

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO.

STATE OF MAINE)
)
 v.) ASSURANCE OF DISCONTINUANCE
)
FRANK GALOS CHEVROLET, INC.)

Pursuant to the Unfair Trade Practices Act, 5 M.R.S.A. § 206 et seq., the Attorney General has examined the practices of Frank Galos Chevrolet, Inc. and has found the following:

1. Frank Galos Chevrolet, Inc. (hereinafter referred to as Galos) has its principal place of business at U.S. Route One, Saco, Maine.

2. Galos operates a motor vehicle dealership in Saco, Maine from which it sells new and used motor vehicles, including motor vehicles sold under the trademark "CHEVROLET."

3. In addition to the sale of new and used motor vehicles, Galos repairs new and used motor vehicles at its service department located at the same facility.

4. Galos has failed to provide notice to its repair customers as required by the Motor Vehicle Law, 29 M.R.S.A. § 2605 (Supp. 1983). In particular, Galos has failed to post a notice to consumers that is conspicuous, can be read by the average person and contains the following information:

"NOTICE TO OUR CUSTOMERS REQUIRED UNDER STATE LAW"

Before we begin making repairs, you have a 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.

Before you pay your bill, you have a right to inspect any replaced parts. You have a right to take with you any replaced parts, unless we are required to return the parts to our distributor or manufacturer.

You cannot install any used or rebuilt parts unless you specifically agree in advance.

We cannot be charged any fee for exercising these rights.

WE CHARGE \$ PER HOUR FOR LABOR

(We round off the time to the nearest .)

The notice shall also contain the following if it applies:

"We also charge a flat rate for some repairs. Our service manager will explain what a flat rate is and show you how much it may cost you."

WHEREFORE, pursuant to 5 M.R.S.A. § 210 (1979), without admission as to any issue of law or fact alleged in the preceding paragraphs, Galos, its employees, agents, affiliates and all persons acting in concert or participation with it, assures the Attorney General that Galos:

(a) shall permanently discontinue, directly or indirectly, violating 29 M.R.S.A. § 2605 (Supp. 1983), in particular, by failing to post a notice of repair rights in a place reasonably likely to be seen by its repair customers; and

(b) shall pay to the Department of the the Attorney General within 20 days of the date of filing of this Assurance, the sum of \$1,150, which shall represent the costs of the investigation of Galos made by the Attorney General and this Assurance of Discontinuance.

Dated at Augusta, Maine this 25th ^{September} day of ~~July~~, 1984.

WITNESS:

Ray M. Skowron

By: *[Signature]*
President, Galos Chevrolet

Vickie L. Truman

By: *Herbert M. Gulak*
Office of the Attorney General

REC'D & FILED
PEARL VALENTINE PAGE

SEP 26 1984

CLERK OF COURT
MAINE

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO.

STATE OF MAINE,)
)
 Plaintiff)
)
 v.)
)
 FRANK GALOS CHEVROLET, INC.,)
)
 Defendant)

CONSENT JUDGMENT

Plaintiff State of Maine having filed its Complaint on December 22, 1987, and Plaintiff and Defendant having consented to the entry of this Consent Judgment without trial or adjudication of any issue of fact or law:

NOW, therefore, before the taking of any testimony and without trial or adjudication of any issue of fact or law, and upon the consent of the parties, it is hereby ordered and decreed as follows:

1. This Court has jurisdiction over the subject matter of this action, and the Complaint states a claim upon which relief may be granted against Defendant under 5 M.R.S.A. § 209 (1976);

2. Defendant, its successors and assigns, and any persons acting for Defendant or in its control, are permanently enjoined from:

A. Advertising any motor vehicle for sale at other than the actual price of the vehicle unless deductions from the price are clearly and conspicuously explained in the advertisement; and

B. Making any misrepresentations in the advertisement of new or used motor vehicles.

DATED: 12/14/87

Leanne Robbin
LEANNE ROBBIN
Assistant Attorney General
Consumer & Antitrust Division
State House Station 6
Augusta, Maine 04333
(207) 289-3661

ATTORNEY FOR PLAINTIFF

DATED: 12/11/87

Myer Marcus
MYER MARCUS, ESQ.
Marcus & Marcus
97A Exchange Street
Portland, Maine
(207) 773-8169

ATTORNEY FOR DEFENDANT

ORDER

Judgment shall be entered in accordance with the above agreement.

