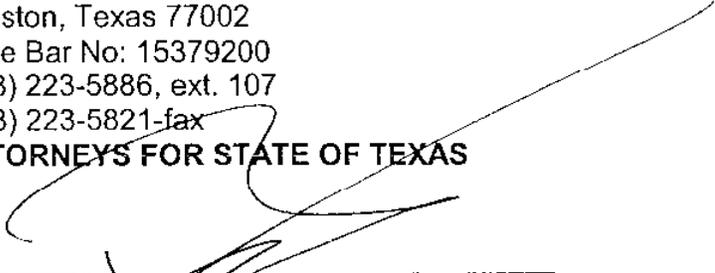
EDWARD D. BURBACH
Deputy Attorney General for Litigation

PAUL CARMONA
Chief, Consumer Protection and Public Health Division



John Owens
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713-622-8077 fax

ATTORNEY FOR RESPONDENTS



DEMONTROND BUICK COMPANY d/b/a
DEMONTROND AUTOMOTIVE GROUP, INC.



SAN JACINTO OLDSMOBILE-CADILLAC, INC.
d/b/a DEMONTROND AUTO COUNTRY



DEMONTROND MOTOR CORPORATION
d/b/a DEMONTROND CHEVROLET-OLDSMOBILE, INC.

NO. _____

STATE OF TEXAS,
Plaintiff

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IN THE DISTRICT COURT OF

v.

HARRIS COUNTY, TEXAS

PRESTIGE FORD COMPANY LTD.
PARTNERSHIP d/b/a RANDALL
REED FORD OF HUMBLE,
Respondents

_____ JUDICIAL DISTRICT

ASSURANCE OF VOLUNTARY COMPLIANCE

COMES NOW the STATE OF TEXAS, acting by and through Attorney General GREG ABBOTT, and Respondent PRESTIGE FORD COMPANY LTD. PARTNERSHIP d/b/a RANDALL REED FORD OF HUMBLE (hereinafter "Randall Reed Ford"), and respectfully submits the following Assurance of Voluntary Compliance ("AVC") in accordance with the Deceptive Trade Practices - Consumer Protection Act ("DTPA"), TEX. BUS. & COM. CODE ANN. § 17.58 (Vernon's 2002).

I.

The Office of the Attorney General alleges that Respondent RANDALL REED FORD advertised goods or services with the intent not to sell them as advertised, in violation of DTPA § 17.46(b)(9) and 17.46(a). More specifically, it is alleged that RANDALL REED FORD improperly required its customers to purchase its coupon book (ie. "Dealer Services")¹ in addition to the price negotiated for a new or used automobile. Respondent denies the allegations of the Office of the Attorney General.

¹ Randall Reed Ford of Humble's "Dealer Services" charge was also listed as "Customer Services" on many of the Buyer's Order forms. For the purposes of this AVC, this package of coupons offering discounts on oil changes, parts, and service which includes all such coupon books or smart cards sold will be referred to as "Dealer Services."

II.

It is further stipulated that this Assurance of Voluntary Compliance shall fully and finally resolve any and all claims, causes of action, and allegations which may have arisen out of the investigation by the Consumer Protection Division of the Texas Attorney General's Office into the business practices of RANDALL REED FORD pertaining to the "Dealer Services" sold before August 2004, including any and all claims for injunctive relief, court costs, civil fines and penalties, restitution, damages, investigative costs and attorneys' fees. It is further stipulated that the State and Respondents agree to and do not contest the entry of this agreement. This agreement shall not be deemed an admission of, or a finding of, the truth of the allegations made by the Office of the Attorney General.

III.

Respondent assures the Office of the Attorney General and thereby the consumers of Texas that from the date of the signing of this Assurance of Voluntary Compliance, which shall be filed with the appropriate District Court in Harris County, that Respondents, their successors, assigns, officers, directors, servants, agents, employees, representatives, and any other persons in active concert or participation with them, agree to refrain from engaging in the following acts or practices:

- A. Representing, expressly or by clear implication, to any person² that the purchase of "Dealer Services" or any other coupon package offering discounts for automobile related goods or services is mandatory or required by the seller, when purchasing a new or used automobile;

²as that term is defined in DTPA § 17.45(3).

