

IN THE MATTER OF:

Case No.: L01-3-1192

SONIC AUTOMOTIVE - 21699 US HIGHWAY 19 N., INC.,  
d/b/a Clearwater Mitsubishi, and SONIC AUTOMOTIVE -  
CLEARWATER, INC., d/b/a Clearwater Toyota

Respondent:  
\_\_\_\_\_ /

ASSURANCE OF VOLUNTARY COMPLIANCE

PURSUANT TO THE APPLICABLE PROVISIONS of Chapter 501 Florida Statutes, the STATE OF FLORIDA, DEPARTMENT OF LEGAL AFFAIRS, OFFICE OF THE ATTORNEY GENERAL, hereinafter the "Department," caused an investigation to be made into certain business practices of Sonic Automotive - 21699 US Highway 19 N., INC., d/b/a Clearwater Mitsubishi and Sonic Automotive - Clearwater Inc., d/b/a Clearwater Toyota, Florida corporations, doing business in the State of Florida and whose principal places of business are located at 21699 US HWY 19 N., Clearwater, FL, and 21799 U.S. HWY 19 N. Clearwater, FL, respectively hereinafter referred to as "Respondents." The term "Respondents", whenever used, shall include the Respondents and each of their representatives, officers, directors, employees and agents thereof and their heirs, successors and assigns, or any other person or entity who acts under, by, or on behalf of Respondents directly or indirectly in any business or corporate capacity.

IT APPEARS THAT the Respondents are prepared to enter into this Assurance of Voluntary Compliance, hereinafter "AVC," without admitting that the Respondents violated the law and for the purpose of resolving this matter with the Department, and the Department, by

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and through undersigned Deputy Attorney General, being in agreement, does in this matter accept this AVC in termination of this investigation.

## 2. STIPULATED FACTS

2.1 The Office of the Attorney General initiated an investigation of the Respondents' dealerships pursuant to Chapter 501 Florida Statutes, concerning certain motor vehicle leasing and sales practices.

2.2 The particular practices investigated were the marketing, sale and registration of "identified products" more commonly known as Service Agreements, ETCH, GAP, and Maintenance Plans. The investigation centered on whether consumers who purchased or leased cars from these two dealerships were aware that certain identified products were included in the purchase or lease, whether inaccurate representations regarding these products were being made to the consumers, and/or whether the consumer was being made aware of their purchase of these products or their registration into the product programs.

2.3 The Office of the Attorney General asserts that there was reason to believe that some consumers were not aware of their purchase or registration into these products or programs.

2.4 The Office of the Attorney General has conducted an investigation of these alleged practices. The Respondents have cooperated with the Office of the Attorney General during the course of this investigation.

2.5 The Respondents have, and continue to, deny wrongdoing in this matter. This Assurance shall not be construed or deemed to be an admission on the part of the Respondents of

jurisdiction or any wrongdoing or liability, nor shall this Assurance be evidence of the truth of any allegations made against the Respondents.

2.6 Following the inception of the Department's investigation, the Florida Department of Insurance, now known as the Florida Department of Financial Affairs ("DFA"), began its own investigation of the Respondents for the practices identified in 2.2, asserting that it maintained regulatory jurisdiction over the sale and registration of the identified products. During the course of the DFA's investigation, the Department consulted with the DFA and the Department was apprised of the progress of the DFA's investigation. The Department is aware that the Respondents have reached agreement with the DFA on a process by which consumers will be afforded an opportunity to apply for, and under identified circumstances, obtain refunds for the purchase of the identified products from Respondents.

2.7 During the course of the Department's investigation and in consultation with the Department, the Respondents adopted certain business practices in relation to the sale of the identified products, which include:

2.7.1 Additional training of sales and finance employees on compliance with Florida laws, particularly those relating to the sale of the identified products;

2.7.2 A toll free telephone number was established for the Respondents' employees to call and report any activity that the employee believes to be inappropriate to an independent third party, so that the reported activity may be investigated and corrected if found to exist.

2.7.3 The Respondents are completing all identified product forms furnished to the Respondents by the identified product provider with the price of the additional product before such forms are provided to the consumer, and the Respondents are obtaining the consumer's signature thereon for each identified product sold;

2.7.4 The Respondents are listing separately the additional products and their corresponding sale price in the purchasing agreement that is then signed by the consumer and have employed the use of menus in sales presentations, which disclose the impact of the products being purchased on the monthly payment when the purchase is financed by the consumer;

2.7.5 The Respondents subject their finance and insurance employees to regular random inspection of transaction files by superiors.

