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EPA
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Fuel Economy



21 MPG

18

27

city/hwy

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highway

SCAMS TRICKS and DECEPTIONS

A GUIDE FOR NEW CAR BUYERS

BY JOHN CARAVELLA

TOTAL MSRP \$28,560.00

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Overall Vehicle Score ★

Based on the risk of injury or death in a frontal, side and rollover crash. Vehicle is compared to other vehicles of similar size and weight.

Frontal

Driver

★

Crash

Passenger

★

Based on the risk of injury in a frontal crash. Vehicle is compared to other vehicles of similar size and weight.

Side

Front seat

★

Crash

Rear seat

★

Based on the risk of injury in a side impact.

Rollover

★

Based on the risk of rollover in a single-vehicle crash.

Star ratings range from 1 to 5 stars (★ ★ ★ ★ ★)

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SCAMS TRICKS and DECEPTIONS

A GUIDE FOR NEW
CAR BUYERS

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PREFACE

For the last 25 years since retiring from police service I have been performing consumer fraud investigations for various agencies. Clearances resulted in the recovery of millions of dollars for countless victims. Many files centered on unfair, fraudulent or deceptive new car purchases; some of which are highlighted in this book.

The various forms of scams you could face are nearly innumerable, but I cover what are the more likely such as: ***No advertised price; you don't want a new car; you are separated from the person you came with; you're trapped; you don't feel well and the pressure continues; your signatures may be mis-applied; your trade-in is gone.***

You probably don't have time to read a thick book with warnings about buying a new car so I kept this guide brief, concise and maybe a little blunt in order to save you time.

These factual case files convinced me that not only are unsuspecting buyers capable of becoming victims, but experienced buyers can be victimized as well. The unsuspecting buyer can be an elderly, trusting person or an accomplished lawyer. In this book I point out pitfalls that may surprise you and I illustrate them with true stories that will shock you.

You may be uncomfortable exerting your rights the first time around, but a new car buying venture may well be your second-most expensive life's purchase. Be assured; however, once you become practiced in knowing you can actually be in charge of events you will quickly realize how well you can protect yourself.

No one will protect your rights and best interests better than you can.

John Caravella

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ADD-A-TAGSMPROTECTING THE CONSUMERSM**DEALER**

STOCK NO.:

SERIAL NO.:

MODEL:

AVAIL. SERVICE AGREEMENT: YES

STANDARD EQUIPMENT INCLUDED**DEALER-ADDED EQUIPMENT AND SERVICES****Manufacturer Suggested Retail Price:****\$31,409**

Lifetime Nitrogen Tire Inflation

Deluxe Pin Stripe

Carpeted Floor Mats

Final Delivery Detail

\$1,489**Additional Dealer Profit****\$3,000**

DESTINATION CHARGE

INCLUDED**TOTAL PRICE*****\$35,898**EPA
DOT**Fuel Economy & Environment**

Fuel Economy

**For MPG
Ratings See
Fuel Economy
Label or visit**

fuelconomy.gov

Compare this vehicle to
the average new vehicle.**THIS
PROTECTING-THE-CONSUMERSM
LABEL IS NOT AN
OFFICIAL FACTORY OR
GOVERNMENT STICKER.**Affixed as a supplemental
Consumer Information Label
by your dealer.**Annual fuel COST****See Fuel Economy &
Environment Label
or fuelconomy.gov****For Smog, Fuel Economy &
Greenhouse Gas Ratings**1  10See the Fuel Economy and Environment
Label or visit fuelconomy.gov

*Dealer's Price for this vehicle as equipped. Does not include options and destination charge and does not include taxes, title, or license charges, if any. This label has been affixed to this vehicle by this dealer. It has been designed by ADD-A-TAG to change a manufacturer's submitted price. It is not part of the factory label affixed by the manufacturer.

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SERIES II

Dealer-added sticker - sample

Complaint: The Monroney Label was missing.

Every new vehicle sold in the United States must have a manufacturer-generated Label affixed to the windshield or side window of the vehicle. This is to occur at the point of the vehicle's manufacture prior to its delivery to any dealer. The author of this federal legislation was "Mike" Monroney from Oklahoma. The Automobile Information Disclosure Act of 1958 remains current today and requires several items of important information including:

...the following information concerning such automobile—

- (a) the make, model, and serial or identification number or numbers;
- (b) the final assembly point;
- (c) the name, and the location of the place of business, of the dealer to whom it is to be delivered;
- (d) the name of the city or town at which it is to be delivered to such dealer;
- (e) the method of transportation used in making delivery of such automobile, if driven or towed from final assembly point to place of delivery;
- (f) the following information:
 - (1) the retail price of such automobile suggested by the manufacturer;
 - (2) the retail delivered price suggested by the manufacturer for each accessory or item of optional equipment, physically attached to such automobile at the time of its delivery to such dealer, which is not included within the price of such automobile as stated pursuant to paragraph (1);
 - (3) the amount charged, if any, to such dealer for the transportation of such automobile to the location at which it is delivered to such dealer; and
 - (4) the total of the amounts specified pursuant to paragraphs (1), (2), and (3);

and there is a penalty for removing the Label:

Any person who willfully removes, alters, or renders illegible any label affixed to a new automobile pursuant to section 1232 of this title, or any endorsement thereon, prior to the time that such automobile is delivered to the actual custody and possession of the ultimate purchaser of such new automobile, except where the manufacturer relabels the automobile in the event the same is rerouted, repurchased, or reacquired by the manufacturer of such automobile, shall be fined not more than \$1,000, or imprisoned not more than one year, or both. Such removal, alteration, or rendering illegible with respect to each automobile shall constitute a separate offense.

