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ATTORNEY GENERAL MADIGAN FILES LAWSUIT AGAINST ROGUE TOWING COMPANIES

Chicago - Attorney General Lisa Madigan announced today that her office has filed a lawsuit against three Cook County towing companies alleging various violations of the Illinois Consumer Fraud and Deceptive Business Practices Act and the Uniform Deceptive Trade Practices Act.

Madigan filed the suit against: (1) Road America Automotive, Inc., doing business as Premier Auto Collision, Inc., (2) Premier Auto Collision, Inc., doing business as Target Towing & Recovery, Inc., and (3) Target Towing and Recovery, Inc., doing business as Road America Automotive, Inc. All three companies operate out of the same business address at 3055 W. 131st Street in Blue Island. The suit also names as an individual defendant Tareq A. Alhindi, the president of Road America Automotive, Inc. Since 2005, Madigan's Consumer Fraud Bureau has received 18 complaints against the three defendant towing companies.

The lawsuit alleges a pattern of conduct through which the defendant towing companies defraud consumers. According to the lawsuit, tow truck drivers employed by the three companies often arrive at the scene of traffic accidents without being summoned by either the participants in the accident or by the police. When they arrive at the scene, the tow truck drivers approach the drivers of the damaged cars and offer to tow the cars. The tow truck drivers often mislead accident participants by falsely claiming to be affiliated with motor club services. Moreover, the tow truck drivers fail to fully disclose the high towing, storage and other miscellaneous fees that the defendant companies charge for the towing service.

"These towing companies take advantage of consumers when they have been in an accident and are most vulnerable," Madigan said. "We are working to protect consumers from this egregious conduct."

The lawsuit details how the defendants often falsely tell motorists that the cost of the towing fee will be covered entirely by the consumers' insurance companies. According to the complaint, after consumers have authorized the tow, the defendants tow disabled vehicles to lots owned by the defendants and refuse to release the vehicles until full payment is made. Consumers are charged excessive towing, storage and other miscellaneous fees ranging from \$340 to \$1,650.

Even though consumers are told that their insurance will cover the towing charges, many insurance companies deem the towing charges excessive and refuse to cover the entire cost. As a result, consumers are often forced to pay the excessive fees and incur substantial out-of-pocket costs.

As an example of this fraudulent conduct, Madigan's suit describes what happened to a consumer who was injured in an automobile accident in July 2006. While waiting for the police and the ambulance to arrive, the consumer was approached by a Premier Auto tow truck driver who offered to tow her vehicle. The consumer authorized Premier Auto to tow her car to a residential address. The authorization form presented to the consumer did not list any of the charges for the tow. Despite the consumer's specific request, Premier Auto towed her vehicle to its lot.

After she left the hospital, the consumer contacted Premier Auto concerning the release of her vehicle, and Premier Auto instructed her to contact her insurance company. The consumer's insurance company informed her that it would pay for reasonable towing charges, but not for Premier Auto's storage or miscellaneous fees. Premier Auto offered to waive the storage fees if the consumer agreed to allow them to repair her vehicle. When the consumer refused to allow Premier Auto to conduct the repair, Premier Auto demanded \$750 for the release of her vehicle. The consumer returned with the police, but Premier Auto agreed only to reduce the charge to \$530. The consumer eventually paid \$530 because she felt she had no choice in order to retrieve her vehicle. The consumer's insurance company ultimately declared the \$530 charge to be excessive and only refunded her \$195.

"I encourage consumers to act carefully and be wary of companies that seek your business during stressful situations," Madigan added. "Consumers should also keep the name and number of a few reputable towing companies in their glove compartment and should carefully read and review all forms prior to giving their authorization."

Madigan's lawsuit asks the court to prohibit the defendants from engaging in the business of towing and towing-related services in Illinois. The lawsuit also asks the court to rescind the contracts that the defendants entered into by using unlawful practices and to order the defendants to pay restitution to the impacted consumers. The lawsuit 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 defendants to pay the costs of the prosecution of this case.

Assistant Attorney General Cecilia Abundis is handling the case for Madigan's Consumer Fraud Bureau.

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