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JUN 25 2009



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1 Terry Goddard
Attorney General
2 (Firm State Bar No. 14000)
Dena Rosen Epstein
3 Assistant Attorney General
State Bar No. 015421
4 Office of the Attorney General
1275 West Washington Street
5 Phoenix, AZ 85007
Telephone: (602) 542-3702
6 Facsimile: (602) 542-4377
consumer@azag.gov
7 Attorneys for Plaintiffs

8 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

9 **IN AND FOR THE COUNTY OF MARICOPA**

10 STATE OF ARIZONA, *ex rel.* TERRY
GODDARD, Attorney General and
11 FELECIA A. ROTELLINI, Superintendent of
the Arizona Department of Financial
12 Institutions,

13 Plaintiffs,

14 vs.

15 ABRAHAM BEKELIAN, and JANE DOE
BEKELIAN, husband and wife; PATRICK
16 BECK and JANE DOE BECK, husband and
wife; LEONARD DIAZ and ANA LUISA
17 DIAZ, husband and wife; and LEONARD
DIAZ, doing business as LD AUTOMOTIVE
18 GROUP,

19 Defendants.

Case No.:

CV 2009-020793

**COMPLAINT FOR INJUNCTIVE AND
OTHER RELIEF**

(Unclassified Civil)

20
21 For their Complaint, Plaintiff, the State of Arizona by its Attorney General, Terry
22 Goddard, and Plaintiff, Arizona Department of Financial Institutions, by its Superintendent,
23 Felecia A. Rotellini, allege as follows:

24 **JURISDICTION AND VENUE**

25 1. This action is brought pursuant to the Arizona Consumer Fraud Act, A.R.S. § 44-
26 1521, *et seq.* and pursuant to Title 6, Article 3, A.R.S. §6-121, *et seq.* (Powers and Duties of the

1 Department of Financial Institutions) in order to obtain injunctive relief, restitution, civil
2 penalties, costs of investigation and attorney's fees to prevent the practices alleged in this
3 Complaint and to remedy the consequences of such unlawful practices.

4 2. This Court has jurisdiction to enter appropriate orders both prior to and following
5 a determination of liability pursuant to the Arizona Consumer Fraud Act and A.R.S. § 6-131,
6 A.R.S. § 6-132, the right to seek civil penalties and A.R.S. § 6-137(E), the right of the
7 Superintendent to seek injunctive and other relief.

8 3. Venue is appropriate in Maricopa County, pursuant to A.R.S. § 12-401.

9 **PARTIES**

10 4. Plaintiff is the State of Arizona, *ex rel.* Terry Goddard, the Attorney General of
11 Arizona, who is authorized to bring this action under the Consumer Fraud Act, A.R.S. § 44-
12 1521, *et seq.*

13 5. Plaintiff Felecia A. Rotellini is the Superintendent of the Arizona Department of
14 Financial Institutions.

15 6. Defendant Abraham Bekelian, an Arizona resident, was the President/Chief
16 Executive Officer and majority owner of Bekelian Auto Sales & Leasing, Inc., an Arizona
17 corporation that did business as a motor vehicle dealer at 2020 East Bell Road in Phoenix,
18 Arizona under the trade names of 2020 Automotive Group and 2020 Automotive Group Isuzu.
19 Upon information and belief, at all times relevant to the allegations made herein Abraham
20 Bekelian directed, managed and controlled the affairs of Bekelian Auto Sales & Leasing, Inc.,
21 d/b/a 2020 Automotive Group and 2020 Automotive Group Isuzu ("2020 Automotive"). The
22 dealership closed in October 2008. On or about February 9, 2009, Bekelian Auto Sales &
23 Leasing, Inc., filed for Chapter 7 bankruptcy in the United States District Court, District of
24 Arizona.

25 7. Defendant Jane Doe Bekelian is named for any interest she may have in the
26 marital community in the event Abraham Bekelian was or is married.

1 required to purchase certain "dealer add-ons," the existence and cost of which were not
2 disclosed in 2020 Automotive's advertisements.

3 13. Most often the dealer add-ons that 2020 Automotive required consumers to buy as
4 part of purchasing a motor vehicle included vehicle theft registration/window etching (\$999),
5 paint protection sealant (\$899) and window tint (\$799), totaling \$2697. Thus, 2020 Automotive
6 regularly advertised motor vehicles for somewhere between \$2,000 and \$3,000 below their true
7 cost to consumers.

