

**From:** Braz, Madison <Madison.Braz@partner.vermont.gov>  
**Sent:** Tuesday, August 13, 2019 9:38 AM  
**To:** Iris Lewis <ilewis@vtdigger.org>  
**Cc:** Clark, Charity <Charity.Clark@vermont.gov>  
**Subject:** RE: Lewis - Autosaver Group - PRA Request

Dear Iris,

Attached you will find the 2005 document specified in your request.

Sincerely,

Madison Braz

State of Vermont  
Office of the Attorney General  
Consumer Assistance Program  
109 State Street  
Montpelier, VT 05609-1001

Website: [consumer.vermont.gov](http://consumer.vermont.gov)  
Email: [ago.cap@vermont.gov](mailto:ago.cap@vermont.gov)  
Phone: (800) 649-2424 (toll free from VT phone)

**From:** Iris Lewis [<mailto:ilewis@vtdigger.org>]  
**Sent:** Friday, August 9, 2019 1:11 PM  
**To:** Braz, Madison <[Madison.Braz@partner.vermont.gov](mailto:Madison.Braz@partner.vermont.gov)>  
**Cc:** Clark, Charity <[Charity.Clark@vermont.gov](mailto:Charity.Clark@vermont.gov)>  
**Subject:** Re: Lewis - Autosaver Group - PRA Request

Thank you so much!

One more thing — the 2012 document refers to a similar document from 2005. Both times, the dealerships were accused of false or misleading advertising. Would it be possible for me to get the 2005 document as well?

Thanks again, and I really appreciate the work you put into this!

Best,  
Iris

FILED

STATE OF VERMONT 2005 SEP 20 P 2: 42  
WASHINGTON COUNTY, SS.

IN RE:	)	
	)	
SPRINGFIELD AUTO MART,	)	WASHINGTON SUPERIOR COURT
INC.,	)	DOCKET NO. <u>558-9-05</u>
	)	
Respondent	)	

**ASSURANCE OF DISCONTINUANCE**

1. This Assurance of Voluntary Discontinuance ("Assurance") is entered into by Vermont Attorney General William H. Sorrell (referred to herein as the "State" or "Attorney General"), acting pursuant to the Vermont Consumer Fraud Act, 9 V.S.A. Section 2451 *et seq.*, and Springfield Auto Mart, Inc. (referred to herein as Respondent). Upon execution, this Assurance shall be filed in the Washington Superior Court. The date of such filing is referred to herein as the Filing Date.

2. Respondent is an automobile dealership in Vermont that markets and sells new and used automobiles. As used in this Assurance, Respondent is meant to include its owners, partners, parents, affiliates, subsidiaries, predecessors and successors. The president of Respondent is the president, officer, owner and/or operator of Crosstown Motors in Littleton, New Hampshire, registered as a trade name with the New Hampshire Corporation Division, and of Littleton Chevrolet, Buick, Oldsmobile, Pontiac, Inc. ("Littleton Chevrolet"), in Littleton, New Hampshire, registered as a corporation with the New Hampshire Corporation Division .

**FACTS**

3. Respondent has engaged in an advertising program that has included publication of tri-folded print advertisements in area and regional newspapers. One such

recent tri-fold advertised what was described in the ad as an "'05 Clearance Event," at the Respondent and GMC Truck Center in Springfield, Vermont for the period of July 20-23, 2005. A copy of that advertisement is attached as Exhibit A to this Assurance. The cover of the ad depicted an image of a logo for GM's recent "Employee Discount for Everyone" program with a red scissor cutting through the logo and the statement "NOT GOOD ENOUGH" partially superimposed over the logo in large print. Just beneath that print was the statement "Our customers **deserve and get** better prices!" (emphasis in original). The ad clearly implies that Springfield Auto Mart was offering to sell automobiles qualifying for the GM Employee Discount For Everyone program at prices meaningfully reduced from program prices.

