

IN RE: COLONY CADILLAC AND)
OLDSMOBILE, INC.)

ASSURANCE OF DISCONTINUANCE

1. Pursuant to the Unfair Trade Practices Act, 5 M.R.S.A. §206 et seq., the Attorney General has examined the conduct of Colony Cadillac and Oldsmobile, Inc., a Maine corporation, and has found the following:

2. Colony Cadillac and Oldsmobile, Inc. (hereinafter referred to as Colony) has its principal place of business at U.S. Route 1, Depot Road, Falmouth, Maine 04105.

3. Colony sells and leases new and used motor vehicles to consumer-purchasers at its Route 1, Falmouth, Maine facility. Colony also repairs motor vehicles at its facility.

4. On occasion in the course of selling and repairing certain motor vehicles Colony has used the following practices:

- A. Engaged in a pattern of deception both in selling motor vehicles to consumers and in repairing consumers' motor vehicles;
- B. Attempted to disclaim as invalid any verbal representations by its sales agents to consumers concerning motor vehicles being sold;
- C. Charged certain consumers for motor vehicle repairs that were not authorized by the vehicle owners;

- D. Failed to inform certain consumers that they have the right to put a written, monetary limit on any motor vehicle repairs performed by Colony Cadillac;
- E. Attempted to disclaim certain consumers' implied warranty rights when purchasing a new motor vehicle;
- F. Sold certain used motor vehicles in violation of the Maine Used Car Information Act, 10 M.R.S.A. §1471 et seq.;
- G. Performed certain repairs in violation of the Motor Vehicle Repair law, 29 M.R.S.A. c. 23;

5. WHEREFORE, pursuant to 5 M.R.S.A. §210, without admission as to any issue of law or fact alleged in the preceding paragraphs, Colony agrees as follows:

6. Colony, its employees, agents, affiliates and any and all persons acting in concert or participation with it shall permanently discontinue, directly or indirectly:

- A. Using misrepresentations either in its verbal or written statements to consumers.
- B. Disclaiming as non-binding material representations to consumers made by its sales agents in the course of negotiating the sale of a new or used motor vehicle;

C. Charging consumers for repairs on their Motor vehicles that were not authorized by the consumer;

D. Violating 29 M.R.S.A. §2605 by failing to post a notice of repair rights in a place reasonably likely to be seen by its repair customers;

E. Violating 11 M.R.S.A. §2-316 by disclaiming consumers' rights to implied warranty protections;

F. Violating 10 M.R.S.A. §1471 et seq. by selling used motor vehicles without including an up-to-date inspection sticker;

G. Violating 10 M.R.S.A. §1471 et seq. by selling used motor vehicles that cannot pass the State inspection standards;

H. Violating 10 M.R.S.A. §1471 et seq. by selling used motor vehicles without attaching the Used Car Information Sticker.

7. Colony further agrees that it has made revisions in its sales documents so that they will not violate the provisions of this Assurance, including but not limited to paragraphs (B) and (E) and that same will be ready for use by Colony within 120 days from the date hereof.

8. Colony further agrees that it shall pay restitution to the injured customers described in Appendix A to this Assurance. This money shall be paid to each of these injured customers within 60 days of the entry of this Assurance. Colony shall forward copies of its transmittal letters and checks to the Department of the Attorney General.

9. Colony further agrees to pay to the Department of the Attorney General the sum of \$2,400, which shall represent the costs of the investigation of Colony made by the Attorney General and this Assurance of Discontinuance. This amount shall be paid to the Department of the Attorney General within 30 days of the date of this Assurance.

10. In order to insure that Colony adheres to the provisions of this Assurance of Discontinuance, Colony agrees to the following:

- A. Mark E. Rosenstock, Jr., Secretary of Colony, agrees that he will absent circumstances beyond his control spend at least 1 day per month at Colony over the next 12 months supervising its adherence to this Assurance and further agrees that over the next 12 months the amount of time he spend in Colony will average 3 days a month.

- B. Colony, during the next 2 months, shall place in writing all significant sales or service complaints which are related in any way to trade practices prohibited in this Assurance in Paragraph 6(A) - (H) which it receives from its customers and shall provide the Attorney General with a copy of each written complaint within 10 days of Colony's receipt of the complaint.
- C. Colony shall establish a monthly training program for its personnel, which will include instruction in all Maine laws regulating the advertising, sale and servicing of motor vehicles. Special attention will be given to the areas detailed above in Paragraph 6(A) - (H).
- D. Each person holding either an advertising, sales or servicing managerial position at Colony will receive a copy of this Assurance and all other personnel employed by Colony shall be directed to and shall have a reasonable opportunity to read this Assurance.