8 14. For instance, in December 2006, a consumer went to 2020 Automotive after
9 seeing several used vehicles advertised at low prices on autotrader.com. After taking a test drive,
10 the consumer offered to purchase a 2005 Toyota Camry for \$12,000 in accordance with the
11 Internet advertised price. 2020 Automotive refused to sell the Camry to the consumer at that
12 price. 2020 Automotive said the consumer had to purchase the vehicle with add-ons including
13 \$1,000 for vehicle theft etching, \$1,000 for window tint and \$1,000 for paint protection.
14 According to the consumer, this vehicle had chipped paint, no new window tinting, and no
15 etching at all. The consumer left without purchasing the vehicle.

16 15. 2020 Automotive advertised several vehicles in the March 30, 2007 Car and Truck
17 Magazine, including a 2006 Dodge Durango SLT for \$15,920. That vehicle was purchased on
18 April 7, 2007 by a consumer who paid a final sales price of \$22,050. Prior to sale, 2020
19 Automotive had installed the following add-ons, none of which were specifically disclosed or
20 included in the advertised price of the Durango: Vehicle theft registration (\$999), paint
21 protection (\$899) window tint (\$799), spoiler grille (\$1,299) and wheels (\$1,899). Thus, not
22 including tax, license and other fees, this consumer paid \$6,130 more than the advertised price
23 for this vehicle.

24 16. In June 2008, another consumer saw a 2020 Automotive advertisement for a 2007
25 Hyundai Elantra advertised for sale at \$8,920. After confirming the vehicle was in stock and
26 available for sale, the consumer went to 2020 Automotive and decided to purchase the vehicle.

1 At that point, 2020 Automotive told him the cost of the vehicle was \$11,920 – \$3,000 more than
2 the advertised price of \$8,920 – and said the fine print in the advertisement indicated there
3 would be an extra charge for dealer installed accessories such as window tint, desert paint
4 protection and window etch. The consumer left without buying the car.

5 17. The State’s investigation revealed that 2020 Automotive utilized a “Deal
6 Checklist” that differentiated between aftermarket items consumers could chose to purchase –
7 such as GAP Insurance – and aftermarket items they were required to purchase, such as vehicle
8 theft registration and paint protection. The 2020 Automotive Deal Checklist, a copy of which is
9 attached hereto as Exhibit “A,” reads in part as follows:

10 **DEAL ORDER:**

11 ...

12 ...

13 EASYCARE WARRANTY (IF SOLD)

14 GAP (IF SOLD)

15 PREMIER PROTECTION (EVERY DEAL)

16 PREMIER GUARD (EVERY DEAL)

17 18. 2020 Automotive also charged consumers a fifty dollar (\$50) “fuel charge” in
18 virtually every sale.

19 19. 2020 Automotive’s advertisements did not disclose that an additional fuel charge
20 would be added to the price of its vehicles, or the amount of such a charge (although many ads
21 stated that tax, title, license and document preparation fees would be included in the final sale).

22 20. 2020 Automotive listed the \$50 fuel fee separately from the price of the vehicle in
23 the standard Vehicle Purchase Order form. For consumers who signed a Retail Installment Sales
24 Contract in order to finance their purchases, 2020 Automotive included the \$50 “fuel fee” in the
25 Cash Price of the vehicle.

26 21. 2020 Automotive pre-typed the “fuel charge” in its standard Vehicle Purchase
Order so that it appears to be a mandatory charge like a tax rather than a fee imposed by 2020
Automotive. Moreover, some consumers complained they did not actually receive a full tank of
gas despite the fuel charge.

1 22. 2020 Automotive sometimes failed to pay monies that were owed to consumers, or
2 should have been paid to a third party on a consumer's behalf. In one case, a consumer cancelled
3 an extended service warranty he had originally purchased along with the vehicle. The warranty
4 company refunded the full amount by sending a check to 2020 Automotive. 2020 Automotive
5 failed to forward the refund to the consumer.

6 23. 2020 Automotive charged consumers for the cost of title and registration fees, but
7 failed to pass on those monies to the Motor Vehicle Division for registration in some cases,
8 especially as the business neared closing. Upon information and belief, some consumers had to
9 pay for title and registration expenses twice, first to 2020 Automotive then again directly to the
10 Motor Vehicle Division in order to get their vehicle registered.

