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Department of Consumer Affairs

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**DEPARTMENT OF CONSUMER AFFAIRS CHARGES NINE USED CAR DEALERS WITH USING
ILLEGAL SALES TACTICS TO DECEIVE AND PRESSURE CONSUMERS TO PAY MORE THAN
ADVERTISED PRICES**

DCA Seeks More Than \$950,000 in Consumer Restitution and Fines

Department of Consumer Affairs (DCA) Commissioner Jonathan Mintz today announced charges against nine used car dealerships for using deceptive advertising to lure consumers into their businesses and then using high pressure sales tactics to get them to sign contracts with thousands of dollars in unwanted add-ons and forcing financing through the dealership. DCA seeks more than \$950,000 in consumer restitution and fines and the revocation of the dealerships' licenses. The nine dealerships, which are located in Brooklyn and Queens, include Planet Automotive, Inc., six locations of Giuffre Motor Car Co., LLC's, Northern Auto Traders, LLC, and Auto Palace, Inc.

"DCA is committed to protecting New Yorkers from what are not just aggressive but illegal sales tactics such as the ones used by these nine dealerships," said Commissioner Mintz. "These dealerships repeatedly deceived their customers and wore them down until they would agree to pay for fake fees and sign blank and confusing contracts. We're seeking restitution for hundreds of victims and encourage New Yorkers to check our tips before they buy a used car."

DCA received more than 200 complaints about these nine dealerships and is charging them with deceptive practices, including a demonstrated history of forcing customers to pay additional fees and buy unnecessary add-ons like "acquisition fees" and "submission fees" to increase the total price. These dealerships also insisted that their customers sign confusing and incomplete contracts.

Planet Automotive, Inc.

Since 2009, 127 consumers have filed complaints with DCA, the Attorney General's Office and the Better Business Bureau against Planet Automotive, which does business as KG Suzuki. The company advertised used vehicles at discounted prices on various websites which lured consumers to travel to the dealership in Long Island City. Once they were there, sales representatives showed consumers vehicles and disclosed additional charges that were not included in the advertised price. The dealership also did not allow consumers to shop around for loans but instead required them to finance all purchases through a lender chosen by them. Customers were made to wait hours before being able to meet with a finance representative who then pressured them into signing unclear and incomplete agreements, which were later altered, increasing the amounts owed to higher than what was agreed upon. DCA seeks more than \$337,000 in consumer restitution and fines in the case against KG Suzuki, as well as the permanent revocation of their license.

Giuffre Motor Car Co., LLC

DCA is charging Giuffre Motor Car Co., LLC, its six Brooklyn dealerships (Giuffre Kia, Giuffre Hyundai, Giuffre Mitsubishi, Giuffre Chrysler Jeep Dodge, Giuffre Fiat, and Giuffre Mazda) and the owner, John Giuffre, with

deceptive trade practices. In 2011, the Supreme Court found that John Guiffre and four of his dealerships had engaged in deceptive practice and false advertising. Guiffre eventually agreed to pay consumers \$294,500 in restitution and \$205,500 in penalties. However, since then, DCA has received 13 complaints about the dealerships, which continue to advertise vehicles and then add fictitious charges to the price of the vehicle amounting to thousands of dollars. Consumers were often told that the purchase of a particular vehicle was contingent upon the purchase of a warranty, a practice that is illegal in New York State. DCA seeks more than \$470,000 in consumer restitution and fines.

Northern Auto Traders, LLC

After receiving 20 consumer complaints, DCA is charging Northern Auto Traders, LLC with deceptive advertising to lure consumers into its dealership in Long Island City by advertising very low prices, then requiring additional purchases to increase the total amount financed. Many consumers paid significantly more for the car than the advertised or quoted price, due to add-ons and hidden fees. The dealership did not provide the consumers with detailed, signed and itemized invoices of the sales. DCA seeks more than \$28,000 in consumer restitution and the maximum amount in fines.

Auto Palace, Inc.