If you cannot find the disclosed **“(4) total of the amounts specified pursuant to paragraphs (1), (2), and (3)”** you can be tricked into paying too much for your vehicle.

Consider the manufacturer's total from the Monroney Label to be an advertised price displayed for all to see. There is no good reason for you to begin negotiating a price for the vehicle at an amount greater than the manufacturer's **total**.

File 932: I went to the dealership to shop for a new car. The salesperson asked how much I could afford and I said, "\$19,000.00." The salesperson showed me a new car and said its price was \$37,000.00 plus unknown destination charges. This vehicle had no Monroney Label. I said it was too much, especially once you add on this dealer's preparation/profit charge, tax, license and fees so he said he would reduce the price to \$25,000.00 "with all benefits." I asked if the dealer prep/profit charge was negotiable? He went on to describe these benefits as break-down coverage, tire problem repairs, washes, loaner if needed, oil changes, and extended warranties "all for \$25,000.00 plus tax."

I agreed to all this and was then introduced to the finance manager, who continued the sales process. I was asked to sign so many papers that the finance manager jokingly said to the salesperson that his arm was getting sore. During all the signing I was being reassured by the salesperson that the price with all extras was \$25,000.00 plus tax.

I left with the new car still under the impression that the sale amount was \$25,000.00 plus tax and was not aware of the full cost of the vehicle being \$37,548.00 until I received my customer copy of the Retail Buyer's Order and Simple Finance Charge agreement in the mail some 4-5 days later. I was not given copies of these documents at the time of the sale when I left. My review of these papers from the mail was the first time I became aware of my car's total cost.

I do not remember seeing any papers at the time of purchase that listed the dollar amounts of the transaction as the Retail Buyer's Order does. I was told to sign so many papers that, while under the assumption of the agreed price, I did not notice anything printed out for me to sign that caught my attention to any other terms. In particular I do not recall specifically signing the Retail Buyer's Order or whether or not something contained any listing of dollar amounts prior to my signing everything.

I later found the Monroney Label in the trunk with the real price listed at \$19,415.00. On the sale contract the dealership started the price of my car at \$29,000.00. I don't know why there is such a difference.

RESOLVED: FINANCIAL RECOVERY

File 723: We went to the dealer to look at new vehicles. During that time I and my partner signed a Retail Buyer's Order. I am 67 years old and my partner is 95.

We noticed the vehicle did not have a Monroney Label on it, but had it been present at the time of inspection and purchase, thereby revealing the actual value of the vehicle, we would not have purchased this vehicle at what we now believe to have been an unlawfully inflated price. All the paperwork was presented in a rushed fashion and we never got any of it after signing. Once we later obtained copies of what we signed we noticed the salesman charged us \$82,383.00 for the vehicle that the manufacturer later informed us had an MSRP of \$47,745.00 and a manufacturer's total of \$49,976.00. The contract even charged us for equipment the dealer said it installed on the vehicle, but that came standard from the factory.

I met with the dealership's manager and expressed my reservations about the sale, but that I did not want to file a law suit. The manager

stated any civil action toward settlement could take a long time, which could potentially out-live my partner and who may not then be alive to provide testimony. I replied to the manager that my partner has already given an audio/video deposition in anticipation of such circumstances. The manager then wrote me a check for \$38,000.00 to settle all matters and close out our other complaints.

RESOLVED: FINANCIAL RECOVERY

A **Monroney Label** (*see page “iv” at the beginning of this book*) can only be printed by the manufacturer. It cannot be added to, amended or altered by another entity once the manufacturer affixes it to a vehicle.

A **dealer-added sticker** is not a Monroney Label. Some dealers display a dealer-added sticker and some do not; these stickers (*see page “v” at the beginning of this book*) are simply a non-regulated way for a dealer to increase profits. It is a false claim for a dealer to say the sticker, or your purchase of the items on the sticker, are required.

Many dealers affix a dealer-added sticker next to a Monroney Label that pretends to increase the manufacturer’s total price of a new vehicle shown on the Monroney Label. These stickers are designed to look like official Labels, but they are not. A dealer-added sticker can claim the dealer applied extra products like special exterior wax, interior stain protection, nitrogen-filled tires, pin striping and other assorted extras to increase the vehicle’s price by thousands of dollars.

