

ATTORNEY GENERAL OF THE STATE. OF NEW YORK
BUREAU OF CONSUMER FRAUDS AND PROTECTION
WATERTOWN REGIONAL OFFICE

In the Matter of

Dealmaker Auto Group, LLC, d/b/a Dealmaker Dodge, LLC, a/k/a
Dealmaker Ford of Clay, LLC, a/k/a Dealmaker Ford, Inc., a/k/a
Dealmaker Leasing, LLC, a/k/a Dealmaker Management, LLC,
a/k/a Dealmaker Nissan, LLC, a/k/a Dealmaker of Ogdensburg,
LLC, a/k/a Dealmaker of Potsdam, LLC, a/k/a Dealmaker, LLC,
Dealmaker Honda,

Respondent.

**ASSURANCE OF DISCONTINUANCE
PURSUANT TO EXECUTIVE LAW
SECTION 63, SUBDIVISION 15**

Pursuant to the provisions of Executive Law 63(12) and General Business Law Article 22-A, Andrew M. Cuomo, Attorney General of the State of New York, caused an inquiry to be made into the business practices of Dealmaker Auto Group LLC, d/b/a Dealmaker Dodge, LLC, a/k/a Dealmaker Ford of Clay, LLC, a/k/a Dealmaker Ford Inc. a/k/a Dealmaker Leasing, LLC, a/k/a Dealmaker Management, LLC a/k/a Dealmaker Nissan, LLC a/k/a Dealmaker of Ogdensburg, LLC, a/k/a Dealmaker of Potsdam, LLC, a/k/a Dealmaker, LLC, Dealmaker Honda (hereinafter "Dealmaker.") and, based upon that inquiry, makes the following findings:

1. Dealmaker Dodge, LLC, Dealmaker Ford of Clay, LLC, Dealmaker Nissan, LLC, and Dealmaker, LLC are New York limited liabilities companies engaged in the business of selling and leasing new and used motor vehicles, with corporate headquarters located at 137 Main Avenue, Watertown, New York.

2. Dealmaker Ford Inc., is a Delaware corporations engaged in the business of selling and leasing new and used motor vehicles, with corporate headquarters located at 137 Main Avenue, Watertown, New York. B&J Auto Sales, Inc. and V.M. Paolozzi Imports, Inc. are New York business corporations engaged in the business of selling and leasing new and used motor vehicles, with corporate headquarters located at 137 Main Avenue, Watertown, New York.

3. Dealmaker Auto Group, LLC, Dealmaker Leasing, LLC, Dealmaker of Ogdensburg, LLC and Dealmaker of Potsdam, LLC are New York limited liabilities companies with corporate headquarters located at 137 Main Avenue, Watertown, New York.

4. Dealmaker conducts business under the names Dealmaker Auto Group, LLC; Dealmaker Dodge, LLC; Dealmaker Ford of Clay, LLC; Dealmaker Ford, Inc.; Dealmaker Leasing, LLC; Dealmaker Management, LLC; Dealmaker Nissan, LLC; Dealmaker of Ogdensburg, LLC; and Dealmaker of Potsdam, LLC, Dealmaker Honda.

5. Dealmaker repeatedly agreed, verbally and in writing, to pay off outstanding loan balances by consumers who purchased vehicles from its dealerships.

6. Since approximately January 2007, Dealmaker has repeatedly failed to timely pay off consumers' outstanding loan balances on approximately one hundred fifty vehicles traded-in by consumers who purchased vehicles from its dealerships.

7. After trading in their vehicles, many of these consumers, whose loans Dealmaker failed to timely pay off, received collection and delinquency late or missed payment notices from their lenders which may have adversely affected their credit ratings. In a number of instances the loan on the trade-in has remained unpaid by Dealmaker for more than two months after the vehicle was traded in by the consumer.

8. Dealmaker continues to fail to timely pay off these outstanding loan balances on vehicles traded in by consumers as well as the applicable late fees and penalties accrued on the account.

9. New York's Uniform Commercial Code §2-312(2) requires goods to be delivered free from any security interest or other lien or encumbrance of which the buyer has no knowledge.

10. Since approximately January 2007, Dealmaker has repeatedly failed to deliver free from any security interest or other lien used automobiles it sells to consumers in violation of Uniform Commercial Code §2-312(2).

11. By reason of the foregoing the Attorney General believes that Dealmaker is engaged in deceptive and illegal practices in violation of General Business Law, Article 22-A and Executive Law, § 63(12).

IT NOW APPEARS THAT Dealmaker is willing to enter into this Assurance of Discontinuance ("Assurance") without admitting to any violation of the law. The Attorney General is willing to accept this Assurance in lieu of commencing a statutory proceeding.

IT IS HEREBY AGREED by Dealmaker, its assigns, successors, agents, employees, and subsidiaries, corporations and other entities acting by, through, under or on behalf of any of the above or any other dealership in which Dealmaker has a controlling interest (all of whom shall herein be referred to as "Dealmaker") as follows:

I. BUSINESS PRACTICES

1. Dealmaker shall not engage in any deceptive act or practice in violation of GBL § 349, including, but not limited to, failing to timely pay off any consumers' outstanding loan balances on motor vehicles accepted for trade-in from consumers who purchase vehicles from Dealmaker.