4. All of the vehicles advertised in the flier were 2005 model trucks and cars. Each vehicle in the flier was depicted in apparently new condition and with "2005" imprinted on each in bold black letters in a white oval surrounded by a red shadow. For each vehicle, a dollar figure provided what purported to be the "MSRP" of the vehicle. "MSRP" is a term which refers to a new vehicle's "manufacturer's suggested retail price." Under the MSRP figure in the ad was another figure, labeled "TOTAL SAVINGS," and then a price which reflected the MSRP provided in the ad less the purported total savings amount. The ad then stated in bold lettering for each vehicle, "NOW DEDUCT YOUR TRADE."

5. One vehicle, a 2005 Chevrolet Trailblazer 4x4, was depicted in the full center of the colorful tri-fold when opened. In addition to the language and style described above, beneath the image of the '05 Trailblazer was a statement, in large yellow lettering over a blazing red sun-like circle, that read "SAVE 40 % OFF ORIGINAL MSRP."

6. While some of the vehicles advertised in the tri-fold insert were new 2005 models, others depicted were actually 2005 models which had been previously owned and had logged as many as 30,000 miles. While for vehicles which were new, the ad included the word "new" in its identification of the car, for other offered 2005 models depicted in the ad, there was no indication that the offered price was for vehicles that had been previously owned. Consumers seeing the advertisement in the manner and place in which it was distributed would reasonably have inferred that all of the vehicles depicted in the tri-fold were new 2005 models. According to Respondent, all of the MSRPs that were given in the ad as reference prices against which purported consumer "total savings" were to be measured were for the vehicles when they were sold as new 2005 models even though Respondent was selling some of the vehicles as used 2005 models.

7. Fine print was included in the tri-fold advertisement. However, the fine print was of a small font, was not near or specifically referenced by the statements on the ad related to MSRP and purported total savings, and did not actually state that some of the vehicles were, although 2005 models, previously used by other owners. The fine print did not help the advertisement to avoid an overall impression that the vehicles depicted were new 2005 models.

8. The subject ad and similar advertising by Respondent thus had a tendency to mislead consumers, and the ads resulted in some first contacts with Respondent secured through deception, whether or not the true facts were subsequently made known to consumers, violations of Vermont CF Rule 118.02(b).

9. In addition, although Respondent offered many of the actually new advertised vehicles at base prices that were in fact better than current GM Employee Discount for

Everyone promotion prices, some of the new vehicles were listed at the dealership at prices that were only as good as prices offered under GM's employee discount promotion. For these vehicles, although astute consumers through negotiation at the dealership might have obtained prices that beat the generally available employee discount prices, some consumers were at least initially quoted and may have paid prices that were not better than GM employee discount prices, despite the representation made in the advertising.

10. Respondent admits that the above-mentioned advertising constitutes a violation of 9 V.S.A. § 2453, which prohibits unfair and deceptive acts and practices in commerce, and rules promulgated under that statute, including Vermont CF Rules 103, 110 and 118, which pertain generally to price advertising and to automobile advertising in particular.

11. Respondent used tri-fold ads that involved practices essentially similar to those described above in the summer of 2005, referred to below as the "Summer 2005 Sales Periods."

12. Respondent used tri-fold ads that involved some of, but not all, of the practices described above during many, but not all, of the months between and including April 2004 and May 2005. In particular, some of the Springfield Auto Mart tri-fold ads in those months did not include any cars which were used; the ads which did include some used cars depicted them in a manner which was not as likely as the ads for the Summer 2005 sales periods to result in consumer deception. Further, none of those earlier ads made any representations that prices at Springfield Auto Mart were better than prices under GM's employee discount program. The ads, however, did violate Vermont law and rules in the manner described above in other respects, including, for example, in their use of MSRP.

13. Respondent has agreed to enter into this Assurance, and the Attorney General is willing to accept this Assurance, to assure the Attorney General's office that Respondent will comply with Vermont consumer protection law in its promotional advertising.