Another dubious extra that can appear on a dealer-added sticker is a cost for Market Value Adjustment. This is a dealer’s attempt to charge more for the vehicle because of a creative and contrived perception of supply vs. demand.

If some extra products are missing, some dealers will claim they have not yet applied them and they are instead only suggested extras for a buyer to consider. If you cannot determine the existence of extras with your five senses and/or you do not want any extras refuse to buy them.

Blank Monroney Labels are available on the retail market and in some instances you may suspect a Label has been changed from what the manufacturer disclosed.

If you question any additions to the manufacturer's Label by an entity not the manufacturer you can simply take a photo of the Label that belongs to the vehicle and telephone the manufacturer to compare its information on file to the affixed Label. Some Labels have been found to be different than what the manufacturer originally issued.

If a dealership balks at your taking a Label's picture you have probably discovered a fake Monroney Label.



Complaint: I did not intend to buy a car.

As you sit patiently in the service department's waiting room a salesperson approaches and asks if everything is going okay. The next question is, "As long as you're waiting, would you like to see our latest models?"

If you are at the dealer for service, you are not at the dealer to walk around with a salesperson. Your answer is a firm, but friendly, "No thank you. I'm comfortable right here." Repeat this if you have to.

File 181: I drove to the dealership for an oil change. While waiting, a salesman approached me and asked if I was familiar with all the new safety features and options of a new car compared to my older model. He explained the benefits of a new car and showed me a champagne colored new car, which had a sticker price of approximately \$36,000. This car was the top of the model line with full power seats and many other extras.

I repeatedly told the salesman that I was there only for an oil change and was happy with my current car, but the salesman continued to pressure me about purchasing the new car he was showing me. And the pressure continued. For reasons I still do not completely understand I eventually signed a sales contract and the salesman allowed me to drive away in and retain ownership of my old car without physically taking possession of the newly purchased car. I continued to tell him I just wanted my old car and not a new one even though the sales contract shows a trade-in allowance. The salesman told me the dealership would have to charge me a storage fee if I did not pick up my new car within a reasonable amount of time.

Very shortly after arriving home the salesman and another individual showed up at my home and stated they were there to

deliver my new car to me. It was a blue colored car that I hadn't seen before and the other person had another car so they could both return to the dealership. This blue car was a base, low-end model and was not the champagne colored car I was shown at the dealership, which I thought I had seen. The sales contract showed I purchased this low-end car, but at the price of the more expensive champagne colored car. He said the contract was clear, it was signed and the car was mine and there is nothing I can do about it. I had not given the salesman or anyone permission to drive this new car, nor was it insured.

The salesman stated that his mother has the same type of car and loves it. The salesman twice offered to arrange lunch with me and his mother. I never found out if the salesman even has a mother.

RESOLVED: FINANCIAL RECOVERY

File 792: I went to the dealership to get my dashboard lights fixed. While waiting I was approached by a salesperson. He questioned whether or not I would like to see and test drive a new car to which I said no, I was just in for service. He continued with the same question saying how nice the new models were and eventually I test drove a new car.

I am not clear on why I continued to speak with the salesperson, but I eventually signed a contract to purchase a new car, which was a different vehicle than what I test drove.

I am not certain why I bought a new car, and did not look at any documents before signing; not even to notice the price of the car. I found the entire transaction to be very confusing. I traded in my old car, which I took to the dealership having no intention of doing, and purchased a new car, which I had no intention of doing, either.

RESOLVED: FINANCIAL RECOVERY

File 113: I went to the dealer for a free oil change. While waiting for this service to be completed and walking around I was approached by salesman, who asked if I would like to test drive a new car. I agreed, but stated that I was not interested in purchasing any replacement vehicle until later next year.

After the test drive my oil change was not yet completed. The salesman asked again about my purchasing a new car, to which I replied that if I were to buy anything its color would have to be silver, which was not the color of the test-drive vehicle.

The salesman then produced a large quantity of paperwork for a silver car and I quickly became confused with what was taking place regarding the salesman's pitch while waiting for my car to be serviced and I ended up purchasing a new silver colored car.

Over the four hours at the dealer no one came to inform me that the oil change to my car was ever completed. I did not receive an invoice for the oil change I was there for. At no time did any service person approach me to tell me that my vehicle was ready for pick-up after the oil change.

The new vehicle did not have a Monroney Label on it. I now know what that is. I returned to the dealer the next day to express my feeling I was overcharged on the purchase price, but I was informed the sale was final. I asked for a Monroney Label that someone retrieved from somewhere and gave it to me.

RESOLVED: FINANCIAL RECOVERY



Complaint: We were separated.

It is always a good idea not to car shop alone. No one is there to witness events on your behalf. As more and more dealerships claim to video record all transactions you should have a witness of your own. An audio recording may also be done in states that allow it. Sometimes the dealership's claim of having an audio and/or video recording to prove their side if a transaction falls apart when asked to provide a copy.

