



**For Immediate Release**

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**MADIGAN: CAR BUYERS FACE CREDIT NIGHTMARE AFTER  
DEALERSHIP FAILS TO PROMPTLY PAY OFF LOAN BALANCES  
FOR TRADE-IN VEHICLES**

Chicago – Attorney General Lisa Madigan today filed a lawsuit in Grundy County Circuit Court against a car dealership alleging that its failure to pay off in a timely manner the loan balances on trade-in vehicles has led to credit nightmares for customers.

Madigan’s lawsuit charges Mark Bass Chevrolet Oldsmobile, Inc., located in the 600 block of South Broadway in Coal City, with violations of the Consumer Fraud and Deceptive Business Practices Act.

Madigan’s Consumer Protection Division has received ten consumer complaints associated with the dealership’s alleged failure to pay off loan balances for autos that consumers traded in as partial payment for new vehicles. Because of these alleged practices, consumers have been hounded by collectors, forced to make loan payments on trade-in vehicles they no longer possessed and had their credit ratings negatively affected.

For example, according to the lawsuit, one couple traded-in their 2005 Chevrolet Colorado when they purchased a new 2005 Chevrolet Silverado in August 2005 from Mark Bass Chevrolet Oldsmobile. The purchase agreement stated that the \$34,677.19 loan on their trade-in vehicle was due at the time of the trade in. However, over the next four months the couple was informed by their bank on numerous occasions that the payoff had not been received and their credit rating was in jeopardy. Despite repeated calls to the dealership by the consumer and a written notice from Madigan’s office, the balance allegedly remained unpaid. Although the dealership claimed in a letter to Madigan’s office that a check had been sent in early December, the bank allegedly never received that payment. Finally, 160 days after the date of transaction, the bank received a payment from the dealership. However, as of February 2006 the consumer’s credit report included negative remarks regarding late payments on the 2005 Chevrolet Colorado auto loan.

“Consumers shouldn’t have to risk their credit just to trade-in a vehicle at a dealership,” Madigan said. “This lawsuit should send notice to Mark Bass Chevrolet Oldsmobile that its practices are illegal and must be corrected immediately.”

Madigan's lawsuit alleges that the dealership took between 51 and 160 days to pay off loan balances on nine trade-in vehicles. The unpaid balances on those vehicles ranged from \$6,523 to \$34,677.19. In the remaining instance, the consumer's \$18,194.33 loan balance is still due and owing, approximately 64 days after the consumer traded in her vehicle to the dealership.

Madigan's lawsuit alleges the dealership violated Illinois law by falsely representing to consumers that they would pay off the unpaid loan balances on trade-in vehicles, failing to pay off unpaid loan balances on consumers' trade-in vehicles in a timely manner, and failing to pay off unpaid loan balances on a consumer's trade-in vehicle.

Madigan's lawsuit asks the court to prohibit the defendant from advertising, offering for sale and selling motor vehicles and from further violating Illinois' consumer protection laws. The lawsuit also seeks a civil penalty of \$50,000 and additional penalties of \$50,000 for each violation found to have been committed with the intent to defraud. Finally, Madigan's lawsuit asks the court to order the defendant to pay restitution to consumers who have suffered injury as a result of the defendant's acts and practices.

Assistant Attorney General Greg Grzeskiewicz is handling the case for Madigan's Consumer Protection Division.

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