- B. Charging any person for “Dealer Services,” in connection with the sale or lease of a new or used automobile, when such charge is not agreed to by the person prior to such sale and after appropriate oral and written disclosure that the item or package is optional;
- C. Representing to any person, expressly or by clear implication as demonstrated by a consistent pattern or practice, that the purchase of any optional item or benefit package in connection with the sale or lease of a new or used automobile, is mandatory or required in order to purchase or lease a new or used automobile; and
- D. Failing to inform any person interested in purchasing a new or used automobile that the purchase of “Dealer Services” or any other coupon package offering discounts for automobile related goods or services, is optional.
- E. Representing on vehicle purchase and order forms (including lease agreements and retail install agreements) that the fee for the coupon book or “Dealer Services” is mandatory by having this item and/or fee pre-printed on the form.

IV.

It is further stipulated that Respondents shall institute reasonable practices to provide notice of the applicable terms of this agreement to all agents and employees involved in the sale of new or used automobiles.

V.

As set forth in TEX. BUS. COM. CODE § 17.58(c), both the STATE OF TEXAS and RANDALL REED FORD acknowledge that unless this AVC has been rescinded by agreement of the parties or voided by the Court for good cause, subsequent failure to comply with the terms of this

AVC is *prima facie* evidence of a violation of the Texas Deceptive Trade Practices Act in any action by the State of Texas acting by and through the Office of the Attorney General. It is also agreed and understood that this AVC shall not in any way affect individual rights of action by any consumers.

VI.

It is agreed that RANDALL REED FORD shall fully refund to all consumers³ who purchased the “Dealer Services”⁴ the cost of such package if 1) the consumer requests such a refund in writing to the Attorney General’s Office after paying for the “Dealer Services, and 2) if the request for a refund is received by RANDALL REED FORD within 180 days after the date this AVC is approved by the court. Any requests for refunds of “Dealer Services” fees subsequent to the 180 day refund period will be left to the discretion of RANDALL REED FORD.

VII.

The acceptance of this AVC is conditioned upon payment by Respondent to the STATE OF TEXAS the sum of Forty Thousand and No/100 Dollars (\$40,000) for reimbursement of investigative costs and attorneys’ fees incurred by the Office of the Attorney General in pursuit and resolution of this matter. Payment of the total amount of \$40,000 to the State of Texas is in addition to the cost of any refunds set forth in the immediately preceding paragraph of this AVC. Payment of this amount shall be made to the State of Texas by submission of a cashier’s check, payable to the State of Texas and delivered or mailed to 808 Travis, Suite 300, Houston, Texas 77002, on or before October 22, 2004.

³Does not include consumers who “defaulted” on their first payment as required under the contract.

⁴Irrespective of when the consumer purchased the consumer services package.

AGREED:

GREG ABBOTT
Attorney General of Texas

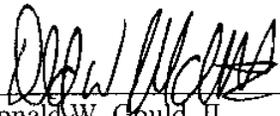
BARRY R. McBEE
First Assistant Attorney General

EDWARD D. BURBACH
Deputy Attorney General for Litigation

PAUL CARMONA
Chief, Consumer Protection and Public Health Division



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ATTORNEY FOR RESPONDENTS
PRESTIGE FORD CO. LTD. PARTNERSHIP
d/b/a RANDALL REED FORD OF HUMBLE



PRESTIGE FORD CO. LTD. PARTNERSHIP
d/b/a RANDALL REED FORD OF HUMBLE

NO.

STATE OF TEXAS,
Plaintiff

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IN THE DISTRICT COURT OF

5.

HARRIS COUNTY, TEXAS

WORLD CLASS AUTOTAIN-
MENT, INC. d/b/a PLANET FORD,
Respondents

_____ JUDICIAL DISTRICT

ASSURANCE OF VOLUNTARY COMPLIANCE

COMES NOW the STATE OF TEXAS, acting by and through Attorney General GREG ABBOTT, and Respondent WORLD CLASS AUTOTAINMENT, INC. d/b/a PLANET FORD (hereinafter referred to as "Planet Ford"), and respectfully submits the following Assurance of Voluntary Compliance ("AVC") in accordance with the Deceptive Trade Practices - Consumer Protection Act ("DTPA"), TEX. BUS. & COM. CODE ANN. § 17.58 (Vernon's 2002).

I.