If you take someone along do not get separated under any circumstances. If your witness needs to visit the rest room you, too, should go. If the sales staff requires something from you that cannot be accomplished by remaining together, refuse to do it. Simply put, there is no good reason for you to be separated from your witness.

Giving up your car keys will be discussed in another section.

File 703: I went to the dealership with my daughter for warranty service and an oil change. While we were in the waiting room we were approached by salesman and he asked if we "felt lucky today" because "we and 46 others have been chosen" for a special deal on a new car "with the same payments as our current car with its trade-in." I replied that this sounded good and he said he could save me \$8,000.00, but as we negotiated I said the deal was not doable because the payments would be too high. The salesman then offered my daughter a job as a driver for the dealership, which income he said could help with the payments.

The salesman then gave my daughter an employment application and asked her to fill it out away from me in another room and that she was guaranteed a job.

After my daughter left, the salesman wrote some dollar figures on a folder and presented the folder to me and asked me to initial the

figures. After doing so I told the salesman again that I was no longer interested in buying a new car, but the salesman said that by my initials I already bought the new car so the deal was done.

I suffer from heart disease, dizzy spells and high blood pressure and I had already been with the salesman for several hours and he was aware that I was becoming unable to concentrate and think clearly as he had me sign other papers. He asked for my credit card as identification and \$5,000.00 was charged to my card as a down payment.

My daughter reported that while she away from me she was attempting to get my keys back for the car we brought in for warranty work and an oil change, but she was unable to get them back from the salesman as he would come and go from her room. I do not know if my warranty work or the oil change had ever been completed or done at all. My daughter said the salesman had the keys in his pocket and would not give them back to her or me upon her demand before I had signed a sale contract for the new car.

RESOLVED: FINANCIAL RECOVERY

Complaint: I was trapped in “The Box.”

In dealership language the salesperson’s office or finance manager’s office where contract signings eventually take place is known as “The Box.” You do not want to be in their Box until absolutely necessary. The Box is where you become the focus of as much pressure as it takes to get you to buy a vehicle; frequently by more than one sales staff member in order for them to close the sale.

From a customer’s standpoint there is no reason your negotiations cannot take place in the parking lot, at the vehicle you are interested in, under a tree, in your car, or any place of YOUR choosing other than in The Box.

By design you will feel pressured in The Box to make decisions for events that are forced upon you by several dealer employees at once or by a parade of employees. This tactic benefits the dealer, not you.

Negotiations for price, dealer-applied options and extras, tax, title, dealer preparation and eventual bottom line cost can all be negotiated in a place of your choosing. In a friendly way you can simply tell the sales staff that, “It’s such a beautiful day I thoroughly enjoy being outside. Let’s talk here.” You will experience pressure to come into their domain for the sake of convenience and privacy, but;

“No thank you. Just bring me your offers. This was such an enjoyable test drive I’d like to stay right here in this nice new car. I’ll wait here for you.”

In this way you can have the sales staff serving your needs rather than you serving their needs. Your exercise of this tactic may take some practice, but you will be able to do it and the sales staff will reluctantly comply if they indeed want to sell you a vehicle; so have some fun.

You can demand written offers that can be produced on the same contract forms you may eventually sign. Once you have their offers in hand keep them.

Eventually you may be in The Box to buy, but it won't happen until you have written evidence of what the final sale documents will recite. You will be able to clearly compare your offers to the contracts and if they do not match it's time to leave; with your offers in hand. Do not give them up as you walk out the door.

File 075: I received a mailed advertisement offering a no- obligation visit to the dealership in exchange for \$5.00 cash. I went to the dealer with no intention to buy a car, but to instead obtain my promised \$5.00 for simply visiting. I am 84 years old.

I arrived at about noon and received \$5.00 in large denomination coins and was also approached by a salesman. A discussion ensued that eventually lead to the salesman querying my desire to purchase a new vehicle. I said I was not interested in purchasing a new vehicle because I had a car that was only 3 years old, which I was still making payments on, and did not want to spend any more money.

In short order an unknown second salesman joined the conversation and both salesmen asked me to join them in their office for some refreshments and to talk. While in the office they continued to verbally pressure me into purchasing a new vehicle. I said "No" at least three times during a three hour period of continual pressure by the two salesmen who did not relent for me to purchase a new car.

On two occasions I said I also wanted to contact my son before making any decisions; however, the salesmen continued to ignore this request and my refusals.

I suffer from high blood pressure and am under a doctor's care for it and as time went on I began to experience symptoms of my high

blood pressure becoming exacerbated by the salesmen's refusal to leave me alone. My dizziness and headache increasingly kept me from thinking clearly. I felt trapped and I believed the salesmen were keeping me against my will and that my ability and will to resist was diminishing as my symptoms were increasing.

I know that a neighboring dealer's general manager allows senior-aged customers to take their purchase contract home overnight to review its details before considering signing. I should have gone there instead.

For reasons I did not understand at the time I signed a purchase contract for a new vehicle that included trading in my 3 year old car.

