

FILED

JUL 28 2016

SONYA KRASKI
COUNTY CLERK
SNOHOMISH CO. WASH.

STATE OF WASHINGTON
SNOHOMISH COUNTY SUPERIOR COURT

STATE OF WASHINGTON,

Plaintiff,

v.

ZEIN AUTOMOBILES, INC., d/b/a
INDEPENDENCE AUTO CENTER
and BEST BET AUTO SALES.

Defendant.

NO.

16 2 16653 31

CONSENT DECREE

(Clerk's Action Required)

Agreed

I. INTRODUCTION

1.1 The State of Washington, through its attorneys Robert W. Ferguson, Attorney General, and Marsha Chien, Assistant Attorney General, commenced this action to enforce the Washington Law Against Discrimination, RCW 49.60, and the Unfair Business Practices—Consumer Protection Act, RCW 19.86. The State alleges that Zein Automobiles, Inc. d/b/a Independence Auto Center and Best Bet Auto Sales (“Zein Automobiles”) is liable for discrimination on the basis of national origin and unfair or deceptive acts or practices in the conduct of trade or commerce, in violation of RCW 49.60.215, RCW 46.70.180, and RCW 19.86.020.

1.2 Specifically, the Attorney General alleges that Zein Automobiles violated the Washington Law Against Discrimination, RCW 49.60.215, by:

ORIGINAL

CONSENT DECREE

1

ATTORNEY GENERAL OF WASHINGTON
Civil Rights Unit
800 Fifth Avenue, Suite 2000
Seattle, WA 98104-3188
(206) 464-7744

1 1.2.1 Discriminating against Spanish-speaking customers on the basis of
2 national origin in a place of public accommodation;
3 1.2.2 Targeting Spanish-speaking customers for the sale of goods or
4 merchandise on unfair or deceptive terms; and
5 1.2.3 Failing to disclose and/or misrepresenting the full and material terms of
6 sale to Spanish-speaking customers.
7 1.3 The Attorney General further alleges that Zein Automobiles violated the
8 Consumer Protection Act, RCW 19.86.020, by:
9 1.3.1 Engaging in unfair or deceptive practices in the course of selling cars in
10 trade or commerce;
11 1.3.2 Publishing unfair or deceptive advertisements to the general public;
12 1.3.3 Engaging in an unfair practice by discriminating against Spanish-speaking
13 customers;
14 1.3.4 Failing to reasonably honor both express and implied warranties; and
15 1.3.5 Requiring consumers sign an "as is" disclaimer despite the existence of
16 applicable warranties.
17 1.4 The Attorney General further alleges that Zein Automobiles violated
18 RCW 46.70.180, by:
19 1.4.1 Misrepresenting the availability of interest rates;
20 1.4.2 Failing to either clearly identify the vehicles available at a specific
21 advertised price by complete vehicle identification number (VIN) or
22 license plate number, or, alternatively, to state "vehicle identification
23 numbers available upon request" while complying with all applicable VIN
24 posting requirements;
25 1.4.3 Using confusing terms that are not easily comprehended by persons other
26 than those closely allied with the vehicle industry;

1 1.4.4 Using footnotes or asterisks in advertisements that confused, contradicted,
2 materially modified, and/or unreasonably limited the material terms of
3 more prominent content of the advertisement; and

4 1.4.5 Failing to disclose material terms in TV, radio and print advertisements.

5 1.5 The parties agree on a basis for settlement of the Attorney General's allegations
6 and to the entry of this Consent Decree without the need for trial or adjudication of any issue of
7 law or fact.

8 1.6 The Attorney General and Defendant agree that this Consent Decree does not
9 constitute evidence or an admission regarding the existence or non-existence of any issue, fact,
10 or violation of any law alleged by the Attorney General and recognize that Defendant expressly
11 denies violating any law but desires to comply with the law.

12 1.7 Defendant agrees that it will not oppose the entry of this Consent Decree on the
13 ground that it fails to comply with Rule 65(d) of the Superior Court Civil Rules and hereby
14 waive any objection based thereon.

15 1.8 Defendant waives any right it may have to appeal from this Consent Decree.

16 NOW, THEREFORE, it is hereby ORDERED, ADJUDGED, AND DECREED as
17 follows:

18 **II. INJUNCTIONS APPLICABLE TO ZEIN AUTOMOBILES**

19 2.1 The injunctive provisions of this Consent Decree shall apply to Zein Automobiles
20 and their successors, assigns, transferees, officers, agents, servants, employees, representatives,
21 and all other persons in active concert or participation with Zein Automobiles.