The Office of the Attorney General alleges that Respondent PLANET FORD advertised goods or services with the intent not to sell them as advertised, in violation of DTPA § 17.46(b)(9) and 17.46(a). More specifically, it is alleged that PLANET FORD improperly required its customers to purchase its coupon book (ie. "Dealer Services")¹ in addition to the price negotiated for a new or used automobile. Respondent denies the allegations of the Office of the Attorney General.

¹ World Class Autotainment, Inc.'s "Dealer Services" charge was also listed as "DSF" for "Dealer Service Fees" on many of the Buyer's Order forms. For the purposes of this AVC, this package of coupons offering discounts on oil changes, parts, and service—which includes all such coupon books or smart cards sold—will be referred to as "Dealer Services."

II.

It is further stipulated that this Assurance of Voluntary Compliance shall fully and finally resolve any and all claims, causes of action, and allegations which may have arisen out of the investigation by the Consumer Protection Division of the Texas Attorney General's Office into the business practices of PLANET FORD pertaining to the "Dealer Services" sold before August 2004, including any and all claims for injunctive relief, court costs, civil fines and penalties, restitution, damages, investigative costs and attorneys' fees. It is further stipulated that the State and Respondents agree to and do not contest the entry of this agreement. This agreement shall not be deemed an admission of, or a finding of, the truth of the allegations made by the Office of the Attorney General.

III.

Respondent assures the Office of the Attorney General and thereby the consumers of Texas that from the date of the signing of this Assurance of Voluntary Compliance, which shall be filed with the appropriate District Court in Harris County, that Respondent, its successors, assigns, officers, directors, servants, agents, employees, representatives, and any other persons in active concert or participation with them, agree to refrain from engaging in the following acts or practices:

1. Representing, expressly or by clear implication, to any person² that the purchase of "Dealer Services", or any other coupon package offering discounts for automobile related goods or services, is mandatory or required by the seller, when purchasing a new or used automobile;
2. Charging any person for "Dealer Services", in connection with the sale or lease of a new or used automobile, when such charge is not agreed to by the person prior to such sale and after appropriate oral and written disclosure that the item or package is

²as that term is defined in DTPA § 17.45(3).

- optional;
3. Representing to any person, expressly or by clear implication as demonstrated by a consistent pattern or practice, that the purchase of any optional item or benefit package in connection with the sale or lease of a new or used automobile, is mandatory or required in order to purchase or lease a new or used automobile; and
 4. Failing to inform any person interested in purchasing a new or used automobile that the purchase of "Dealer Services" or any other coupon package offering discounts for automobile related goods or services, is optional.
 5. Representing on vehicle purchase and order forms (including lease agreements and retail installment agreements) that the fee for the coupon book or "Dealer Services" is mandatory by having this item and/or fee pre-printed on the form.

IV.

It is further stipulated that Respondent shall institute reasonable practices to provide notice of the applicable terms of this agreement to all agents and employees involved in the sale of new or used automobiles.

V.

As set forth in TEX. BUS. COM. CODE § 17.58(c), both the STATE OF TEXAS and **PLANET FORD** acknowledge that unless this AVC has been rescinded by agreement of the parties or voided by the Court for good cause, subsequent failure to comply with the terms of this AVC is *prima facie* evidence of a violation of the Texas Deceptive Trade Practices Act in any action by the State of Texas acting by and through the Office of the Attorney General. It is also agreed and understood that this AVC shall not in any way affect individual rights of action by any consumers.

VI.

It is agreed that PLANET FORD shall fully refund to all consumers³ who purchased the "Dealer Services"⁴ the cost of such package if 1) the consumer requests such a refund in writing to the Attorney General's Office after paying for the "Dealer Services, and 2) if the request for a refund is received by PLANET FORD within 180 days after the date this AVC is approved by the court. Any requests for refunds of "Dealer Services" fees subsequent to the 180 day refund period will be left to the discretion of PLANET FORD.

VII.

The acceptance of this AVC is conditioned upon payment by Respondent to the STATE OF TEXAS the sum of Forty Five Thousand and No/100 Dollars (\$45,000) for reimbursement of investigative costs and attorneys' fees incurred by the Office of the Attorney General in pursuit and resolution of this matter. Payment of the total amount of \$45,000 to the State of Texas is in addition to the cost of any refunds set forth in the immediately preceding paragraph of this AVC. Payment of this amount shall be made to the State of Texas by submission of a cashier's check, payable to the State of Texas and delivered or mailed to 808 Travis, Suite 300, Houston, Texas 77002 on or before October 22, 2004.