I drove home in the new car still not fully understanding what had happened or why I ended up purchasing a new car, except for my not being able to concentrate on the events leading up to my signing. My contact with the salesmen was three hours of unwanted pressure with their continued actions to have me purchase a new car being against my repeated and expressed refusal to not want to buy a new car. I should never have been alone with them. I remember I wanted my son to get me out.

RESOLVED: FINANCIAL RECOVERY



“They made me buy a car; then took me to
the hospital.”

Complaint: They made me buy a car; then took me to the hospital.

File 564: My brother went to the dealership at approximately 10AM on Tuesday with a cashier's check made out to himself dated the previous day, which was the same day he was discharged from his most recent in-patient psychiatric care. He drove to the dealership in his own car. At some point he became involved in a sale process with a salesman at the dealer.

During the sale process the salesman telephoned my brother's son apparently at the urging of my brother. The salesman apparently become concerned for my brother's wellbeing due to my brother's acting-out behavior during the sale process.

The salesman relayed to my nephew by phone that his father was acting strangely as evidenced by his outbursts toward a baseball team jacket he was wearing. My brother reportedly became angry at the jacket, stripped it off, and continually jumped up and down on it.

My nephew informed the salesman that his father suffers from extreme episodes of manic behavior, which also is associated with episodes of depression. He also relayed to the salesman that the behavior he was calling about was indicative of an episode that can be coupled with his father's inability to recall events at the time, which places his father in positions of not being able to act, think, or communicate rationally, or to make rational decisions.

My nephew then suggested the salesman also phone me for corroborating information regarding his concerns.

I then received a telephone call from the salesman and I confirmed his report of events.

I also told the salesman, from the information he was supplying, that my brother, who was still in the salesman's office, is not presently capable of making an informed decision about purchasing a vehicle or decisions about his own present care. I relayed that he had in the recent past purchased a vehicle at another dealer and that dealer rescinded the purchase after learning of my brother's mental impairment. I also reported to the salesman that my brother has, in the most previous three weeks, been hospitalized each of those weeks for unstable acts associated with his diagnosed manic/depression, which he has suffered from for most of his adult life and was most recently released from a health care facility yesterday.

Later that same afternoon I received another phone call from the salesman, who told me that he had sold my brother a new car, apparently after my phone conversation with him, and that he then drove my brother, as passenger in his new vehicle, to a hospital for care. He said that he had to assist with my brother's admission by swiping his identification card through the hospital's admission system and that he then gave my brother the keys to his new car and left. The salesman said he was driven back to the dealership by another employee, who picked him up at the hospital.

RESOLVED: SALE VOIDED

Complaint: I did not sign that.

Many dealerships are switching from paper documents to paperless forms. Instead of signing and receiving paper contracts the customer now signs a sheet of glass with a pen-like object similar to signing a credit card terminal at a retail store. As you may know, when you get your receipt at a retail store after signing the credit card terminal, your receipt looks nothing like what the terminal presented to you for your signature. Instead, the receipt given you can have far more information on it than what you saw you were signing.

When it comes to signing binding and expensive contracts, this form of obtaining your signature(s) can lead to costly problems.

When presented with paperless contract forms requiring your signature, do not sign the glass until you are first given a copy of the completed form on paper. Then read it and keep it. In this way you will have a “proposed copy” of the form for you to compare with the final signed copy you should receive after signing.

Demand a final paper copy of all signed contracts. Do not accept a computer USB Drive (also known as a flash drive or thumb drive) for you to access after you leave the dealership.

File 675: I went to the dealer on Friday to see about purchasing a new car for our daughter and was shown a white one, which I felt was appropriate. My husband could not be with me so I told the dealer that I desired my husband to see and approve the car prior to purchase so I was asked to sign a no-cost “hold” until my husband could later that day view the car and finish any paperwork.

I was not presented with physical documents, but instead was asked to “sign” a large, clear, hard plastic/glass topped screen, not actually paper documents.

The glass presented areas highlighted in yellow for me to sign using an electronic pen. Facsimiles of documents, some possibly with blank spaces, appeared under the glass, which were not completely visible and the pen did not actually contact any physical documents.

I signed the glass about six times and initialed it two times.

My husband and daughter went to the dealership this same day and he was informed that I had purchased a used car with 39,237 miles on it and it was his to leave with. They charged the price of the new car. He left with the car under protest. He drove the car home, but then directly back to the dealership on Monday after I told him when I got home that I did not purchase any car, but simply “held” a new one for him to see and approve prior to our buying it. He thinks he may have driven a total of 20 miles.

I now believe that instead of a “hold” I was apparently presented with facsimiles under the glass I could not see for a purchase I did not intend.

RESOLVED: SALE VOIDED

Complaint: I thought I traded my car.

Do not believe verbal representations when it comes to what a dealership offers you. Make the dealer's staff put all offers in writing on paper for you to see and keep and review them carefully before signing any contracts that should match the offers. Keep the offers so you can later prove anything that doesn't match.

File 217: I went to the dealership in response to an advertisement I got in the mail thinking I had won a prize and wanted to claim it. Once there I learned I had not won anything.