DATED: December 22, 1987

Walter A. Brady
JUSTICE, SUPERIOR COURT

DEC 22 1987

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
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STATE OF MAINE,)
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 FRANK GALOS CHEVROLET, INC.,)
)
 Defendant)

COMPLAINT
(Injunctive Relief Requested)

INTRODUCTION

1. This is an action under the Unfair Trade Practices Act, 5 M.R.S.A. §§ 206-214 (1979 & Supp. 1986) to enjoin Defendant Frank Galos Chevrolet, Inc. from engaging in unfair or deceptive acts or practices in the advertisement of prices for new cars.

PARTIES

2. Plaintiff, State of Maine, a sovereign state, by and through the Attorney General, commences this action under 5 M.R.S.A. §§ 206-214 (1979 & Supp. 1986), commonly known as the Unfair Trade Practices Act, to protect the public by restraining Defendant from engaging in unfair or deceptive trade practices.

3. Defendant Frank Galos Chevrolet, Inc. is a corporation duly registered in the State of Maine with a primary place of business in Saco, Maine.

JURISDICTION AND VENUE

4. This court has jurisdiction over this action pursuant to 5 M.R.S.A. § 209 (Supp. 1986) and 4 M.R.S.A. § 105 (Supp. 1986).

5. Venue is properly laid in Kennebec County pursuant to 5 M.R.S.A. § 209 (Supp. 1986).

CAUSE OF ACTION

6. From at least July 12, 1987, to the date of this Complaint, Defendant has published advertisements which represent prices for certain in-stock vehicles in bold print. For example, on August 30, 1987, in the Maine Sunday Telegram, Defendant advertised for sale a "1987 Caprice Classic LS Brougham four door" vehicle for "as low as \$15,381/net!" See advertisement attached hereto as Exhibit A.

7. In fact, the price of the advertised vehicle is \$1,000 more than the price in bold print. For example, the 1987 Caprice Classic advertised at \$15,381 is in fact priced at \$16,381.

8. Defendant placed the following language in fine print at the base of its advertisement as follows: "If your trade-in is worth only \$1,000 wholesale to us -- you pay only . . . " and "no trade add \$1,000 to net prices shown." See, e.g., Exhibit A.

9. The language purporting to explain Defendant's calculations for the prices of the vehicles offered for sale is not readily noticeable or comprehensible to the reasonable consumer reading the advertisement.

10. The advertisement leads the reasonable consumer to believe that the price in bold print is the actual sale price of the vehicle, when, in fact, \$1,000 must be added to that price in order to determine the vehicle's actual sale price.

11. Defendant's advertisement is false, deceptive and misleading, in violation of 5 M.R.S.A. § 207 (1979) of the Unfair Trade Practices Act.

RELIEF REQUESTED

Plaintiff respectfully requests that this Court enter an order as follows:

1. Declaring that Defendant's advertisement is unfair, deceptive or misleading, in violation of 5 M.R.S.A. § 207 (1979);
2. Enjoining Defendant, its employees, agents, assigns and all persons acting in its behalf or under its authority or control, from:
 - A. Advertising any motor vehicle for sale at other than the actual price of the vehicle, unless deductions from that price are clearly and conspicuously explained in the advertisement; and

B. Making any misrepresentations in the advertisement of new or used motor vehicles.

3. Ordering such other relief as this Court deems just and equitable.

DATED: Dec. 22, 1987

JAMES E. TIERNEY
Attorney General



LEANNE ROBBIN
Assistant Attorney General



STEPHEN L. WESSLER
Assistant Attorney General
Chief, Consumer & Antitrust Division
State House Station 6
Augusta, Maine 04333
(207) 289-3661

BANK GALLOPS CHEVROLET

EXHIBIT A

We Have A Deal For Everybody... Come In For Full Details.

As Low As

1.9

A.P.R.

FINANCING

OR UP TO

\$1000 REBATES!

OR NO MONEY DOWN

OR EVEN

NO CREDIT!

The Chevy Center Has It All!!