11 24. 2020 Automotive engaged in other deceptive advertising and sales practices as
12 well. For instance, 2020 Automotive advertised free gas cards, but did not always provide the
13 gas cards to consumers as advertised. 2020 Automotive charged some consumers an extra "bank
14 fee," although it is not clear what, if anything, justified this additional charge. And in some
15 cases, 2020 Automotive charged out-of-state residents sales tax on their purchases contrary to
16 Arizona law, A.R.S. § 42-5061(U).

17 25. Defendants Abraham Bekelian, Patrick Beck and Leonard Diaz, as owners,
18 officers and managers of 2020 Automotive, knew or should have known of the deceptive
19 practices of 2020 Automotive as alleged herein.

20 **II. LD Automotive**

21 26. Leonard Diaz, the general manager of 2020 Automotive, left at the end of 2007 to
22 open his own used motor vehicle dealership, LD Automotive Group, in or around January 2008.

23 27. Leonard Diaz, doing business as LD Automotive Group ("LD Automotive"), has
24 continued many of the same practices he put in place at 2020 Automotive. Upon information
25 and belief, LD Automotive refused to sell some vehicles at the advertised price, instead telling
26 consumers that they were "required" to purchase dealer add-ons such as window tint and vehicle

1 theft registration. For example, in July 2008, a consumer called LD Automotive after seeing a
2 Chrysler 300 advertised on the Internet. After the consumer arrived at the dealership, he learned
3 that LD Automotive would not sell him the Chrysler unless he agreed to purchase approximately
4 \$1,500 worth of “dealer add-ons” as part of the sale. The consumer refused.

5 28. Similarly, in September 2008, a consumer went to LD Automotive after seeing a
6 vehicle advertised on the Internet for \$12,915. She decided to buy the car. The salesperson then
7 told her the sales price would total approximately \$17,000, because she would have to purchase
8 dealer installed options. Although the consumer asked if LD Automotive would sell the vehicle
9 without the “options,” LD Automotive refused. The consumer left.

10 29. In October 2008, LD Automotive advertised a 2004 Toyota Solara for sale for
11 \$9,415. One of the advertised features was “tinted glass.” When the consumer went to LD
12 Automotive to buy the vehicle, however, the sales staff indicated the consumer would have to
13 pay an additional \$599 for window tint. Furthermore, LD Automotive increased the sales price
14 by another \$500, so in the end the consumer paid \$10,514.00 for a car advertised for \$9,415, an
15 increase of \$1,099 above the advertised price.

16 30. A vehicle advertised for only \$12,995 on LD Automotive’s website drew another
17 consumer to the dealership in or around November, 2008. Before making the trip, the consumer
18 called LD Automotive to confirm the price was correctly advertised and that the vehicle was still
19 in stock. Once at the dealership, LD Automotive told the consumer that all vehicles have a
20 \$1,400 “LD Auto package” that must be purchased with the vehicle, consisting of window tint,
21 vehicle etching and paint protection. Noting that LD Automotive advertised window tint as
22 already included in the car, the consumer refused to buy it and left.

23 31. Before putting a vehicle on the lot for sale, LD Automotive generally tints the
24 windows, applies paint protection and applies most or all of the vehicle theft etching.

25 32. LD Automotive has charged consumers \$599 and \$699 for window tint, and in
26 any event charges no less than \$200. This provides consumers with a LD Automotive Window

1 Tint “LIFETIME WARRANTY” (capitals on original form). However, the last sentence of the
2 “Lifetime Warranty” form says: “This warranty will expire and no other claims will be honored
3 after the second reapplication of window tint has been made,” contradicting the promise of a
4 “lifetime” warranty.

5 33. LD Automotive also continues the 2020 Automotive practice of charging a “fuel
6 fee” in virtually every transaction. Instead of \$50, however, LD Automotive charges a non-
7 negotiable fuel fee of sixty-nine dollars (\$69).

8 34. The LD Automotive fuel fee of \$69 is pre-printed on the Vehicle Purchase Order
9 that, on information and belief, is completed in every sale.

10 35. On the Vehicle Purchase Order form, the pre-printed fuel fee appears immediately
11 after the line for the dealer documentary fee and immediately before the line for license,
12 transfer, title and registration fees, creating the deceptive appearance that LD Automotive’s fuel
13 fee is a standard or government imposed charge required in every motor vehicle sale. A copy of
14 the standard LD Automotive Vehicle Purchase Order is attached hereto as Exhibit “B.”