#### ASSURANCES

14. Respondent, Crosstown Motors, and Littleton Chevrolet will fully comply with Vermont CF Rules 103, 110, and 118 in all respects. In particular, but without limitation, they:

a. will plainly state, wherever and in the same manner that the vehicles are otherwise described, promoted or identified, that advertised vehicles have been previously owned when that is actually the case and consumers might, absent such plain statement, infer from the ad that they are new; and, if using ads comparing offered prices with GM Employee Discount for Everyone prices, that such discounts are available only on actually new models;

b. will only represent in their advertising that their prices are better than the generally available GM Employee Discount for Everyone prices, or similar promotional or reference prices, with compliance with Vermont CF Rule 110.03;

c. will not use "MSRP" or similar terms as reference for price comparison when selling previously owned vehicles;

d. will not use "MSRP" or similar terms as reference for price comparison when selling new vehicles unless they have otherwise complied with Vermont CF Rule 118.05(k), including without limitation that the referenced MSRP be what in fact the manufacturer has provided on the required Monroney sticker for that vehicle, and the language required in the rule is clearly and conspicuously disclosed in the ad; and

e. will not use disclaimers in advertising that are not proximate to the terms that they are meant to qualify, or which contradict, confuse or significantly alter, or unreasonably limit a principal message of the ad, or use a disclaimer of a small type size if the disclaimer alters a principal message of the ad.

15. For a period of three (3) years after the date this Assurance is executed, Respondent, Crosstown Motors, and Littleton Chevrolet shall maintain and upon request make available to the Attorney General for inspection and copying a print or electronic copy capable of being printed of all advertising for Vermont dealerships, directed to Vermont consumers, or printed or published in a medium likely to reach consumers in Vermont, and such other documents that demonstrate that the representations and offers made in the advertising are in fact true and bona fide.

16. Respondent, Crosstown Motors, and Littleton Chevrolet shall deliver a copy of this Assurance to all current and future officers and managers responsible for operations in all dealerships, and to all current and future employees, agents, representatives, and contractors employed in or responsible for business operations in any of the dealerships having any responsibility with respect to the subject matter of this Assurance. Respondent, Crosstown Motors, and Littleton Chevrolet shall deliver a copy of this Assurance to such current individuals and entities no later than ten business days after the Filing Date, and to such future individuals and entities no later than 30 days after such individual or entity assumes such position or responsibility.

17. The parties agree that this Assurance does not resolve claims of the Attorney General regarding restitution to consumers, civil penalties, attorneys' fees and costs, or any other relief a court might award pursuant to 9 V.S.A. § 2458.

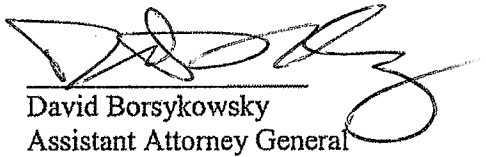
18. Respondent shall respond diligently and promptly to requests for information and documents that the Attorney General determines would be of assistance to the State in enforcing compliance with this Assurance.

19. Nothing in this Assurance shall be construed as a waiver of any private rights of any person. Nothing in this Assurance shall permit any person or entity not a signatory hereto to enforce any provision of this Assurance.

STATE OF VERMONT

WILLIAM H. SORRELL  
ATTORNEY GENERAL

Dated: Sept. 20, 2005

By:   
David Borsykowsky  
Assistant Attorney General

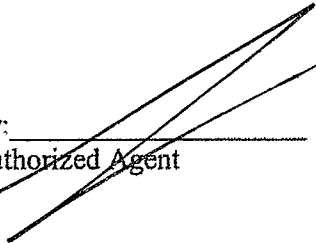
SPRINGFIELD AUTO MART, INC.

Dated: 7/14, 2005

By:   
Abel Toff, President

CROSTOWN MOTORS

Dated: 7/14, 2005

By:   
Authorized Agent



LITTLETON CHEVROLET, BUICK,  
OLDSMOBILE, PONTIAC, INC.

Dated: 7/14/, 2005

By: \_\_\_\_\_  
Authorized Agent

Approved as to form for SPRINGFIELD AUTO MART, INC., CROSSTOWN MOTORS,  
and LITTLETON CHEVROLET, BUICK, OLDSMOBILE, PONTIAC, INC.

Dated: September 13, 2005

By: \_\_\_\_\_  
Robert D. Rachlin  
Downs Rachlin Martin PLLC