2.8 During the course of the DFA's investigation and in consultation with the DFA, the Respondents adopted additional business practices relating to the sale of the identified products.

2.9 The Respondents acknowledge that they will at all times adhere to any and all applicable statutory requirements under Chapter 501 and that Respondents will make known to their employees the requirements of Chapter 501 and required compliance therewith.

2.10 Based upon the foregoing, the Office of the Attorney General and the Respondents, each having determined that it is in their best interests to resolve the issues raised

by the investigation without resorting to litigation, desire to conclude this matter and settle the claims arising out of the Office of the Attorney General's investigation.

2.11 Therefore, the Office of the Attorney General and the Respondents enter into this Assurance of Voluntary Compliance.

#### 5. FEES AND COSTS OF THE DEPARTMENT

5.1 The Respondents agree to pay the amount of \$64,438.00 for legal fees and investigative costs of the Department. This amount shall be paid within 30 days after this Assurance is signed by both parties. These amounts shall be made payable to the Department of Legal Affairs, Revolving Trust Fund and shall be sent by certified mail to the Office of the Attorney General, 3507 Frontage Rd., Suite 325, Tampa, FL, 33607.

#### 6. ACCEPTANCE

6.1 IT IS HEREBY AGREED by the parties that this AVC shall become effective upon its acceptance by the Deputy Attorney General, who may refuse to accept it at his discretion.

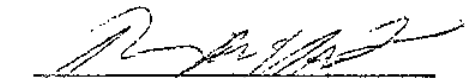
IN WITNESS WHEREOF, the Respondents have caused this AVC to be executed by an authorized representative, as a true act and deed, in the County and State listed below, as of the date affixed thereon.

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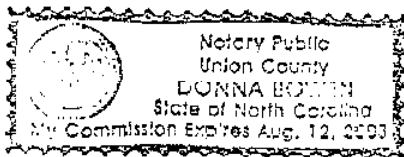
BY MY SIGNATURE I hereby affirm that I am acting in my capacity and within my authority as an officer of Sonic Automotive -- 21699 US Highway 19 N., INC., d/b/a Clearwater Mitsubishi, and that by my signature I am binding the corporation to the terms and conditions of this AVC.

SONIC AUTOMOTIVE -- 21699 US HIGHWAY 19 N., INC.,  
D/B/A CLEARWATER MITSUBISHI

By:

  
\_\_\_\_\_  
Officer Theodore M. Wright  
Vice President  
STATE OF FLORIDA NC  
COUNTY OF Union

NC BEFORE ME, an officer duly authorized to take acknowledgments in the State of ~~Florida~~, personally appeared, and they acknowledged before me that he/she executed the foregoing instrument for the purposes therein stated, on this 14 day of April, 2005.



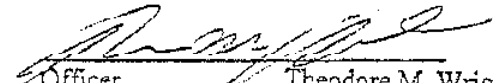
Sworn to and subscribed before me this  
14 day of Apr. 2005  
Donna Bowen

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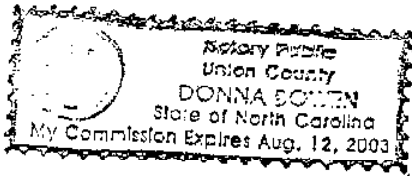
BY MY SIGNATURE I hereby affirm that I am acting in my capacity and within my authority as an officer of Sonic Automotive - Clearwater Inc., d/b/a Clearwater Toyota, and that by my signature I am binding the corporation to the terms and conditions of this AVC.

SONIC AUTOMOTIVE - CLEARWATER INC.  
D/B/A CLEARWATER TOYOTA

By:

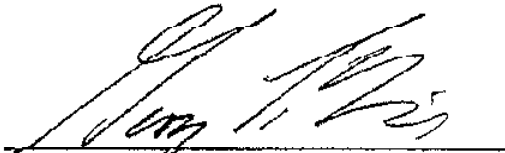
  
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Officer Theodore M. Wright  
Vice President  
STATE OF FLORIDA NC  
COUNTY OF Union

NC BEFORE ME, an officer duly authorized to take acknowledgments in the State of ~~Florida~~, personally appeared, and they acknowledged before me that he/she executed the foregoing instrument for the purposes therein stated, on this 14 day of April, 2003




Sworn to and subscribed before me this  
14 day of April, 2003  
Donna Bowen

Accepted this 14th day of April, 200<sup>3</sup>

  
\_\_\_\_\_  
George LeBloux  
Deputy Attorney General  
OFFICE OF THE ATTORNEY GENERAL  
The Capital  
Tallahassee, FL 32399-1050  
(850) 414-3600

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