Dated: February 10 , 1984

COLONY CADILLAC AND OLDSMOBILE, INC.

By: John F. Alberti
John Alberti, Its President
~~X TREASURER~~

By: Mark E. Rosenstock, Jr.
Mark E. Rosenstock, Jr.
Its Treasurer

Appendix A

<u>Name</u>	<u>Restitution</u>
E. Boulos 89 Exchange Street Portland, ME 04111 <i>776-1333</i>	\$400
M. Murray Route 2, Box 222A Freeport, ME 04032 <i>865-3717</i>	\$275
M. Nash Heath Road North Whitefield, ME 04353 <i>549-7638</i>	\$642.82
A. Strawbridge Pipine Rocks Road Locust Valley, NY 11560	\$200
G. Sullivan RR #1, Box 464 <i>1 Main St. Apt. #2</i> North Windham, ME 04062 <i>Yarmouth,</i> <i>Me. 04096</i>	\$690
K. Garnett RFD #5, Box 264 Gorham, ME 04038 <i>283-3828 w</i> <i>727-5664 H</i>	\$554
M. Hawkes Box 1510 Pine Ridge Village Windsor, ME 04363 <i>(summers)</i> <i>1100 Imperial Drive</i> <i>Apt. 603</i> <i>Sarasota, Fla. 33577</i> <i>813-955-7165</i>	\$600

STATE OF MAINE
CUMBERLAND, SS.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. CV-

STATE OF MAINE)	
)	
Plaintiff)	
)	
v.)	COMPLAINT (Injunctive
)	Relief Requested)
COLONY CADILLAC AND)	
OLDSMOBILE, INC.)	
)	
Defendant)	

INTRODUCTION

1. This is an action to temporarily and permanently enjoin the Defendant from committing unfair or deceptive trade practices in the sale, leasing, and repair of automobiles.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this action pursuant to the Unfair Trade Practices Act, 5 M.R.S.A. § 206 et seq. (Supp. 1983).

3. Venue is laid in Cumberland County pursuant to 5 M.R.S.A. § 209.

PARTIES

4. Plaintiff STATE OF MAINE, a sovereign state, by and through the Attorney General, commences this action to protect the public by preventing the Defendant from practicing unfair and deceptive trade practices.

5. Defendant COLONY CADILLAC AND OLDSMOBILE, INC. is a corporation organized and existing under the laws of Maine, with its principal place of business at U. S. Route One, at Depot Road, Falmouth, Maine 04105.

NATURE OF TRADE AND COMMERCE

6. Defendant sells and leases new and used motor vehicles to consumer purchasers at its Route 1, Falmouth, Maine facility.

7. Defendant also repairs motor vehicles at its Route 1, Falmouth, Maine facility.

STATUTORY BACKGROUND

8. Pursuant to 5 M.R.S.A. § 207 (1979), it is a violation of the Maine Unfair Trade Practices Act to engage in unfair or deceptive acts or practices in the conduct of any trade or commerce in the State of Maine.

9. 10 M.R.S.A. § 1471 et seq., the Used Car Information Act, requires dealers to provide consumers with specific information and warranties about the prior use and current condition of the motor vehicle being purchased.

10. 11 M.R.S.A. § 2-316 of the Maine Uniform Commercial Code prohibits attempts to exclude or modify implied warranties of merchantability. Attempts to do so are specifically defined as unfair trade practices in violation of 5 M.R.S.A. § 207.

11. 29 M.R.S.A. § 2601 et seq., the Motor Vehicle Repair Act, requires motor vehicle repair facilities to post where customers are reasonably likely to see it information on state

repair laws, including the following: "Before we begin making repairs, you have the right to put in writing the total amount you agree to pay for repairs. You will not have to pay anything over that amount unless you agree to it when we contact you later."