I was then approached by a salesperson, who stated he could lower my payments if I buy a new car and trade in my old car, which was less than a year old, so I purchased new car. My old car had 6,820 miles on it and his offer sounded good.

Dealership staff inspected my old car, noted its mileage, took pictures of it and eventually also transferred all my belongings from the old car to the new one.

I was presented with a paperless glass-topped electronic contract signing device. I could not read the displayed contract forms even with my glasses on due to glare and very small printing. I instead just signed where the salesperson pointed to, which were highlighted areas on the glass requiring my signatures.

After the sale I drove my new car home while the dealership required that an employee follow me home in my old car. They left my old car in my driveway and the employee gave me its keys. He said he didn't know why I have my old car back and left with another driver.

When I went over the papers from the sale with my son he realized that my purchase of the new car did not seem to involve a trade-in of my old

car; so that I now owned and would be paying on both vehicles. The dealership placed a paper temporary tag on the new car and my old car still had its license plate, but my son noticed that the buyers order showed a transfer of registration and that the price I paid for the car was more than what was on the new car label. The salesperson also charged me for warranties and services I did not want or know about.

The next day my son and I drove the new car back to the dealership and left the keys with a note explaining the return and stating that the sale did not match my negotiations with the salesperson. I also noticed that I would be making three more payments on the new than what were left on my old car.

The dealership then had the new car towed to my home, but dropped it at a wrong address. About one week later those residents reported to the sheriff the presence of an abandoned vehicle on their property. During sheriff radio transmissions about this call for service, a deputy recognized my name as registered owner of the “abandoned vehicle” and had the car brought to my home.

I called the dealership and was told I had not done a trade and there is nothing they will do because the sale contract is legal. This is the fifth car I bought from this dealer and I now get treated like this?

RESOLVED: SALE VOIDED

File 707: We went to the dealership because of a card in the mail saying we won a prize, but when we got there they said we had not. I am 87 years old and my husband 63. We both have disabilities and health problems.

During our visit a dealership representative and another talked to us about buying a new car and asked for the keys to our car saying they just needed to move it because it was in the way.

Before I knew it my husband gave them the keys and then they began a sales pitch against our will that stretched until near midnight.

We told them from the beginning we were not there to buy anything. I repeatedly told them we were not interested in buying a car and I begged for the return of our key ring, which also contained our house key. I continued to tell them I was feeling ill and wanted to go home or to a hospital for treatment because I recently had heart trouble, but my pleas were ignored until we agreed to buy a new car with our old car as a trade-in just so we could leave. I felt like a prisoner and my husband wasn't doing well. We purchased our old car brand new a year ago. The dealer staff transferred our personal property from our old car to the new one and kept our old car and finally returned our house key.

Within a week's time the dealer delivered our old car back to our home and told us the trade-in part of the deal was cancelled. I phoned the dealer to ask what to do with the new car and they told me to return it to the lender because they don't want it. We returned the car the next day, but got a deficiency notice from the lender saying we owed them money after the car's sale at auction.

Then we got a notice from the lender of our old car saying it was going to be repossessed because we stopped making payments on it, which was true. The bank came and took our old car away. When we traded in our old car for the new one we stopped making

payments and transferred our insurance to the new car. We saw later the sale contract doesn't mention anything about our old car being a trade, but it shows a charge for transfer of our registration from the old car to the new one.

Now we don't have either car and both lenders want money from us after they auctioned off our cars.

RESOLVED: SALE VOIDED / FINANCIAL RECOVERY

Complaint: Everything that could go wrong, did.

File 637: I received an advertisement in the mail from the dealership and it stated that the dealer felt my current monthly car payment of \$459.00 with interest at 12.82% was too high for my credit rating and “*you deserve better*” and that the general manager can assist with various options regarding the purchase of a new car. I am a 70 year old Vietnam veteran.

I was offered the purchase of a new car for a trade-in of my 4 year old car. My monthly payments on my old car were \$459.98 per month, but I can't find the interest rate. The new car did not have a new car label on it anywhere so I really don't know if I paid too much for the new car.

I signed a glass device with paperless contract forms for the deal. At the end of the deal I was given a key chain and no copies of any documents. I later learned that what I was given was not a key chain, but was instead a computer USB drive that contained the documents generated by the dealer. I do not own a computer and for the longest time I could not find anyone who would open the USB drive. I kept being told it might harm their computer, but eventually I went to the VA and they opened it.

About one week after the sale I had not received any notice of acceptance of the loan from the lender, but the forms on the USB drive identified the lender and showed that my payments were going to be \$534.98.

Because I had not received any notice of approval or denial for the loan application I went to the lender for an update. The lender showed me the loan was approved for \$460.00, but this didn't match the information from the USB drive.

I later went to the dealer with questions and I was approached by the finance manager. While my loan had not been denied, he said it could take approximately two weeks for the lender to receive and approve the application, and he could instead get a loan right away for \$460.00, so I agreed and signed new documents for the loan. I thought this reduced loan would remain with the first lender.