'87 Spectrum 2 Drs.
as low as
\$7893⁰⁰ /Nett
Plus \$700 Cash Back!
Auto trans, air conditioning, tilt steering, delay wipers, custom interior, all season radials & much more.
New Stk. #70690

'87 Celebrities
as low as
\$9131⁰⁰ /Nett
Plus \$700 Cash Back!
4 Dr. 200 trans, p.s., p.b., AM/FM stereo, elec. rear def., w/w all season radials. Cloth trim, rustproofing & more.
Demo Stk. #70011

PLUS MAINE'S LOWEST

'88 Full-Size 1/2 ton Pickups
as low as
\$8364⁰⁰ /Nett
Plus \$1000 Cash Back!
8' Fleetside, fuel inj. V6 eng., p.s., p.b., AM/FM stereo, gauges, 6x9 mirrors, Headliner and more.
New Stk. #80043

'88 Full-Size 3/4 Ton Pickups
as low as
\$10,374⁰⁰ /Nett
Plus \$1000 Cash Back!
8' Fleetside, 350 V8, auto, p.s., p.b., 34 gal tank, AM/FM stereo, H.D. radiator & trans cooler, gauges & much more.
New Stk. #80061

'87 Cavaliers
as low as
\$7141⁰⁰ /Nett
Plus \$600 Cash Back!
4 dr. fuel inj. 4 cyl eng, PS, body side moldings, elec. rear def., all season radials, AM/FM stereo, cloth interior, & more.
New Stk. #70284

'87 Nova C.L.
4 Door Sedans
as low as
\$9427⁰⁰ /Nett
Plus \$500 Cash Back!
Air cond, PS, PB, stereo cassette, cruise control, delay wipers, 2 tone paint, custom int, aluminum wheels, loaded... loaded!
New Stk. #70382

ADVERTISED

NEW CHEVY PRICES!!

'87 S10 Extended Cab 4X4 Pickups
as low as
\$10,879⁰⁰ /Nett
Plus \$1000 Cash Back!
4X4, V6, p.s., p.b. 1600 lb. payload, jump seats, 20 gal tank, H.D. battery, radiator, step & low bumper & much more.
New Stk. #70662

'87 Chevy 2 WD Silverado Pickups
as low as
\$12,399⁰⁰ /Nett
Plus \$1000 Cash Back!
Fancy short box, V8, auto, p.s., p.b., silverado, 2 tanks, power windows, locks, post, stereo cassette, exterior decor paint, bed liner, rustproofing & more.
Demo Stk. #70129

'87 Monte Carlos
as low as
\$10,324⁰⁰ /Nett
Auto, p.s., p.b., elec. rear def., moldings, w/w radials, AM/FM, stereo, p. steering, cloth trim, rustproofing and more.
Demo Stk. #70293

'87 Caprice Classic L.S. Brougham 4 Drs.
as low as
\$15,381⁰⁰ /Nett
Plus \$500 Cash Back!
V8, auto, ps., pb., power windows, door locks, stereo cassette, cruise, air A.C., wire wheel covers, dual power seats, every extra Dealer's personal Demo!
Demo Stk. #70405

If your trade in is worth only \$1000 wholesale to us - you pay only -

'87 S120 4X4 Blazers
as low as
\$12,887⁰⁰ /Nett
Plus \$1000 Cash Back!
4X4, V6 eng, 5 spd, aluminum wheels, two tone paint, rear seat (5) P235 white letter tires, AM/FM stereo, elec def., deep tinted glass & much more.
New Stk. #71046

'87 Full Size 4x4 Blazers
as low as
\$12,934⁰⁰ /Nett
Plus \$1000 Cash Back!
Fuel inj. V8, auto, p.s., p.b., folding rear seat, HD springs & shocks, AM/FM radio, mud & snow radials, gauges, deluxe interior & more.
New Stk. #70912

Credit eligibility to be determined by G.M.A.C. No trade add \$1000 to net prices shown. Sales tax and title not included. Offer expires 9/4/87.

"THE CHEVY CENTER"

BODY SHOP



The CHEVY CENTER

#1 ON ROUTE ONE SACO, ME.

PORTLAND 883-4359



SACO 284-5986