FIRST CAUSE OF ACTION

12. The Plaintiff realleges and incorporates herein by reference paragraphs 6 and 7.

13. The Defendant has engaged in a pattern of deception both in selling motor vehicles to consumers and in repairing consumers' motor vehicles, including the use of misrepresentations and the failure to disclose material facts. Specifically, the Defendant has:

A. Represented that a low interest rate would be charged a consumer in financing the motor vehicle's purchase price, when in fact the interest rate finally offered was considerably higher;

B. Represented that a consumer's deposit on a new car would be returned if the consumer decided against purchasing the car, when in fact it later refused to return the deposit;

C. Represented that a car with a consumer's deposit on it would not be sold to another customer, when in fact it was sold before the consumer could purchase it;

D. Represented in its advertising that it would provide a \$400 rebate to the purchaser of a specific Cadillac model, when in fact it refused to provide a rebate to the purchaser;

E. Represented prior to sale that a vehicle had a specific amount of mileage, when in fact the actual mileage was considerably higher;

F. Represented that a used motor vehicle would receive specified repairs prior to delivery to the consumer, when in fact these repairs were not made;

G. Represented or failed to adequately disclose the prior ownership history of a used motor vehicle;

H. Represented that a motor vehicle would be re-inspected and that a new motor vehicle inspection sticker would be placed on the vehicle as a condition of sale, when in fact the vehicle was delivered without an inspection sticker;

I. Represented in its advertising that a used motor vehicle could be returned within seven days and the purchase price returned, when in fact it refused to accept back a vehicle returned within seven days;

J. Represented that a used motor vehicle would be delivered with a full tank of gas, when in fact its tank was not full upon delivery;

K. Represented that a used motor vehicle was a new car "demonstrator", when in fact it was actually a used motor vehicle;

L. Failed to disclose significant accident damage to a used motor vehicle when it was aware of this damage;

M. Failed to disclose that a motor vehicle it characterized as a "single owner" vehicle was actually a vehicle which had been used in a limousine rental business;

N. Represented that a used vehicle was being offered at a significant discount from its regular selling price, when in fact the price did not represent a significant price reduction;

O. Represented that a motor vehicle had no major mechanical problems, when in fact such a problem was present;

P. Represented that a used motor vehicle had air conditioning, when it did not;

Q. Represented to a telephone caller that a particular motor vehicle was available for sale and would be on view if the consumer came to the dealership, when in fact the consumer found upon arrival that no vehicle of that description was available for sale;

S. Represented in repairing a motor vehicle that a panel would be replaced and not simply patched, when in fact it was only patched;

T. Represented that a new motor vehicle had been rustproofed, when it had not;

U. Represented that a motor vehicle had received specific servicing, when in fact the servicing was not done;

V. Represented that a motor vehicle had been re-painted, when it had not been;

W. Represented that a leased vehicle, as part of its price, possessed a standard new car express warranty, when it did not;

X. Represented that a motor vehicle would be sold at the agreed upon and contracted for price, but refused to sell the vehicle at that price;

Y. Represented that the order for a motor vehicle would be canceled as the consumer had requested, and then failed to cancel the order; and

Z. Represented a vehicle was fit for use as transportation and accepted a \$100 deposit but then refused to sell the vehicle with an up to date sticker.

14. Defendant's customers have suffered certifiable financial losses as the direct result of the Defendant's conduct.

15. Defendant's pattern of deceptive conduct, as described in this First Cause of Action, constitutes an unfair and deceptive trade practice and is in violation of 5 M.R.S.A. § 207 (Supp. 1983).

SECOND CAUSE OF ACTION

16. The Plaintiff realleges and incorporates herein by reference paragraphs 6 through 15.

17. Defendant's salesmen, in negotiating the sale of motor vehicles, make representations upon which consumers rely in deciding whether to purchase motor vehicles.

18. The Defendant's form contract for the sale of a motor vehicle attempts to disclaim as invalid any representations by its sales agents to consumers concerning the motor vehicle. Specifically, the contract states: "Verbal promises by the salesmen are not valid."

19. It is an unfair and deceptive trade practice in violation of 5 M.R.S.A. § 207 (Supp. 1983) to persuade consumers to purchase a car with specific sales agent representations and to then use a form contract that incorporates language that states any such representations are invalid.

THIRD CAUSE OF ACTION

20. The Plaintiff realleges and incorporates herein by reference paragraphs 6, 7 and 14.

21. In repairing motor vehicles the Defendant has made and charged for repairs that were not authorized by the motor vehicle owners.

22. Defendant's conduct, as described in this Third Cause of Action, constitutes an unfair and deceptive trade practice in violation of 5 M.R.S.A. § 207 (Supp. 1983).