While I waited for a payment coupon book from the lender I instead received a payment notice from a different lender for my new car. It said my payments were going to be \$679.29 a month. I don't know how this happened and the dealer has no explanation.

I went back to the first lender and they said they can buy out my loan from the second lender and give me monthly payments of \$460.00. I don't know what to do because my not having any documents has caused me so much confusion and anxiety. I don't know what I signed the second time around because I wasn't even given another USB drive.

I feel I was too passive during all this at the dealership and I remember my dad being so forceful whenever he would buy a car. He kept the salespeople jumping and now I wish I had been more like him.

I don't want this new car. It's too expensive. I just want my old car back.

This dealer was faced with the following:

- **The new vehicle distributed in commerce by the manufacturer and subject of this sale did not display the federally required manufacturer's automobile disclosure label and/or the label was removed prior to such automobile being given to the ultimate purchaser. The vehicle was sold to the customer without a full and conspicuous disclosure in writing at or before consummation of the sale of any warranty or guarantee terms, obligations, or conditions the manufacturer has given.**
- **The customer was not provided with a copy of the bona fide written, executed sales contract or agreement of purchase connected with the purchase of the motor vehicle. The customer instead received a means to obtain a copy, e.g., a computer USB drive, but the customer does not own a computer. The customer was informed that \$5,287.00 for after-market warranties and services was mandatory. The customer was unable to verify if the electronic-type forms used by the dealer accurately reflected the negotiations and agreement.**
- **The original lender has not issued a denial of the loan for \$534.98 at 7.59%. Some two weeks after the sale the dealer's**

finance manager told the customer the lender denied the loan, which he could re-write for even less; at \$460.00 per month, which was his trade-in's loan. The customer later learned this new loan was for \$679.29 per month at 16%. Before the transaction was consummated the customer was not provided a copy of the retail installment contract, nor even a means to obtain a copy; thereby, the customer was unable to verify if the electronic-type forms used by the dealer accurately reflected the negotiations and agreement.

● The customer's vehicle offered in trade prior to consummation of the first sale was reportedly sold without the customer's written authorization prior to the dealer meeting the contingency of financing; thus, the original sale was never consummated according to the finance manager. The customer believes the sales were unconscionable for the above reasons; and the second sale being the subject of duress by the taking of his former vehicle during the first sale giving a false impression of the new vehicle being legitimately financed.

RESOLVED: SALE VOIDED /
FINANCIAL RECOVERY /
RECOVERY OF PREVIOUS VEHICLE

UPDATE: This customer reported back some months later that he bought a new truck and took control of the sale from its very beginning. He first obtained printed paper copies of all documents prior to signing any paperless versions, asked what each document was, immediately struck extra warranties and services added to the sale he did not want and stated he did not allow the dealer to take away his control, which resulted in a deal he wanted. He was very pleased with his new-found and tested abilities.



Oklahoma U.S. Senator
Almer Stillwell "Mike" Monroney

Recap:

Shop for a new vehicle *as if* the following controls exist:

Motor Vehicle Dealers

(1) Definitions –

- (a) “Indirect financing” means any financing offered through a motor vehicle dealer, or a motor vehicle dealer’s network of financial institutions, that is approving a loan and setting its terms and rates, and collecting the payments.
- (b) “Spot delivery” means delivery of a newly acquired motor vehicle to a customer prior to financing on the newly acquired vehicle being approved.

(2) Regulation

(b) Violations –

1. “Spot delivery” of any new motor vehicle by a motor vehicle dealer to a customer, which transaction also involves a motor vehicle offered in trade by a customer, shall be unlawful. Sale, exchange, or transfer of a new motor vehicle to a customer that involves “indirect financing” shall comply with the following:

a. A motor vehicle dealer shall provide a customer with dated and unsigned copies of all proposed contracts displaying their related charges. Proposed contracts shall include, but are not limited to, a buyer’s order, a retail installment sale contract, and contracts for after-market warranties, services, and products. A customer shall have not less than two business days to review all contracts.

b. A customer shall consummate the proposed sale, exchange, or transfer on the third business day after the proposed contract date, or a customer shall cancel the proposed sale, exchange, or transfer on the third business day after the proposed contract date and owe nothing to the motor vehicle dealer. A motor vehicle dealer may unilaterally cancel all proposed contracts at the end of the third business day after the proposed contract date and owe nothing to the customer. No down payment or anything of value shall be offered, accepted, or required to hold a new motor vehicle that is subject of a sale, exchange, or transfer during these time periods.

c. Neither a motor vehicle dealer nor a customer shall transfer custody, possession, or control of any vehicles that are subject of a proposed sale, exchange, or transfer, or consummate a sale, exchange, or transfer in any

way until final and written approval of the proposed contract's financing terms are delivered to the customer.

d. Any contract that is part of a proposed sale, exchange, or transfer that is re-written in any fashion, except to change the actual date of consummation of the sale, exchange, or transfer shall reinstate the time frames of this subparagraph. A customer shall retain possession of all proposed contracts provided by a motor vehicle dealer.