22 2.2 Zein Automobiles shall immediately inform all successors, assigns, transferees,
23 officers, agents, servants, employees, representatives, and all other persons in active concert or
24 participation with Zein Automobiles of the terms and conditions of this Consent Decree.

25 2.3 Zein Automobiles is and all successors, assigns, transferees, officers, agents,
26 servants, employees, representatives, and all other persons in active concert or participation with

1 Zein Automobiles are hereby permanently enjoined and restrained from directly or indirectly
2 engaging in the following acts or practices in the State of Washington:

3 2.3.1 Providing the vehicle purchase order; the retail installment sale contract;
4 addendums to the retail installment contract; service contract agreements;
5 due bill; arbitration agreement; disclosure of a rebuilt, salvaged or branded
6 title; the spot delivery agreement; or implied warranty of merchantability
7 waiver in English only when the sales transaction is verbally conducted in
8 Spanish, provided that Zein Automobiles may indicate that, in the event of
9 any inconsistency between the English and Spanish versions of the
10 documents, disclosures, and contracts, the English version shall be
11 binding on the parties, and provided further that Zein Automobiles will
12 not be required to provide Spanish versions of the documents prior to
13 September 26, 2016;

14 2.3.2 Engaging in any deceptive or misleading practices in the formation of a
15 contract;

16 2.3.3 Refusing to reasonably honor express or implied warranties;

17 2.3.4 Making any statement in any advertisement through TV, radio, or print
18 media that is false or that creates a false impression regarding the premise
19 of a sale, the warranty available, the monthly payments, any other terms of
20 payment, the interest rate and/or availability of credit, or the availability of
21 a significant discount or savings;

22 2.3.5 Failing to either clearly identify the vehicles available at a specific
23 advertised price by complete vehicle identification number (VIN) or
24 license plate number, or, alternatively, to state "vehicle identification
25 numbers available upon request" while complying with all applicable VIN
26 posting requirements;

1 2.3.6 Listing a vehicle by year, make, model, stock number or other identifying
2 information in an advertisement, including the internet, when the
3 advertised vehicle is not in Zein Automobiles' inventory or in Zein
4 Automobiles' physical possession at the time the advertisement is placed;

5 2.3.7 Failing to mark an advertised vehicle as sold and/or failing to withdraw the
6 advertised vehicle from publication (except for already-issued, third-party
7 print publications) once the vehicle is unavailable for sale or within five
8 days from when the vehicle is unavailable for sale;

9 2.3.8 Using a disclosure that materially contradicts the primary message in any
10 advertisement;

11 2.3.9 Using words, phrases, or initials that are not easily comprehended by
12 persons other than those closely allied with the vehicle industry, including
13 but not limited to "o.a.c.";

14 2.3.10 Failing to clearly and conspicuously disclose material terms in
15 advertisements, including but not limited to limitations on any warranty
16 offer;

17 2.3.11 Advertising merchandise as "free" or making similar representations that
18 are not in compliance with the Federal Trade Commission guide on
19 advertising;

20 2.3.12 Failing to comply with RCW 46.70.180 and WAC 308-66-152 or its
21 successor statute or rule; and

22 2.3.13 Requesting consumers sign an "as is" waiver despite the existence of an
23 applicable service contract or warranty.

24 **III. COMPLIANCE PLAN AND TRAINING**

25 3.1 Zein Automobiles shall develop and submit to the Attorney General within
26 thirty (30) days of entry of this Consent Decree the following: (1) the identity and contact

1 information of the primary Spanish translation service where all documents identified in
2 Paragraph 2.3.1 will be translated, and (2) the identity and contact information of the
3 secondary Spanish translation service that will confirm the accuracy of such translations.

4 3.2 Zein Automobiles shall also develop and submit to the Attorney General a
5 compliance plan within ninety (90) days following the entry of this Consent Decree. At a
6 minimum, the compliance plan must consist of the following: (1) regular trainings every six-
7 months for all employees regarding Zein Automobiles' obligations under this Consent Decree
8 for a period of three (3) years following entry of this Consent Decree; (2) standards and
9 procedures to prevent discriminatory, unfair, or deceptive practices; and (3) meaningful
10 oversight mechanisms to prevent and detect discriminatory, unfair, or deceptive practices.

11 3.3 The first training will take place within one-hundred twenty (120) calendar days
12 following the entry of this Consent Decree.

13 3.4 Zein Automobiles shall obtain from the trainer certifications of attendance executed
14 by each individual who received training about discriminatory, unfair, or deceptive business
15 practices and confirming their attendance as provided for by Section 3.2(1). Within ten (10)
16 days following each of the trainings, Zein Automobiles shall submit confirmation of training
17 and copies of the training certifications to the Attorney General. The confirmation shall
18 include the name of the instructor, the date the course was taken, the length of the course, and
19 shall include a copy of any materials distributed by the trainer.