AGREED:

GREG ABBOTT
Attorney General of Texas

³Does not include consumers who "defaulted" on their first payment as required under the contract.

⁴Irrespective of when the consumer purchased the consumer services package.

Attorney General of Texas

BARRY R. McBEE
First Assistant Attorney General

EDWARD D. BURBACH
Deputy Attorney General for Litigation

PAUL CARMONA
Chief, Consumer Protection and Public Health Division



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713-652-5130 - fax
**ATTORNEY FOR RESPONDENT
WORLD CLASS AUTOTAINMENT, INC.,
DBA PLANET FORD**



**WORLD CLASS AUTOTAINMENT, INC.
d/b/a PLANET FORD**

	NO.	
STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
Plaintiff	§	
	§	
v.	§	HARRIS COUNTY, TEXAS
	§	
BILL HEARD CHEVROLET, LTD.,	§	
Respondent	§	_____ JUDICIAL DISTRICT

ASSURANCE OF VOLUNTARY COMPLIANCE

COMES NOW the STATE OF TEXAS, acting by and through Attorney General GREG ABBOTT, and Respondent BILL HEARD CHEVROLET, LTD. (hereinafter BILL HEARD CHEVROLET) and respectfully submits the following Assurance of Voluntary Compliance (“AVC”) in accordance with the Deceptive Trade Practices - Consumer Protection Act (“DTPA”), TEX. BUS. & COM. CODE ANN. § 17.58 (Vernon’s 2002).

I.

The Office of the Attorney General alleges that Respondent BILL HEARD CHEVROLET advertised goods or services with the intent not to sell them as advertised, in violation of DTPA § 17.46(b)(9) and 17.46(a). More specifically, it is alleged that Respondent improperly required its customers to purchase its coupon book (ie. “Consumer Services”)¹ in addition to the price negotiated for a new or used automobile. Respondent denies the allegations of the Office of the Attorney General.

II.

It is further stipulated that this Assurance of Voluntary Compliance shall fully and finally

¹ “Consumer Services” means any charge for coupons or other programs entitling a consumer to discounts on parts, service and related items at the dealership.

resolve any and all claims, causes of action, and allegations which may have arisen out of the investigation by the Consumer Protection Division of the Texas Attorney General's Office into the business practices of BILL HEARD CHEVROLET pertaining to the "Consumer Services" sold at any time before August 2004, including any and all claims for injunctive relief, court costs, civil fines and penalties, restitution, damages, investigative costs and attorneys' fees. It is further stipulated that the State of Texas and Respondent agree to and do not contest the entry of this agreement. This agreement is being entered into to avoid the cost and time of litigation and shall not be deemed an admission of, or a finding of, the truth of the allegations made by the Office of the Attorney General.

III.

Respondent assures the Office of the Attorney General and thereby the consumers of Texas that from the date of the signing of this Assurance of Voluntary Compliance, which shall be filed with the appropriate District Court in Harris County, that Respondent, its successors, assigns, officers, directors, servants, agents, employees, representatives, and any other persons in active concert or participation with it, agree to *refrain* from engaging in the following acts or practices:

- A. Representing, expressly or by clear implication, to any person² that the purchase of a "Consumer Services" package, or any other coupon package offering discounts for automobile related goods or services, is mandatory or required by the seller when purchasing a new or used automobile;
- B. Charging any person for a consumer services package in connection with the sale or lease of a new or used automobile, which is not agreed to by the person prior to such charge, and after appropriate oral and written disclosure that the item or package is

²as that term is defined in DTPA § 17.45(3).

optional;

- C. Representing to any person, expressly or by clear implication as demonstrated by a consistent pattern or practice, that the purchase of any optional item or benefit package in connection with the sale or lease of a new or used automobile, is mandatory or required in order to purchase or lease a new or used automobile; and
- D. Failing to inform any person interested in purchasing a new or used automobile that the purchase of a "Consumer Services" package, or any other coupon package offering discounts for automobile related goods or services, is optional.

IV.

It is further stipulated that Respondent shall institute reasonable practices to provide notice of the applicable terms of this agreement to all agents and employees involved in the sale of new or used automobiles.

V.

