

STATE OF MAINE
KENNEBEC, SS.

BUNDY AMERICAN CORPORATION
d/b/a RENT-A-WRECK

ASSURANCE OF DISCONTINUANCE

INTRODUCTION

1. Pursuant to the Unfair Trade Practices Act, 5 M.R.S.A. Section 206-214 (1979 & Supp. 1984), the Attorney General has examined the practices of a licensee, in the state of Maine, of Bundy American Corporation d/b/a Rent-A-Wreck (hereinafter referred to as "Rent-A-Wreck") with respect to such licensee's use of Bundy American Corporation's old form rental agreement and the provisions contained in such agreement covering collision damage waiver.

2. Rent-A-Wreck is a California corporation with a principal place of business in Los Angeles, California. Rent-A-Wreck is engaged in the business of franchising motor vehicle rental agencies throughout the United States including the State of Maine.

FACTS AND VIOLATIONS

3. Rent-A-Wreck operates franchises within the State of Maine in the following locations: Bath, Waterville, Bangor, and Westbrook.

4. Rent-A-Wreck provides its franchisees with a form rental agreement to be used by franchisees in contracting with consumers who lease motor vehicles from a Rent-A-Wreck franchise. Eighteen

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months ago, Rent-A-Wreck changed the form rental agreement supplied to its franchisees. However, one of the Rent-A-Wreck franchisees in the State of Maine still used an earlier version of the form rental agreement. This earlier version is attached hereto as Exhibit A.

5. The form rental agreement set forth in Exhibit A (hereinafter referred to as Exhibit A) offers consumers collision protection for an additional fee. Exhibit A contains a number of significant exceptions to the coverage for collision protection including, but not limited to, the following: damage while the rental vehicle is unattended, damage involving collision with a parked automobile or other stationary object, and damage while using a car in "a negligent, careless, intentional or wrongful way."

6. The exceptions to collision coverage contained in Exhibit A are confusing to read, difficult to understand and hard to locate on the agreement.

7. Rent-A-Wreck does not conspicuously and clearly disclose the exceptions to collision protection in Exhibit A.

8. As a result of the exceptions to collision protection contained in Exhibit A, renters have been provided coverage only in the limited situation in which the renter is operating the rented vehicle in a non-negligent manner and collides with another vehicle which is being driven negligently.

9. The collision protection offered by Rent-A-Wreck in Exhibit A is far more restrictive than the collision protection generally offered in the rental car industry. Specifically, the

major rental car businesses operating within Maine offer collision protection (upon payment of an additional fee) covering damage resulting from the renter's negligence, from collisions with parked vehicles or other stationary objects, and from collisions while the rental vehicle is unattended. The current form rental contract, in effect for the last eighteen months and provided by Rent-A-Wreck to its franchisees, conforms to the language used generally in the industry.

10. Rent-A-Wreck has failed to stop a Maine licensee from using Exhibit A.

ASSURANCES OF DISCONTINUANCE

WHEREFORE, Rent-A-Wreck, pursuant to 5 M.R.S.A. Section 210 (1979) assures the Department of the Attorney General that it, and any persons acting for it or under its control, will:

1. Use their best efforts to require all their Maine franchisees to utilize the current version of the Rent-A-Wreck form rental agreement (a copy of which is attached hereto as Exhibit B).
2. Use their best efforts to require their Maine franchisees to provide collision protection coverage consistent with coverage generally provided in the rental industry.
3. Use their best efforts to require their Maine franchisees to notify each customer who, as of the date of this Assurance, is renting a motor vehicle pursuant to the form rental agreement set forth in Exhibit A, that the exceptions relating to collision protection are not applicable.

DATED:

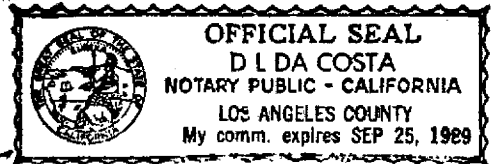
BUNDY AMERICAN CORPORATION
d/b/a Rent-A-Wreck

Donald B Marks
DONALD B. MARKS
General Counsel
Bundy American Corporation

STATE OF CALIFORNIA

SS.

Personally appeared before me the above-named Donald B. Marks
and made oath to the truth of the foregoing statements.



DATED: OCTOBER 17, 1985

D. L. DaCosta
NOTARY PUBLIC

DATED: 10/22/85

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