



For Immediate Release
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**ATTORNEY GENERAL MADIGAN SUES AUTOMOBILE
DEALERSHIP FOR MISLEADING CONSUMERS WITH FALSE
PROMISES TO REPAY LOANS ON TRADE-IN VEHICLES**

Chicago — Attorney General Lisa Madigan today filed a lawsuit in Perry County Circuit Court against the owners and operators of an automobile dealership in DuQuoin, Illinois, alleging the defendants misled consumers with false promises that the dealership would pay off outstanding loan balances on vehicles traded in as part of automobile purchase transactions.

“Illinois consumers should be able to trust that businesses operating in the state will fulfill their promises,” said Madigan. “My office works hard to enforce the consumer laws and protect consumers from unscrupulous business people,” said Madigan.

Madigan’s office has received over 30 consumer complaints regarding this dealership. In 2006, the Illinois Secretary of State revoked this dealership’s license, which effectively terminated its ability to conduct business as an automobile dealership. Today’s lawsuit, based on those consumer complaints, alleges that Heartland Ford, Inc., parent companies Illinois Automotive Partners, Inc., and Automotive Partners, Inc., a Florida corporation, as well as corporate owners Peter Iodice and Donald J. McPherson, failed to pay off loans on trade-in vehicles, to pay title and registration fees to the Illinois Secretary of State, to pay sales taxes to the Illinois Department of Revenue, and to pay premiums on extended warranty contracts and gap liability insurance policies.

The civil complaint alleges that the defendants violated the Illinois Consumer Fraud and Deceptive Business Practices Act. Specifically, the complaint alleges that as part of the purchase price for vehicles, Heartland Ford promised to accept trade-in vehicles and to pay off the outstanding loan balances on these traded vehicles. In several instances, the dealership allegedly never paid off the loans on the trade-in vehicles, leaving the customers with outstanding balances on two separate car loans – the loan for their new vehicle and the loan balance left over on the trade-in vehicle.

The complaint also alleges that when Heartland Ford failed to pay off loans on trade-in vehicles, those loans continued to accumulate interest and fees on a daily basis. According to the complaint, the dealership’s failure to fulfill its promises to pay off loans on the trade-in vehicles caused a negative impact on some of the consumers’ credit ratings. The complaint alleges that the total value of the unpaid trade-in loans exceeds \$94,000. Because Heartland Ford also failed in some instances to pay title and registration fees on vehicles, some

customers claim that they were surprised to discover that they could not obtain license plates or renewals and that their names were not on the titles of the newly purchased vehicles.

Madigan's lawsuit asks the court to prohibit the defendants from engaging in the business of selling motor vehicles in the State of Illinois and to order civil penalties of \$50,000, with additional penalties of \$50,000 for each violation found to have been committed with the intent to defraud. The lawsuit also asks the court to rescind the vehicle sales contracts and order the defendants to pay restitution to consumers and to pay all costs for the prosecution and investigation of this case.

Assistant Attorney General Jeffrey Feltman is handling the case for Madigan's Consumer Fraud Bureau.

- 30 -

[Return to March 2007 Press Releases](#)