20 IV. REPORTING AND DOCUMENT RETENTION REQUIREMENTS

21 4.1 For a period of three (3) years following the entry of this Consent Decree, Zein
22 Automobiles shall provide the Attorney General any written complaint it receives by consumers
23 against Zein Automobiles or any successors, assigns, transferees, officers, agents, servants,
24 employees, representatives, or other person in active concert or participation with Zein
25 Automobiles. Zein Automobiles shall provide the written complaint within ten (10) days of its
26 receipt. Zein Automobiles shall further provide the Attorney General all information it reasonably

1 requests concerning such complaint, including information regarding any investigation or
2 resolution of such complaint.

3 4.2 For a period of three (3) years following the entry of this Consent Decree, Zein
4 Automobiles shall preserve all records related to its obligations under this Consent Decree,
5 including all documents, whether in paper or electronic form, that relate to consumer complaints
6 regarding Zein Automobiles. Upon reasonable notice to Zein Automobiles, representatives of the
7 Attorney General shall be permitted to inspect and copy all such records.

8 V. SETTLEMENT FUND

9 5.1 Defendants shall transfer \$250,000 to the Attorney General. This money shall be
10 used for restitution, reimbursement of the Attorney General's attorney fees, or any lawful purpose,
11 including as a cy pres fund, and shall be referred to as the "Settlement Fund." The Settlement
12 Fund shall be payable to the Attorney General as follows: \$35,714.32 within fourteen (14)
13 calendar days following the Entry of this Consent Decree, and six (6) additional monthly
14 payments of \$35,714.28, payable in monthly installments with the first installment due thirty (30)
15 days following the initial payment of \$35,714.32.

16 5.2 The Attorney General will make efforts to locate individuals who may be entitled
17 to payment for restitution and/or damages from the Settlement Fund. Any direct mail sent to
18 individuals will be provided as set forth in Exhibit A.

19 5.3 Within fourteen (14) calendar days of a request, Zein Automobiles shall produce
20 to the Attorney General any deal jackets or other records that the Attorney General reasonably
21 believes may be useful in identifying and contacting individuals who may be entitled to payment
22 from the Settlement Fund.

23 5.4 The Attorney General shall investigate the claims of any individual who may be
24 entitled to payment from the Settlement Fund, make a determination as to which individuals are
25 so entitled, and determine the appropriate amount that should be paid to each individual. The
26

1 Defendant will not seek to interfere with or oppose the Attorney General's determinations
2 regarding the Settlement Fund.

3 5.5 Within one-hundred eighty calendar days (180) days of receipt of the final
4 payment specified in paragraph 5.1, the Attorney General shall conclude efforts to locate and
5 investigate the claims of individuals who may be entitled to payment from the Settlement Fund.
6 After paying those claims, the Attorney General shall use any remaining money in the Settlement
7 Fund for any lawful purpose in the discharge of the Attorney General's duties, including for cy
8 pres award(s) or for recovery of the Attorney General's costs and fees associated with
9 implementing this Consent Decree.

10 VI. ENFORCEMENT

11 6.1 This Consent Decree is entered pursuant to 19.86.080. The Court retains
12 jurisdiction for purposes of enforcing this Consent Decree.

13 6.2. Pursuant to RCW 19.86.140, any violation of this Consent Decree shall
14 constitute a violation of the Consumer Protection Act and shall subject the violating Defendant
15 to additional civil penalties of up to \$25,000 per violation. In addition to civil penalties, the
16 Attorney General may seek to remedy violations of this Consent Decree through any other
17 remedy as may be provided by law.

18 6.3 The Attorney General shall be permitted to monitor compliance with this
19 Consent Decree as follows:

20 6.3.1 Upon reasonable notice, the Attorney General shall be permitted
21 to access, inspect, and/or copy all business records or documents in the
22 possession, custody, or control of Zein Automobiles to monitor
23 compliance with this Consent Decree, provided that the inspection and
24 copying shall avoid unreasonable disruption of Zein Automobiles'
25 business activities;
26

1 6.3.2 Upon reasonable notice, the Attorney General shall be permitted to
2 question by deposition the Defendant (by designated witness) or any
3 successor, assign, transferee, officer, agent, servant, employee,
4 representative, or other person in active concert or participation with
5 Zein Automobiles to monitor compliance with this Consent Decree.
6 Such depositions are subject to the provisions of Rule 30 of the Superior
7 Court Civil Rules;

8 6.3.3. To propound interrogatories on the Defendant to monitor
9 compliance with this Consent Decree. Such interrogatories are subject
10 to the provisions of Rule 33 of the Superior Court Civil Rules; and

11 6.3.4. To monitor and enforce this Consent Decree through any other
12 lawful means, including through its civil investigative demand authority
13 pursuant to RCW 19.86.110.