2. Dealmaker shall not engage in any illegal act in violation of Uniform Commercial Code §2-312(2) by failing to deliver free from any security interest or other lien used automobiles it sells to consumers.

3. Dealmaker shall pay off all outstanding loan balances on trade-ins within fifteen (15) days from the date on which the consumer transfers title to the vehicle to Dealmaker provided the customer has provided Dealmaker with all of the necessary documents and information, such as vehicle title (or duplicate title), loan payoff statement, loan account numbers, etc.

II. RESTITUTION

4. Within seven (7) days following the signing of this Assurance, Dealmaker shall: a) pay off for the consumers listed in Appendix A and Appendix B all unpaid loans on trade-in vehicles including any unpaid delinquency fees; and b) reimburse these consumers for delinquency fees they already paid.

5. Within seven (7) days following the signing of this Assurance, Dealmaker shall complete a review of its sales transactions for the period July 2006 to the present for any other unpaid loans on trade-in vehicles and shall pay off these unpaid loans in the same manner as provided for in paragraph "3" of this section.

6. Dealmaker shall also make restitution in the following manner to any consumer who files a complaint with the Attorney General within one hundred eighty (180) days of the execution of this agreement and who substantiates his/her claim for a refund: The Attorney General shall notify Dealmaker of receipt of each complaint and provide it with the supporting documentation by mail. Within twenty-five (25) days after mailing, Dealmaker shall submit any written objections to the Attorney General concerning each complaint. The Attorney General shall be the final arbiter of all disputed claims and upon either the expiration of twenty-five (25) days after mailing consumer

complaints to Dealmaker or considering any objections submitted by it, the Attorney General shall determine the amount of restitution which shall be paid by Dealmaker, if any, and shall notify it by mail. Within thirty (30) days of the date of the Attorney General's notice of determination of restitution due, Dealmaker shall pay restitution in the amount specified to the appropriate lender and consumer. Dealmaker shall provide the Attorney General with verification of these payments within ten (10) days of payment by delivering or mailing all such verification to Attorney General Andrew M. Cuomo, in care of John T. Sullivan, Jr., Assistant Attorney General at the New York State Department of Law, 317 Washington Street, Watertown, New York (or such other place as he may designate).

7. Dealmaker shall also contact within thirty (30) days following the signing of this Assurance the appropriate credit reporting agencies to assist in the repair of the consumer's credit rating for those customers for whom it failed to timely pay off outstanding loan balances on traded in vehicles.

III. CIVIL PENALTIES AND COSTS

8. Upon the signing of this Assurance, Dealmaker shall:

- a) pay to the Attorney General of the State of New York the sum of Seventy-Five Thousand dollars (\$75,000.00) in civil penalties pursuant to GBL § 350-d; and
- b) pay to the Attorney General of the State of New York the sum of \$2,000.00 as costs, pursuant to Executive Law § 63(15);

IV. COMPLIANCE

9. Within sixty (60) days of the signing of this Assurance, Dealmaker shall submit to the Attorney General a sworn affidavit of a duly authorized representative certifying that the provisions of the Assurance have been satisfied and setting forth the manner and extent of their

compliance, together with exhibits and supporting documentation, including proof of payment of outstanding loans pursuant to Article II (3&4) herein.

V. INDEPENDENT EXAMINER

10. Dealmaker shall retain for a two (2) year period an Independent Examiner ("IE"). The IE shall be retained at Dealmaker's expense and shall be approved by the New York State Attorney General. The IE shall evaluate and examine Dealmaker's handling of the paying off of all outstanding loan balances on motor vehicles accepted for trade-in from consumers who purchase vehicles from Dealmaker and shall recommend as appropriate to both Dealmaker and the Attorney General additional measures needed to insure continued compliance with this Assurance.

VI. MISCELLANEOUS

11. Nothing herein shall be construed to deprive any consumer of any private right under the law.

12. The acceptance of this Assurance by the Attorney General of the State of New York shall not be deemed or construed as an approval by the Attorney General of any of the activities of Dealmaker, its members, managers, officers, employees, agents or assigns, and Dealmaker shall make no representations to the contrary.

13. Pursuant to Executive Law § 63(15), evidence of a violation of this Assurance shall constitute prima facie proof of a violation of the applicable statutes in any civil action or proceeding hereafter commenced by the Attorney General.

WHEREFORE, the following signatures are affixed hereto this _____ day of January, 2008.

Dealmaker Dodge, LLC
Dealmaker Ford of Clay, LLC
Dealmaker Nissan, LLC
Dealmaker, LLC
Dealmaker Ford Inc.
B&J Auto Sales, Inc.
V.M. Paolozzi Imports, Inc.

By: _____
Mark Picarazzi

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On this _____ day of _____, 2008, before me personally came Mark Picarazzi, to me known, who, being by me duly sworn, did depose and say that he is a member, partner and officer of the above-referenced entities, the corporations or limited liability companies described in and which executed the above instrument; and that he signed his name thereto by authority of the board of directors of said corporation or the members of the limited liability companies.

NOTARY PUBLIC

APPROVED:

ANDREW M. CUOMO
Attorney General of the State
of New York

BUREAU OF CONSUMER FRAUDS
AND PROTECTION

JOHN T. SULLIVAN, JR.
Assistant Attorney General in Charge
Watertown Regional Office

Appendix A

Vehicles as of November 5, 2007

Appendix B

Vehicles over 20 days as of [Date of AOD]