FOURTH CAUSE OF ACTION

23. The Plaintiff realleges and incorporates herein by reference paragraphs 6, 7, 14, 20 and 21.

24. The Defendant has failed to post a notice in a place reasonably likely to be seen by its repair customers, stating that a written monetary limit can be placed by customers on the cost of any repair order.

25. The defendant's conduct, as described in the preceding paragraph violates 29 M.R.S.A. § 2605.

26. Pursuant to 29 M.R.S.A. § 2606, the Defendant's failure to properly post such a notice constitutes an unfair trade practice and is in violation of 5 M.R.S.A. § 207 (Supp. 1983).

FIFTH CAUSE OF ACTION

27. The Plaintiff realleges and incorporates herein by reference paragraphs 6 and 7.

28. The Defendant's form sales contract attempts to limit the Defendant's implied warranty obligations. This contract states in part: "The factory warranty supplied with a new vehicle constitutes all of the warranties with respect to the sale of that vehicle."

29. 11 M.R.S.A. § 2-316 prohibits a seller from excluding or modifying the implied warranties of merchantability or fitness for a particular use on motor vehicles sold to consumer purchasers for personal use.

30. 11 M.R.S.A. § 2-316(5)(a) states that such attempts to limit implied warranties shall be an unfair trade practice.

31. The Defendant's conduct, as described in this Fifth Cause of Action, constitutes an unfair and deceptive trade practice in violation of 5 M.R.S.A. § 207 (Supp. 1983).

SIXTH CAUSE OF ACTION

32. Plaintiff realleges and incorporates herein by reference paragraph 6, 7, 9 and 14.

33. Defendant has sold a used motor vehicle without including an up to date inspection sticker as required by the Used Car Information Act, 10 M.R.S.A. § 1471 et seq.

34. The Defendant has sold used motor vehicles without attaching the Used Car Information sticker as required by 10 M.R.S.A. § 1471 et seq.

35. Pursuant to 10 M.R.S.A. § 1477, violation of the Used Car Information Act are unfair trade practices.

36. The Defendant's conduct, as described in this Sixth Cause of Action, constitutes a violation of the Used Car Information Act and is an unfair and deceptive trade practice and in violation of 5 M.R.S.A. § 207 (Supp. 1983).

RELIEF REQUESTED

WHEREFORE, Plaintiff respectfully requests that this Court:

1. Declare that the courses of conduct described in the First through Sixth Causes of Action are unfair and deceptive trade practices in violation of 5 M.R.S.A. § 207 (Supp. 1983).

2. Issue a preliminary and permanent injunction enjoining the Defendant, its agents, attorneys, employees, assigns or other persons acting for the Defendant or under its control from:

A. Engaging in misrepresentations or failing to state a material fact when selling, leasing or repairing motor vehicles;

B. Disclaiming its sales agents' representations or using a form contract that disclaims such promises;

C. Making unauthorized repairs;

D. Failing to post the repair notice as required by 29 M.R.S.A. § 2605;

E. Disclaiming its implied warranty obligations to repair manufacturer defects; and

F. Violating the Used Car Information Act, 10 M.R.S.A. § 1471 et seq.

3. Enter an order requiring the Defendant to make restitution to consumers injured by its unfair and deceptive trade practices.

4. Enter an order requiring the Defendant to pay the costs of this suit and of the investigation of the Defendant made by the Attorney General.

5. Grant such other relief as the Court deems just and proper.

Dated:

Respectfully submitted,

JAMES E. TIERNEY
Attorney General

JAMES A. MCKENNA
Assistant Attorney General

STEPHEN L. WESSLER
Assistant Attorney General

Attorneys for Plaintiff
State House Station #6
Augusta, Maine 04333
Tel. (207)289-3717

1. The Defendant, its agents, employees, assigns or other persons acting for, under the control of or on the behalf of Defendant are hereby permanently enjoined from:

A. misrepresenting to any person that new parts will be or have been used in the repair of a motor vehicle when Defendant will install or has installed reconditioned or used parts to repair the motor vehicle;

B. failing to clearly disclose to repair consumers the flat rate method used by the Defendant in charging for labor. The form of approved notice is attached hereto as Appendix A;

C. failing to clearly explain, when requested by any customer, the method (i.e., "flat rate" or "actual labor hours") by which labor costs are estimated or calculated for a particular repair;

D. charging for repairs to motor vehicles when those repairs have not been specifically authorized by the customer; and

E. engaging in any false or deceptive representation to any customer with respect to the repair of a motor vehicle.

2. Defendant shall pay restitution in the sum of \$69,000. Restitution shall be paid to the Department of the Attorney General within ten (10) days of notification that the

Department is ready to make payments to injured consumers. This restitution shall be distributed as follows:

A. Within 10 days of the date of this Consent Decree, Defendant shall provide the Attorney General with mailing labels for each customer purchasing services from Defendant's body repair shop between January 1, 1983 and March 1, 1985.

