

To: George LeMieux  
Mary Leontakianakos  
From: Nick Cox  
Date: 4/17/03  
Re: Clearwater Mitsubishi and  
Clearwater Toyota AVC

This is a matter that the OAG began investigating in 2001. The allegations were that the dealerships were engaging in a practice commonly referred to as "payment packing". Essentially consumers who purchased or leased cars from these dealers were unaware that the purchase also included after-market products - ie - service plans, maintenance plans, GAP insurance and Etch security protection. Often the cost of these items was buried in the price of the car itself or in the cost of an extended warranty the consumer purchased.

At one point in 2002 the OAG was in the process of negotiating with the dealers. During that period the Dept. of Insurance (now CFO) became involved and approached our office regarding this matter. DOI indicated that they had authority over this matter and that they wished to proceed with an investigation. DOI essentially took the lead at this time. We assisted them when requested and monitored the progress of their case.

The DOI and the dealers have now reached a voluntary consent that includes a consumer notification program and process for paying restitution under identified circumstances. The DOI program involves each of the products listed above and will be administered through a third party administrator. DOI has also directed certain business practices be modified or added at each dealership.

The enclosed AVC with the OAG recognizes the program developed by the DOI voluntary consent. It further directs additional business practices be employed, many of which are already up and running. These include training for sales and finance employees on Florida Law and the sale of these products, a toll free whistle-blower number for employees to report inappropriate activity, filling out after-market applications and form in toto leaving no blanks, listing all prices separately the purchase agreement, an in house program to randomly inspect dealer files and compliance with 501. This also recognizes the practices as addressed by the DOI.

The AVC also calls for the dealers to pay over \$64,000 in fees and costs.

This agreement essentially complies with what Mary and I discussed with you last week. If you have any questions, please do not hesitate to contact me at your convenience.