As set forth in TEX. BUS. COM. CODE § 17.58(c), both the STATE OF TEXAS and BILL HEARD CHEVROLET acknowledge that unless this AVC has been rescinded by agreement of the parties or voided by the Court for good cause, subsequent failure to comply with the terms of this AVC is *prima facie* evidence of a violation of the Texas Deceptive Trade Practices Act in any action by the State of Texas by and through the Office of the Attorney General. It is also agreed and understood that this AVC shall not in any way affect individual rights of action by any consumers.

VI.

It is agreed that BILL HEARD CHEVROLET shall fully refund to all consumers³ who purchased its "Consumer Services"⁴ the cost of such package if 1) the consumer requests such a refund in writing to the Attorney General's Office after paying for the "Consumer Services" and 2) if the request for a refund is received by BILL HEARD CHEVROLET within 180 days after the date this AVC is approved by the court. Any requests for refunds of "Consumer Services" fees subsequent to the 180 day refund period will be left to the discretion of BILL HEARD CHEVROLET.

VII.

The acceptance of this AVC is conditioned upon payment by Respondents to the STATE OF TEXAS the sum of Forty Five Thousand and No/100 Dollars (\$45,000) for reimbursement of investigative costs and attorneys' fees incurred by the Office of the Attorney General in pursuit and resolution of this matter. Payment of this amount to the State of Texas is in addition to the cost of any refunds set forth in the immediately preceding paragraph of this AVC. Payment of this amount shall be made to the State of Texas by submission of a cashier's check, payable to the State of Texas and delivered or mailed to 808 Travis, Suite 300, Houston, Texas 77002, on or before October 22, 2004.

³Does not include consumers who "defaulted" on their first payment as required under the contract.

⁴Irrespective of when the consumer purchased the consumer services package.

AGREED:

GREG ABBOTT
Attorney General of Texas

BARRY R. McBEE
First Assistant Attorney General

EDWARD D. BURBACH
Deputy Attorney General for Litigation

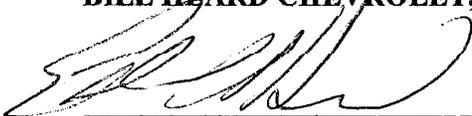
PAUL CARMONA
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ATTORNEY FOR RESPONDENT
BILL HEARD CHEVROLET, LTD.



BILL HEARD CHEVROLET, LTD.

		NO.	
STATE OF TEXAS,	§		IN THE DISTRICT COURT OF
Plaintiff		§	
		§	
v.		§	HARRIS COUNTY, TEXAS
		§	
		§	
KINGWOOD AUTOMOTIVE, LLC §			
d/b/a KINGWOOD IMPORT CENTER	§		
Respondents	§		_____ JUDICIAL DISTRICT

ASSURANCE OF VOLUNTARY COMPLIANCE

COMES NOW the STATE OF TEXAS, acting by and through Attorney General GREG ABBOTT, and Respondent KINGWOOD AUTOMOTIVE, LLC d/b/a KINGWOOD IMPORT CENTER, and respectfully submits the following Assurance of Voluntary Compliance ("AVC") in accordance with the Deceptive Trade Practices - Consumer Protection Act ("DTPA"), TEX. BUS. & COM. CODE ANN. § 17.58 (Vernon's 2002).

I.

The Office of the Attorney General alleges that Respondent KINGWOOD AUTOMOTIVE, LLC d/b/a KINGWOOD IMPORT CENTER, in its operations at 22555 and 22565 Hwy. 59 North in Kingwood, Texas, advertised goods or services with the intent not to sell them as advertised, in violation of DTPA § 17.46(b)(9) and 17.46(a). More specifically, it is alleged that Respondent improperly required its customers to purchase a coupon book (ie. "Consumer Services")¹ in addition to the price negotiated for a new or used automobile. Respondent denies the allegations of the Office of the Attorney General.

¹ Kingwood Automotive LLC d/b/a Kingwood Import Center "Consumer Services" package was also listed as "Consumer Package" on many of the Buyer's Order forms. For the purposes of this AVC, this package of coupons offering discounts on oil changes, parts, and service--which includes all such coupon books sold--will be referred to as "Consumer Services."

II.

