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Date:  
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7 **IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON**  
8 **IN AND FOR THE COUNTY OF THURSTON**

9 In the Matter of:	NO.
10 C. SPECK MOTORS, INC., dba Speck and 11 Moore Automotive Group and Speck Hyundai of Tri-Cities,	ASSURANCE OF DISCONTINUANCE
12 Respondent.	

13 The State of Washington, by and through its attorneys, Robert M. McKenna, Attorney  
14 General and Mary C. Lobdell, Assistant Attorney General, files this Assurance of  
15 Discontinuance pursuant to RCW 19.86.100.

16 **I. PARTIES**

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18 1.1. The Attorney General initiated an investigation into the business practices of C.  
19 Speck Motors, Inc., dba Speck and Moore Automotive Group and Speck Hyundai of Tri-  
20 Cities.

21 1.2. The Respondent, C. Speck Motors, Inc., dba Speck and Moore Automotive  
22 Group and Speck Hyundai of Tri-Cities, is engaged in the sale of new and used motor vehicles  
23 in the State of Washington. The Respondent's primary place of business is Sunnyside, Prosser  
24 and Richland, Washington.  
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## II. INVESTIGATION

2.1. The Attorney General deems and the Respondent acknowledges the following to constitute unfair or deceptive acts or practices, and unfair methods of competition, in violation of the Consumer Protection Act, chapter 19.86 RCW:

2.1.1. Making false, deceptive or misleading representations of fact concerning motor vehicle sales promotions.

2.1.2. Failing to timely pay off trade-in liens in compliance with WAC 308-66-195.

2.1.3. Engaging in acts of bushing as prohibited by RCW 46.70.

2.1.4. Engaging in oral representations that were inconsistent with the final written contract.

2.1.5. Negotiating and obtaining verbal or informal agreement to the terms of a sale or lease on a motor vehicle and then changing the terms when preparing the written contract documents.

2.1.6. Failing to clearly and conspicuously disclose all material limitations, conditions and restrictions relating to an offer (a) in close proximity to any terms of conditions to which they relate; (b) in a type size sufficiently large to be read with reasonable ease; (d) in relative close proximity to each of the terms that require disclosure; and (e) in such color and contrast that the words are not obscured, in violation of WAC 308-66-152(3)(a)(iii).

2.1.7. Failing to comply with the Truth in Lending Act in advertising and sales practices.

1           2.1.8. Advertising using the term "free" or similar representations that does  
2 not comply with the Federal Trade Commission guide promulgated in 16 C.F.R. § 251.

3           2.1.9. Causing or permitting to be advertised offers to sell vehicles without  
4 disclosing all material limitations, including limitations related to credit, prizes and fees,  
5 used or new vehicles, time limit and trade-in.

6           2.1.10. Making statements in promotions that were false or that created a false  
7 impression regarding the premise of a sale, the offering prices of any vehicles, monthly  
8 payments, any other terms of payment, the interest rate and/or availability of credit, the  
9 amount of the down payment, or the availability of significant discounts or savings,  
10 including but not limited to, statements of a savings from MSRP or list price on used  
11 vehicles.

12           2.1.11. Advertising credit sales of vehicles using a credit disclosure triggering  
13 term without clearly disclosing that the offer refers to a sale or lease and providing all  
14 of the disclosures required by RCW 46.70.180(1); WAC 308-66-152(1)(6); Truth In  
15 Lending Act (TILA) Regulation Z, 12 C.F.R. § 226; Regulation M, 15 U.S.C. § 1601 *et*  
16 *seq.* and 12 C.F.R. § 215 or RCW 46.70.180.

17           2.1.12. Using footnotes or asterisks in an advertisement that confuses,  
18 contradicts, materially modifies, and/or unreasonably limits the material terms of more  
19 prominent content of the advertisement.

20           2.1.13. Misrepresenting, directly or by implication, the number of vehicles  
21 offered for sale at an advertised price.

1           2.1.14. Failing to identify specific vehicles by vehicle identification number or  
2 license plate number or stated, in the alternative, that such vehicle identification number or  
3 license plate number for each advertised vehicle is available from the dealer upon request.