These are simple steps you can take and practice to put you in charge of your new car purchase. If you want to protect yourself you have no options other than to take charge of the transaction. Taking these steps, which have been detailed in proposals at page 29 above, will tell the dealer you, not the dealer, want to be in charge of your time and your money:

- Do not accept “spot delivery” of your new vehicle. Drive away with your trade-in and let the dealer keep your new vehicle until you receive written loan approval from the lender named on the finance agreement, which is merely an un-approved proposal. The entire sale must be re-written anyway if something happens to either vehicle prior to the loan being accepted or rejected by the proposed lender regardless of what the dealer says. When the dealer’s verbal “promise” of your loan’s approval is made your trade-in will suddenly disappear. This leaves you with no negotiating tool when the dealer presents a new loan proposal to replace the “promise” that fell through. All contracts become void once the lender declines a dealer’s finance proposal. You would have been able to simply walk away (you had only agreed to a specific lender at specific terms), but now you feel forced to sign because your trade-in vanished. Not having your trade-in will most certainly be used against you to make you sign a new and likely worse deal than the first.

- Retain your identification for as long as possible. Once in the hands of the dealer it can be withheld from you, used in ways you don’t intend, and withheld as bait to get you into The Box. The dealer will also obtain your credit worthiness

usually without your knowledge or approval. Until you are in The Box discussions on a first name basis are sufficient.

- Look for the Monroney Label and ignore a dealer-added sticker. Do not sign any document that gives a dealer your right to remove the Monroney Label either before or after the sale.
- Do not go into The Box until you have the dealer's price offer in writing.
- Obtain and keep paper copies of contracts requiring your signature before you sign them and compare them to the dealer's written offer.
- Do not sign any electronic contract device until you first receive and review a paper form of the document(s) you are expected to sign. You should refuse to become involved in electronic contracts and demand only paper contracts, which you will not leave without. There are no guarantees your electronic signature will be applied where you are told it will go.
- Proceed slowly. Time is on your side when you are in charge. Read all documents before signing. Do not sign were the dealer tells you to sign without first reading the document. If a document does not pertain to your agreement set it aside and do not sign it. Keep that copy to show it was something you were offered, but did not sign.
- Retain all papers you ask for and are given.

There are twelve complaint files cited in this book and each victim had little hope of resolution. Indeed, once you sign a contract it is almost always binding unless certain criteria are met causing the contract to be unenforceable. A dealer's first line of defense is that you signed a contract and it is therefore binding. A second line of defense is to ignore you. The

twelve complaints cited were resolved for a monetary total of \$235,290.00.

If there is anything in this book a dealer says it “can’t do”; then you “can’t spend” your money. Watch how fast a “can’t do” turns into a “can do.”

The customers from these stories ask you to please learn from their experiences so history will not repeat itself against you. Remember, too, if you do not take control of your situation a dealer will.

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EPA
DOT

Fuel Economy and

ERIOR
MAGNETIC
ERIOR
OUNE

K SCREEN
S W / ABS
P/W/SPKR

A
ENTRY
ESS KEYPAD
NKB
G CONTROL

SAFETY/SECURITY

- AIRBAG - DRIVER K
- AIRBAGS - DUAL S1
- AIRBAGS - FRONT 1
- MOUNTED SIDE IM
- AIRBAGS - SIDE AIR CURTAINS
- FRT-PASS SENSING
- SECURELOCKS ANT
- SOS POST CRASH J
- TPMS

WARRANTY

- 3YR/36,000 BUMPER
- 5YR/60,000 POWERTRAIN
- 5YR/60,000 ROADSIDE ASSIST



ABOUT THE AUTHOR:

John Caravella patrolled the streets of the City Of Wauwatosa (Milwaukee County, Wisconsin) from 1976 to 1989. Citizen trust resulted in his clearing arsons, armed robberies, missing fugitives, dozens of burglaries and two homicides. For the last 25 years since retiring he has been involved in consumer fraud investigations, which have resulted in the recovery of millions of dollars for its victims.

PRICE
BASE P
TOTAL

TOTAL
DESTIN

TOTAL MSRP \$28,560.00

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Actual results will vary for many reasons, including driver behavior, vehicle load, and road conditions. The average new vehicle gets 27 MPG and is based on 15,000 miles per year at \$2.40 per gallon, gasoline gallon equivalent. Vehicle emissions are a significant factor in global climate change.

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**Driver
Passenger** ★

Based on the risk of injury in a frontal impact. Should ONLY be compared to other vehicles of similar size and weight.

**Side
Crash** ★

**Front seat
Rear seat** ★

Based on the risk of injury in a side impact.

Rollover ★

Based on the risk of rollover in a single vehicle crash.

Star ratings range from 1 to 5 stars (★ ★ ★ ★ ★)

Source: National Highway Traffic Safety Administration
www.safercar.gov or 1-888-4SAFECAR