It is stipulated that this Assurance of Voluntary Compliance shall fully and finally resolve any and all claims, causes of action, and allegations which may have arisen out of the investigation by the Consumer Protection Division of the Texas Attorney General's Office into the business practices of KINGWOOD AUTOMOTIVE, LLC d/b/a KINGWOOD IMPORT CENTER pertaining to the "Consumer Services" sold at any time before August 2004, including any and all claims for injunctive relief, court costs, civil fines and penalties, restitution, damages, investigative costs and attorneys' fees. It is further stipulated that the Office of the Attorney General and Respondent agree to and do not contest the entry of this agreement. This agreement shall not be deemed an admission of, or a finding of, the truth of the allegations made by the Office of the Attorney General.

III.

Respondent assures the Office of the Attorney General and thereby the consumers of Texas that from the date of the signing of this Assurance of Voluntary Compliance, which shall be filed with the appropriate District Court in Harris County, that Respondent, its successors, assigns, officers, directors, servants, agents, employees, representatives, and any other persons in active concert or participation with them, agree to *refrain* from engaging in the following acts or practices:

- A. Representing, expressly or by clear implication, to any person² that the purchase of "Consumer Services" is mandatory, or required by the seller, when purchasing a new or used automobile;
- B. Charging any person for a "Consumer Services" package, in connection with the sale

²as that term is defined in DTPA § 17.45(3).

or lease of a new or used automobile, when such charge is not agreed to by the person prior to such sale, or before appropriate oral and written disclosure that the item or package is optional;

- C. Representing to any person expressly, or by clear implication as demonstrated by a consistent pattern or practice, that the purchase of any optional item or benefit package in connection with the sale or lease of a new or used automobile, is mandatory or required in order to purchase or lease a new or used automobile; and
- D. Failing to inform any person interested in purchasing a new or used automobile that the purchase of a "Consumer Services" package or any other coupon package offering discounts for automobile related goods or services, is optional.

IV.

It is further stipulated that Respondents shall institute reasonable practices to provide notice of the applicable terms of this agreement to all agents and employees involved in the sale of new or used automobiles.

V.

As set forth in TEX. BUS. COM. CODE § 17.58(c), both the STATE OF TEXAS and KINGWOOD AUTOMOTIVE, LLC d/b/a KINGWOOD IMPORT CENTER acknowledge that unless this AVC has been rescinded by agreement of the parties or voided by the Court for good cause, subsequent failure to comply with the terms of this AVC is *prima facie* evidence of a violation of the Texas Deceptive Trade Practices Act in any action by the State of Texas acting by and through the Office of the Attorney General. It is also agreed and understood that this AVC shall not in any way affect individual rights of action by any consumers.

VI.

It is agreed that KINGWOOD AUTOMOTIVE, LLC d/b/a KINGWOOD IMPORT CENTER shall fully refund to all consumers who purchased its "Consumer Services"³ package, the cost of such package if 1) the consumer requests such a refund in writing by completing the form attached hereto as Exhibit "A" and delivering it to the Attorney General's Office after paying for the "Consumer Services" and 2) if the request for a refund is received by KINGWOOD AUTOMOTIVE, LLC d/b/a KINGWOOD IMPORT CENTER within 180 days after the date this AVC is approved by the court.

VII.

The acceptance of this AVC is conditioned upon payment of the sum of Thirty Thousand Dollars (\$30,000) by Respondents to the STATE OF TEXAS for reimbursement of investigative costs and attorneys' fees incurred by the Office of the Attorney General in pursuit and resolution of this matter. Payment of the amount of \$30,000 to the State of Texas is in addition to the cost of any refunds set forth in the immediately preceding paragraph of this AVC. Payment of the full amount shall be made to the State of Texas in 12 equal monthly payments of \$2,500 each by submission of a cashier's check for the amount of the payment, payable to the State of Texas and delivered or mailed to 808 Travis, Suite 300, Houston, Texas 77002, before the last day of each month, with the first payment due on or before the last day of September, 2004, and an equal payment due on or before the last day of each succeeding month thereafter until the final payment is made on or before the last day of August, 2005.

³ Provided the purchase of coupons occurred on or after April 9, 2002.

AGREED:

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Attorney General of Texas

BARRY R. McBEE
First Assistant Attorney General

EDWARD D. BURBACH
Deputy Attorney General for Litigation

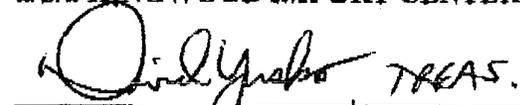
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KINGWOOD AUTOMOTIVE, LLC
d/b/a KINGWOOD IMPORT CENTER