



November 16, 2009

**MADIGAN FILES SUIT AGAINST CHICAGO AREA AUTO DEALER*****Attorney General Alleges Dealer Didn't Pay Off Trade-In Loans, Refused Refunds***

Chicago — Attorney General Lisa Madigan today filed a lawsuit in Cook County Circuit Court against a South Holland, Ill., auto dealer for allegedly failing to pay off nearly \$120,000 in loans on trade-in vehicles and failing to pay full refunds to consumers who returned newly purchased vehicles when an agreed-upon financing plan could not be arranged.

Madigan's complaint alleges that South Holland Mitsubishi, located at 150 W. 162nd St., allows consumers to take possession of purchased vehicles before financing conditions are finalized, an industry practice known as "spot delivery," but then fails to obtain loans for consumers. When consumers have attempted to return the vehicles, the dealership fails to fully refund consumers' down payments. In addition, according to the lawsuit, the dealership also fails to pay the outstanding loan balances on trade-in vehicles that consumers surrendered when they purchased new cars. The Illinois Consumer Fraud Act requires dealerships to pay off a loan on a trade-in vehicle 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 10 complaints against the defendant, reflecting outstanding balances on loans ranging from \$9,000 to more than \$23,000. Because South Holland Mitsubishi 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.

Madigan's lawsuit asks the court 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 with intent to defraud 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 Akeela White is handling the case for Madigan's Consumer Fraud Bureau.

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