



November 11, 2008

## MADIGAN FILES SUIT AGAINST CHICAGO AUTO DEALER

### *Attorney General Alleges Dealer Didn't Pay Off Trade-In Loans*

Chicago — Attorney General Lisa Madigan today filed a lawsuit in Cook County Circuit Court against a Chicago auto dealer for allegedly failing to pay off nearly \$50,000 in trade-in vehicle loans in violation of the Consumer Fraud and Deceptive Business Practices Act.

Madigan's complaint alleges that Montell Chevrolet, located at 4530 South Archer Ave., failed to pay the outstanding loan balances on trade-in vehicles that consumers surrendered when they purchased new cars. The Consumer Fraud Act requires dealerships to pay off a loan within 21 days.

"Auto dealers are required by law to pay off liens on traded-in vehicles," Madigan said. "Unfortunately, this dealership has been taking consumers for a ride."

The Attorney General's office has received 4 complaints against the defendant, reflecting outstanding balances on loans ranging from \$10,000 to more than \$30,000. Because Montell Chevrolet failed to pay off the trade-in loans, the consumers remained financially responsible for a traded-in vehicle they no longer possessed. As a result, some consumers became targets for creditors' repeated demands to pay off the loans, while others continued to make monthly payments for the traded-in cars. Consumers who filed complaints with the Attorney General's office said their credit ratings consequently suffered. Mediation efforts with the defendants filed to resolve their complaints.

Madigan's lawsuit further alleges that Montell Chevrolet's actions violate a 2005 consent decree with her office, which required the dealership to pay off trade-in loans within the legal limit of 21 days. The suit asks the court to find the dealership in contempt of court for violating the settlement and to enter a permanent injunction against the dealership. The complaint also asks the court to order the defendant to pay restitution to consumers, a \$50,000 civil penalty, an additional \$50,000 penalty for each violation of the Consumer Fraud Act and all fees associated with the investigation and prosecution of the case.

Consumers who believe they have been the victim of consumer fraud can download a complaint form at [www.IllinoisAttorneyGeneral.gov/consumers](http://www.IllinoisAttorneyGeneral.gov/consumers) or call the Attorney General's Consumer Fraud Hotline at one of the following numbers:

Chicago 1-800-386-5438

Springfield 1-800-243-0618

Carbondale 1-800-243-0607

Spanish-language Hotline: 1-866-310-8398

Assistant Attorney General Greg Grzeskiewicz is handling the case for Madigan's Consumer Fraud Bureau.

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