DCA has received 77 complaints about Auto Palace, Inc. in Woodside and is charging the dealership with many of the same practices as the other dealerships, including bait and switch advertising. Earlier this year, DCA revoked the license of the dealership, which was also the subject of an investigation by the District Attorney, for defrauding consumers out of \$115,000 in cash through a fake refinancing scheme and is now out of business. It preyed on immigrants, non-native English speakers and first-time buyers, and required their customers sign unclear contracts costing them thousands of dollars in hidden fees. DCA is seeking more than \$122,000 in consumer restitution and the maximum amount in fines.

DCA licenses close to 900 used car dealers, inspects dealers, reviews their advertising and mediates consumer complaints. Last year, DCA conducted almost 500 inspections of used car dealerships, issued 170 violations and received close to 300 complaints. In the past five years DCA has revoked licenses or issued violations for unlicensed activity to more than 100 used car dealerships and won \$6.3 million for consumers who filed complaints about used car dealers. In 2010, DCA investigated hundreds of print advertisements in every major newspaper featuring car advertising and issued violations to 90 percent of the dealerships, many of them for bait-and-switch advertising. To file a complaint with DCA, or for a free copy of the [Used Car Sales Consumer Guide](#), call 311 or go online to nyc.gov/consumers. Visit DCA's [YouTube](#) channel to watch a video in [English](#) and [Spanish](#) about what to know when shopping for a used car. Video captions are also available in English, Spanish, Chinese, Korean, Haitian Creole and Bengali.

DCA enforces the Consumer Protection Law and other related business laws throughout New York City. Empowering consumers and businesses to ensure a fair and vibrant marketplace, DCA licenses more than 79,000 businesses in 55 different industries. Through targeted outreach, partnerships with community and trade organizations, and informational materials, DCA educates consumers and businesses alike about their rights and responsibilities. DCA's Office of Financial Empowerment (OFE) is the first local government initiative in the nation with a mission to educate, empower, and protect New Yorkers with low incomes so they can build assets and make the most of their financial resources. Toward that end, OFE seeks to increase access to high-quality, low-cost financial education and counseling; improve access to income-boosting tax credits; connect households to safe and affordable banking and asset-building products and services; and enforce and improve consumer protections to enhance financial stability. For more information, call 311 or visit DCA online at nyc.gov/consumers.

Shopping for a car? Follow these tips:

- **If buying a used car, first check if the dealership is licensed by DCA.**
Use the instant license check tool on the DCA Website or call 311 to confirm that a used car dealer

is licensed.

- **Get a copy of your credit report before you start shopping around.**
Correct any errors, or work on improving it before you apply for a car loan so that you get the best deal. Go online to www.annualcreditreport.com for a free copy of your credit report.
- **Get pre-approved for a loan BEFORE going shopping.**
The terms and eligibility requirements for financing can be complicated. If you are going to finance your car purchase, knowing rates before you shop will help you compare rates and find the best option for you. If you use your own bank or credit union, you will also be dealing with an institution with which you have a relationship if anything goes wrong.
- **Don't negotiate a purchase based on a monthly payment.**
Your goal is to negotiate the best price for the car at the lowest interest rate and for the fewest number of payments. Pay close attention to the terms; negotiate the total cost of the car, the interest rate and the total amount that you are financing. Then estimate the monthly payment amount.
- **Say no to "add-ons" and options.**
Most add-ons or options like paint and fabric protection, rust-proofing, extra security systems, extended warranties, etc. are cheaper when bought separately. Ask for a calculation of your monthly payments with and without the add-ons and options.
- **Never sign a blank or incomplete agreement or contract.**
Only sign complete contracts. Never sign a contract if you don't understand the terms. If a car sale is negotiated in Spanish and will be paid in installments, the contract must also be written in Spanish. Always keep all copies of any contract or paperwork signed.
- **File a complaint with DCA.**
Call 311 or go online to nyc.gov/consumers to contact DCA.