14 6.4 Nothing in this Consent Decree shall be construed to limit or bar any other
15 person or governmental entity from pursuing other available remedies against the
16 Defendant or any other person, provided that the Attorney General will not use any of
17 Defendant's acts or omissions occurring prior to this Consent Decree as a basis for
18 alleging a violation of this Consent Decree or of seeking additional relief against
19 Defendant.
20

21 JUL 28 2016

22 DONE IN OPEN COURT this ____ day of ____, 2016.

23 
24 JUDGE/COURT COMMISSIONER
25
26

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Approved for entry and presented by:

ROBERT W. FERGUSON
Attorney General



MARSHA CHIEN
WSBA #47020
Assistant Attorney General
Attorney for Plaintiff

Approved for entry, notice of presentation
waived:

DAVIES PEARSON, P.C.



BRIAN M. KING
WSBA #29197

Attorney for Defendant

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6

You are receiving notice of a restitution claims process related to a purchase you previously made from Zein Automobiles, Inc. d/b/a Best Bet Auto Sales, Independence Auto Center, and ZAG Auto Group. The Attorney General of Washington conducted an investigation to determine whether Zein Automobiles engaged in unfair, deceptive, or discriminatory conduct in the sale of used motor vehicles.

In order to be eligible for restitution, you must fully complete and submit the claim form below no later than December 15, 2016 by e-mail to civilrights@atg.wa.gov or by mail to the following address:

By submitting this claim form, you are stating that the information provided below is true and correct to the best of your knowledge. For more information, you may also visit (HYPERLINK) or call (844) 323-3864.

Name: _____
Street Address: _____
City: _____
State: _____
Zip Code: _____
Phone Number: _____
Vehicle Purchased: _____

1 _____ By checking this, I am certifying that I believed a free warranty applied to
2 the purchase of my vehicle with Zein Automobiles.

3 _____ By checking this, I am certifying that my vehicle required repairs within
4 six months of purchase that were not covered by Zein Automobiles' free
5 warranty.

6 _____ By checking this, I am certifying that I negotiated the sale of my vehicle
7 with Zein Automobiles in Spanish.

8 **Muestra A**

9 Estimado consumidor:

10
11 Usted está recibiendo una notificación de un proceso de reclamaciones de
12 restitución relacionado con una compra que hizo anteriormente en Zein
13 Automobiles, Inc. que realiza negocios como Best Bet Auto Sales, Independence
14 Auto Center y ZAG Auto Group. El Procurador General de Washington realizó
una investigación para determinar si Zein Automobiles participó en una conducta
desleal, engañosa o discriminatoria en la venta de vehículos motorizados usados.

15 Conforme a un acuerdo alcanzado entre el Procurador General de
16 Washington y Zein Automobiles, usted puede tener derecho a restitución, es
17 decir, compensación por cualquier lesión o pérdida que pueda haber sufrido en
relación con su compra a Zein Automobiles, Inc.

18
19 Para calificar para una restitución, debe llenar totalmente y enviar el
20 siguiente formulario de reclamación antes del 15 de diciembre de 2016. Puede
21 hacerlo por correo electrónico a civilrights@atg.wa.gov o por correo postal a la
siguiente dirección:

22 Washington State Attorney General's Office
23 800 Fifth Ave, Suite 2000
24 Seattle WA 98104

25 Mediante el envío de este formulario de reclamación, usted declara que, a
26 su buen conocimiento, la información provista es verdadera y correcta. Para

1 obtener más información, también puede visitar (ENLACE) o llamar al (844)
2 323-3864.

3
4 Nombre:

5 Dirección:

6 Ciudad:

7 Estado:

8 Código postal:

9 Número telefónico:

10 Vehículo comprado:

11 _____ Al marcar esto, certifico que creí que se aplicaba una garantía gratuita a la
12 compra de mi vehículo en Zein Automobiles.

13 _____ Al marcar esto, certifico que mi vehículo necesitó reparaciones en un
14 período de seis meses desde la compra que no fueron cubiertos por la garantía
15 gratuita de Zein Automobiles.

16 _____ Al marcar esto, certifico que negocié la venta de mi vehículo con Zein
17 Automobiles en español.
18
19
20
21
22
23
24
25
26