B. Within 40 days of the date of this Consent Decree the Attorney General shall send written notice to each consumer described in the preceding paragraph informing said consumer that he or she may be entitled to restitution if the Attorney General can determine that Defendant substituted used or reconditioned parts for new parts in any body shop repair. The Attorney General shall notify each consumer that in order to make a claim for restitution the consumer must submit to the Attorney General within forty (40) days of the date of mailing of the letter a copy of the repair order or repair estimate which the consumer received from Defendant. A copy of the letter which the Attorney General will send to consumers is attached hereto as Appendix B.

C. Within 85 days from the date of this Consent Decree the Attorney General shall inform Defendant of which consumers have responded with a request for

Feb 24

restitution. The Defendant shall, within fifteen (15) days of receiving notification from the Attorney General of which consumers have filed claims, provide the Attorney General with the originals of all repair orders and repair estimates for those consumers between January 1, 1982 and March 1, 1985. The Defendant may submit other documentation it considers relevant to the consumer's claim.

D. The Attorney General shall determine, in its sole discretion, which consumers were sold used or reconditioned parts when Defendant had previously represented that it would install new parts. The Attorney General shall provide restitution to these consumers within 60 days of receiving the documentation from Defendant as set forth in paragraph C above.

E. An award of restitution funds shall be made conditioned upon the consumer executing a release in the form attached hereto as Appendix C.

F. The amount of restitution shall be the difference between the estimated retail price of the new parts and the retail price of the used or reconditioned parts actually installed.

G. The Attorney General, at its discretion, shall also pay from these funds restitution to consumers who

have previously complained to it as receiving unauthorized repair work from Defendant.

H. The Attorney General may deduct from the amount of restitution its cost of processing restitution claims.

I. If the Attorney General determines that the amount of restitution exceeds the available funds, the Attorney General shall provide properly proportioned restitution to the affected consumers. Any funds not distributed to consumers shall be used by the Department of the Attorney General to benefit all Maine consumers who purchase cars. Specifically, such funds shall be used only for consumer mediation or education with respect to the sale or repair of motor vehicles and the Attorney General shall make a yearly accounting to the Court of its expenditures.

3. Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Consent Decree to apply to this Court at any time for appropriate modifications of this Decree or such further orders and directions as may be necessary for the enforcement of this Decree and for the punishment, pursuant to 5 M.R.S.A. § 209, of any violations of the permanent injunction set forth above.

4. This Consent Decree shall be in effect until five years from the date of the Decree unless earlier terminated in accordance with the following procedure:

A. Defendant may submit to the Attorney General, within six months of the date of this Decree, a management plan addressing each of the matters raised in the State's Complaint and in this Consent Decree. The Defendant shall design its management plan so as to avoid the reoccurrence of each of the practices prohibited in this Consent Decree.

B. The Attorney General shall notify Defendant within thirty (30) days of receiving said management plan whether the management plan is acceptable to the Attorney General.

C. If the management plan is acceptable and if the Defendant complies with each and every provision of said management plan for a period of 18 months from the date the Attorney General notifies Defendant of its final acceptance of the management plan, then upon the Attorney General providing the Court with written notice of Defendant's compliance the Decree shall be terminated.

D. If the Defendant believes the Attorney General has improperly or unreasonably withheld either initial approval of the management plan or confirmation that the Defendant has complied with the management plan, the Defendant may request this Court to review the matter and decide if the Attorney General has acted unfairly.

5. Pursuant to 5 M.R.S.A. § 209, the Defendant shall pay the Department of the Attorney General the sum of \$1,000, which sum shall represent reimbursement of the costs of this suit and of the investigation of the Defendant made by the Attorney General. This sum shall be paid within 30 days following the date of this Consent Decree.