4           2.1.15. Directly or by implication using statements in advertisements that  
5 guaranteed a minimum trade-in allowance or down payment; that guaranteed credit  
6 such as "Credit Amnesty Program," "Credit Problems? No Problem!" or "We Can Help  
7 Get You Approved," that represented that vehicles were being sold for less than  
8 competitors, or other such statements, when Respondent did not have sufficient  
9 documentation to substantiate the statement in violation of RCW 46.70.180 and WAC  
10 308-66-152.  
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12           2.1.16. Advertising or offering a rebate in violation of WAC 308-66-  
13 152(4)(o)(i) that is not an authorized manufacturer's rebate paid directly to the  
14 consumer that the consumer may apply to the purchase.  
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16           2.1.17. Creating a false sense of urgency or distress such as "IRS Notice Do  
17 Not Discard" or "I.R.S. Event" in violation of RCW 46.70.180(1).

18           2.1.18. Using words or type that implied the offer originates from a  
19 government agency in violation of RCW 46.70.180(1) and WAC 308-66-152(4)(e).  
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21           2.1.19. Misrepresenting the nature of a documentary fee and/or failing to  
22 clearly and conspicuously advertise the optional nature of a documentary fee as  
23 provided by the statutory language in RCW 46.70.180(2).

24           2.1.20. Causing or permitting to be advertised "\$0 DOWN," and "VEHICLES  
25 AS LOW AS \$99-1.9% APR NO PAYMENTS FOR 45 DAYS," and other similar  
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1 statements when Respondent cannot clearly substantiate through records of the dealership  
2 the truth of these statements in violation of RCW 46.70 and WAC 308-66.

3 2.1.21. Causing or permitting to be advertised "CREDIT AMNESTY  
4 PROGRAM" and "CREDIT PROBLEMS? NO PROBLEM!" and other similar  
5 statements when Respondent cannot clearly show through records of the dealership that  
6 consumers, regardless of credit worthiness, received offers of credit in violation of RCW  
7 46.70 and WAC 308-66-152.

9 2.1.22. Causing or permitting to be advertised a promotion, such as  
10 "Plus...You Have Definitely Won One Of These Great, Prizes" without clearly and  
11 conspicuously disclosing all material terms of the offer in close proximity to the  
12 language that it modifies.

13 2.1.23. Violating the Promotional Advertising of Prizes Act, chapter 19.170  
14 RCW.

### 15 III. ASSURANCE OF DISCONTINUANCE

16 3.1. Respondent or successor agrees to discontinue and/or not engage in the unfair or  
17 deceptive acts or practices described in section 2.1

### 18 IV. COSTS

19 4.1. Respondent voluntarily agrees to pay costs incurred by the Attorney General's  
20 Office in investigating and resolving this matter in the amount of \$30,000. The sum of \$2,500 (of  
21 the \$30,000) shall be paid to the Attorney General immediately upon Respondent's execution of  
22 this AOD with payments of \$2,500 due by the 15<sup>th</sup> of the month for the next 11 months until the  
23 sum of \$30,000 is paid in full. Payments shall be made by valid check made payable to the  
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1 "Attorney General - State of Washington" and shall be delivered to the Office of the Attorney  
2 General, Attention: Cynthia Lockridge, Administrative Office Manager, 800 Fifth Avenue, Suite  
3 2000, Seattle, Washington 98104-3188.

#### 4 5 V. RESTITUTION

6 5.1. Respondent, at its own expense, hereby agrees, for a period of one (1) year after  
7 the signing of this Assurance to offer to review and adjust in good faith any complaint received  
8 from a customer who purchased or leased a vehicle from Respondent which articulates  
9 concerns that were the subject of any injunction identified in this Assurance of Discontinuance.

10 5.2. Respondent, at its own expense, further agrees, for a period of one (1) year after  
11 the signing of this Assurance to offer to review and adjust in good faith any complaint received  
12 from a customer who provides documentation that they received an offer for a gas  
13 card/certificate giveaway that they in fact did not receive.

14 5.3. Nothing in this Assurance shall be construed so as to limit, in any way, the  
15 obligation of any other person or entity to provide restitution for violation of the Consumer  
16 Protection Act, chapter 19.86 RCW.

17 5.4. Respondent agrees to comply with any laws, if imposed, that require Spanish  
18 language contracts in automotive sales or to provide its customers with a Spanish language  
19 contract, if available through the state or local dealer association.

