

U.S. UPDATE

Recent State Attorney General Action

Every state in the U.S. has an Attorney General's Office that is empowered to enforce various state laws, some of which govern auto dealers directly and others of which protect consumers generally and can be applied to auto dealers. Some states are more aggressive about enforcing consumer protection laws than are others. In Florida, the Attorney General recently stepped up its enforcement actions.

Florida Attorney General Pam Bondi announced a lawsuit against a Jacksonville, Florida dealership and its principals for what the Attorney General contends are unscrupulous business practices in violation of Florida law. The eight-count Complaint filed against Beach Boulevard Automotive, its finance arm, Beach Boulevard Auto Finance, and principals John King, Senior and Barbara King alleges a broader array of violations by the auto dealer. The violations include:

- requiring some consumers to purchase credit life insurance and credit disability insurance as a condition of sale;
- tracking vehicles, for repossession purposes, via GPS without consumer knowledge or authorization;
- adding charges to the price of cars without proper disclosure;
- keeping consumers' deposits without adequate disclosure;
- posting false reviews on the Internet;
- selling motor vehicle retail installment contracts without a proper license;
- wrongfully and unfairly repossessing vehicles; and
- threatening force or violence in dealing with customers.

According to the Florida Attorney General, they had received nearly 80 consumer complaints. The Attorney General is seeking restitution and civil penalties which can reach \$15,000 per violation, plus attorney's fees and costs. Not surprisingly, Beach Boulevard Automotive thinks the Attorney General is out of line in filing the lawsuit and plans to file a Motion to Dismiss.