The undersigned, with knowledge of the terms of the above Consent Decree, agree to those terms and to the entry of the Decree.

FOR DEFENDANT:

Dated: December 3, 1985

John M. R. Paterson

JOHN M. R. PATERSON, Esq.
Colony Cadillac and Oldsmobile, Inc.

FOR PLAINTIFF, STATE OF MAINE:

Dated: December 3, 1985

James McKenna

JAMES A. MCKENNA
Assistant Attorney General
Consumer & Antitrust Division
State House Station 6
Augusta, Maine 04333
(207) 289-3661

It is hereby ORDERED and DECREED as set forth above:

Dated:

Wm. A. Brady
JUSTICE, SUPERIOR COURT

APPENDIX A

FLAT RATE CUSTOMER DISCLOSURES

1. Flat rate disclosure that must be printed in large type, all caps and bold face type, and posted where customers can see it:

FLAT RATE LABOR CHARGE

MOST LABOR ESTIMATES AND MOST LABOR CHARGES AT COLONY CADILLAC AND OLDSMOBILE, INC. FOR A PARTICULAR REPAIR ARE BASED ON THE AMOUNT OF HOURS CALCULATED IN [name of repair book] AS BEING NECESSARY TO MAKE THE REPAIR. THIS IS A "FLAT RATE" LABOR CHARGE AND DOES NOT NECESSARILY REFLECT THE ACTUAL AMOUNT OF TIME WE SPEND MAKING THE REPAIR. THE ACTUAL AMOUNT OF REPAIR TIME MAY BE MORE OR LESS THAN THE TIME CALCULATED IN ARRIVING AT OUR "FLAT RATE" CHARGE. IF YOU HAVE ANY QUESTIONS ABOUT ONE OF OUR ESTIMATES OR CHARGES, PLEASE ASK US AND WE WILL EXPLAIN HOW WE CALCULATED IT.

2. Disclosure that must be printed, stamped, or attached, in all caps and bold face type, on every repair order (service department and body shop)

FLAT RATE LABOR CHARGE

MOST LABOR ESTIMATES AND MOST LABOR CHARGES AT COLONY CADILLAC AND OLDSMOBILE, INC. FOR A PARTICULAR REPAIR ARE BASED ON THE AMOUNT OF HOURS CALCULATED IN [name of repair book] AS BEING NECESSARY TO MAKE THE REPAIR. THIS IS A "FLAT RATE" LABOR CHARGE AND DOES NOT NECESSARILY REFLECT THE ACTUAL AMOUNT OF TIME WE SPEND MAKING THE REPAIR. THE ACTUAL AMOUNT OF REPAIR TIME MAY BE MORE OR LESS THAN THE TIME CALCULATED IN ARRIVING AT OUR "FLAT RATE" CHARGE. IF YOU HAVE ANY QUESTIONS ABOUT ONE OF OUR ESTIMATES OR CHARGES, PLEASE ASK US AND WE WILL EXPLAIN HOW WE CALCULATED IT.

APPENDIX B

December 2, 1985

Dear Colony Cadillac Customer:

Recently, the Department of the Attorney General and Colony Cadillac and Oldsmobile, Inc. joined in a Court-ordered Consent Decree which prohibited certain repair practices by Colony. One of the practices prohibited by the Decree involves Colony telling its body shop customer that new parts will be used in the repair of the car when in fact used or reconditioned parts will be used. As part of the Consent Decree, Colony has provided a restitution pool of \$69,000 to reimburse any consumer who received used or reconditioned parts rather than the estimated new parts. The Attorney General is responsible for distributing this restitution to injured consumers. Your name has been given to us by Colony as one of its body shop customers.

As a Colony body shop repair customer, you may be eligible to apply for a share of the Consent Decree restitution. IN ORDER TO APPLY FOR RESTITUTION, YOU MUST SEND TO US WITHIN 30 DAYS OF THE DATE OF THIS LETTER COPIES OF THE INITIAL COLONY ESTIMATE OF THE COST OF YOUR REPAIRS AND THE FINAL COLONY REPAIR BILL. In many cases, these documents may be with the insurance company that paid your repair bill. If so, you should contact that insurance company and have them send to you copies of these documents. This office will then evaluate all restitution requests and determine whether you received fewer new parts than originally promised you. If so, you will receive the difference in cost between the promised new part and the used or reconditioned part that was actually installed. We expect the average amount of restitution to be \$100-\$200. If the restitution requests total more than the money available, then the Attorney General will proportion the restitution area awards accordingly.