#### 20 21 VI. RECORDKEEPING

22 6.1. Effective immediately, Respondent shall maintain records (or assure that others  
23 do so and obtain copies of them upon demand) of all advertisements that it publishes,  
24 broadcasts or otherwise disseminates; causes to be published, broadcast or otherwise  
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1 disseminated; or which are published, broadcast or otherwise disseminated by anyone else  
2 pursuant to a contract with Respondent for a period of three (3) years after publication or  
3 dissemination. Advertisements shall include, but are not limited to, postcards, mailers, emails,  
4 text messages (if technically possible), Internet sites (if technically possible) or other  
5 information disseminated to the public or selected group of the public for the purpose of  
6 promotion or marketing a service or product. These records shall include a copy of the  
7 advertisement, identify the sponsoring motor vehicle dealership, identify the dates of sales and  
8 other promotional events, and identify the number of times the advertisements were published,  
9 broadcast, aired or mailed.  
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11           6.2. In any promotion offering a prize or giveaway as those terms are defined in  
12 chapter 19.170 RCW, Respondent shall maintain for a period of three (3) years after  
13 publication or dissemination (a) a record of the name, address and phone number of all  
14 consumers who redeemed the promotional offer; (b) a record of the name and address of all  
15 consumers who were eligible to receive a prize or giveaway; (c) the rules governing the  
16 promotional offer; and (d) documentation of compliance with any rules, including but not  
17 limited to the date of drawing for any prize offered, the individuals who conducted the drawing  
18 and the winners or winning numbers of such prize.  
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20           6.3. Respondent acknowledges that representatives of the Office of the Attorney  
21 General shall be permitted, under the Consumer Protection Act, to access, inspect and/or copy,  
22 all business records or documents under control of Respondent and depose any officer,  
23 director, agent, or employee of Respondent, in order to monitor compliance with this  
24 Assurance of Discontinuance, provided that the inspection and copying shall be done in such a  
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1 way as to avoid disruption of Respondent's business activities, and all shall be subject to a ten  
2 (10) day notice

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4 **VII. ADDITIONAL PROVISIONS**

5 7.1. Whenever necessary to ensure its compliance, Respondent shall inform all of its  
6 clients, agents, officers, servants, employees, successors, assigns, attorneys and all persons in  
7 active concert or participation of the terms and conditions of this Assurance of Discontinuance.

8 7.2. This Assurance of Discontinuance shall not be considered an admission of  
9 violation for any purposes; but failure to comply with this Assurance of Discontinuance shall be  
10 *prima facie* evidence of violations of RCW 19.86.020 and the possibility of imposition by the  
11 Court of injunctions, restitution, civil penalties of up to \$2,000.00 per violation, and costs,  
12 including reasonable attorneys' fees.

13 7.3. Under no circumstances shall this Assurance of Discontinuance or the name of the  
14 State of Washington or the Office of the Attorney General or any of its employees or  
15 representatives be used by the Respondent or by its officers, employees, representatives, or agents  
16 in conjunction with any business activity of the Respondent. A violation of this paragraph  
17 constitutes a violation of an injunctive term of this Assurance of Discontinuance.

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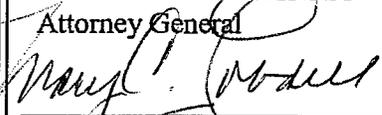
7.4. Nothing in this Assurance of Discontinuance shall be construed so as to limit or bar any other person or entity from pursuing available legal remedies against the Respondent.

Presented By:

Agreed to, Approved For Entry, and  
Notice of Presentation Waived:

ROBERT M. MCKENNA  
Attorney General

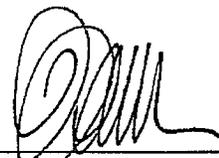
DAVIES PEARSON PC



2/24/10

\_\_\_\_\_  
MARY C. LOBDELL                      3-1-10                      DATED  
WSBA #17930  
Assistant Attorney General  
Attorney for Plaintiff  
State of Washington

\_\_\_\_\_  
BRIAN M. KING                      2/24/10                      DATED  
WSBA #29197  
Attorney for Respondent



\_\_\_\_\_  
KATHRYN MOORE                      DATED  
President  
C. Speck Motors, Inc.