It is important to note that the senior management of Colony Cadillac and Oldsmobile, Inc. have cooperated fully with our investigation of this matter and they have emphasized to us that they had no knowledge of these practices and did not condone them. They have agreed that all necessary steps will be taken to prevent such practices from occurring in the future.

O.K. to estimate all they can fund;

Put March 1st date in letter

If you have any questions concerning this restitution plan, please feel free to contact this office at 289-3716 between 9:00 A.M. and 12:00 P.M. An Assistant Complaint Examiner will attempt to answer all your questions. Often our phone is busy, and you should also feel free to put your question in writing and include your phone number. An Assistant Complaint Examiner will call you as soon as possible.

Sincerely,

JAMES A. MCKENNA
Assistant Attorney General
Consumer and Antitrust Division
State House Station 6
Augusta, Maine 04333
(207) 289-3661

JAM/amp

APPENDIX C

COLONY CADILLAC AND OLDSMOBILE, INC. RELEASE

I hereby acknowledge that I have received \$ _____
in restitution from the Department of the Attorney General.
This restitution was received due to improper charging for
repairs by Colony Cadillac and Oldsmobile, Inc. to
my _____
_____ (car year, model and VIN number). These
repairs were paid for on _____ (date).

In accepting this restitution I agree that I will not seek
any more damages from Colony Cadillac and Oldsmobile, Inc. for
the amount of any overcharges for the repairs on the
above-named car.

CUSTOMER NAME

CUSTOMER ADDRESS

CUSTOMER SIGNATURE

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. CV-85-576

STATE OF MAINE,)
)
 Plaintiff,)
)
 v.)
)
 COLONY CADILLAC AND)
 OLDSMOBILE, INC.,)
)
 Defendant,)

MOTION TO AMEND CONSENT DECREE

REC'D & FILED
PEARL VALERIE PAGE

AUG 20 1986

CLERK OF COURTS
KENNEBEC COUNTY

1. Pursuant to the Consent Decree in this matter, the Defendant has forwarded to the Department of the Attorney General \$69,000 to be used for restitution to consumers injured by Defendant's trade practices.

2. The Department of the Attorney General has now concluded distribution of restitution. We have distributed \$26,443.48 to 78 consumers. As agreed to in the Consent Decree, we have also deducted \$778.82 for the costs of administering this restitution program.

3. Thus, at the conclusion of our restitution program, \$41,777.70 remains from the original restitution payment of \$69,000. Pursuant to paragraph 2(I) of the Consent Decree, any funds not distributed to consumers "shall be used by the Department of the Attorney General to benefit all Maine consumers who purchased cars:"

Specifically, such funds shall be used only for consumer mediation or education with respect to the sale or repair of motor vehicles and the Attorney General shall make a yearly accounting to the court of its expenditures.

4. The State has now concluded that consumers might be better served if there were greater leeway in how these funds might be used to assist consumers. For example, the Attorney General is contemplating establishing volunteer mediation programs in either the Portland or Bangor areas or in both areas. These volunteer mediation programs would be operated by a local social service agency and each would receive a \$15,000 per year grant from the Department of the Attorney General.

5. In order to use the Colony restitution funds for such a grant program or for a similar mediation initiative, the Consent Agreement should be amended to read:

Any funds not distributed to consumers shall be used by the Department of Attorney General to benefit all Maine consumers. Specifically, such funds shall be used only for consumer mediation or education programs. The Attorney General shall make a yearly accounting to the court of its expenditures.

6. The Consent Decree in this matter anticipates the Court's continuing jurisdiction over the use of the restitution monies paid by the Defendant. Therefore, the State respectfully requests that this Court grant its Motion to amend restrictions on how the restitution monies may be best utilized.

Dated: August 19, 1986

SUPERIOR COURT
CIVIL ACTION

James McKenna

JAMES A. MCKENNA
Assistant Attorney General
Consumer & Antitrust Division
State House Station 6
Augusta, Maine 04333
Tel: (207) 289-3661

Attorney for Plaintiff

8/27/86 - Motion to amend granted as prayed for
without objection.

[Signature]

REC'D & FILED
PEARL VALERIE PAGE

AUG 20 1986

CLERK OF COURTS
SENEBEC COUNTY