15 36. LD Automotive’s advertisements fail to disclose the existence or amount of the
16 fuel fee.

17 37. LD Automotive treats the \$69 fuel fee as part of the cost of the vehicle. LD
18 Automotive assesses a sales tax on the \$69, treating the fuel charge the same as the price of the
19 motor vehicle for sales tax purposes. Where the consumer has also signed a Retail Installment
20 Sales Contract, the \$69 charge is added to and reflected as part of the vehicle’s Cash Price.

21 38. Although the \$69 fuel fee is part of the cost of the vehicle, LD Automotive omits
22 this amount from its advertised prices, rendering each advertised price deceptive.

23 39. LD Automotive sells motor vehicles on the premise they can be legally operated in
24 Arizona, yet sometimes fails to process title and registration papers in a timely manner. In some
25 cases, consumers’ temporary registration plates expired before they received permanent title and
26 registration documents that LD Automotive was required to obtain on their behalf.

1 40. LD Automotive did not promptly pay off liens on consumers' trade-in vehicles in
2 some instances. LD Automotive has, in some cases, failed to timely provide refunds or process
3 paperwork to ensure consumers received refunds for after-market items and services or overpaid
4 licensing and registration fees.

5 41. Upon information and belief, LD Automotive charged some consumers for dealer
6 add-ons, such as theft deterrent window etching, that were not actually applied to the vehicle.

7 42. LD Automotive expressly or impliedly represents to consumers that it is in
8 compliance with all applicable laws and regulations, including licensing requirements.

9 43. LD Automotive specifically represents it is regulated by the Arizona Department
10 of Financial Institutions by using the standard Motor Vehicle Retail Installment Sales Contract
11 that states, immediately next to the buyer's signature line:

12 SELLER IS REGULATED AND COMPLAINTS CONCERNING THIS CONTRACT
13 MAY BE ADDRESSED TO¹:

14 Arizona Department of Financial Institutions
15 2910 N. 44th Street, Suite 310
16 Phoenix, Arizona 85018

17 44. Neither Leonard Diaz nor LD Automotive is licensed by the Arizona Department
18 of Financial Institutions ("Department"), or has been licensed at any time material herein.

19 45. LD Automotive's representations that it is "regulated" by the Department are false
20 and deceptive.

21 46. In 2008, LD Automotive sold a total of at least one thousand, five hundred sixty
22 six (1,566) motor vehicles. LD Automotive sold more than 800 of the vehicles on a non-cash
23 basis and more than 700 of the vehicles on a cash basis.

24 47. In 2008, LD Automotive created or held retail installment contracts with a total
25 aggregate outstanding indebtedness exceeding three hundred and fifty thousand dollars
26 (\$350,000).

¹ Capitals in original.

1 48. The nature of LD Automotive’s business is that of a motor vehicle dealer and sales
2 finance company within the meaning of A.R.S. §§ 44-281(3) and (12).

3 49. Leonard Diaz is not and was not at any time material herein authorized to transact
4 business in Arizona as a motor vehicle dealer or a sales finance company within the meaning of
5 A.R.S. § 44-281, *et seq.*

6 50. Although Diaz submitted an initial application for sales finance and motor vehicle
7 dealer licenses for LD Automotive Group, he never completed the licensing process despite
8 numerous letters from the Department requesting additional information and warning that
9 Arizona law prohibited unlicensed activity. Specifically:

10 a. On July 18, 2008, the Department received an Arizona Department of
11 Financial Institutions Sales Finance/Motor Vehicle Dealer Application (“SF
12 Application”) for LD Automotive Group, which was completed and signed by Diaz.

13 b. On August 5, 2008, the Department sent two letters to Diaz to obtain
14 additional information in order to process his applications. In each letter, the Department
15 reminded Diaz that, “[LD Automotive] cannot engage in the business until the
16 Department issues the license.”

17 c. On August 13, 2008, the Department received an updated Sales Finance
18 Application, which revealed that LD Automotive holds its own installment contracts in a
19 total dollar amount of ninety eight thousand dollars (\$98,000.00).

20 d. On August 18, 2008, the Department sent a letter to Diaz requesting,
21 among other things, a written explanation and documents for any business LD
22 Automotive transacted in Arizona without a license.

23 e. On November 13, 2008, the Department sent a letter to Diaz requesting,
24 among other things, that Diaz provide an explanation regarding the installment contracts
25 LD Automotive holds. The Department again reminded Diaz that, “[LD Automotive]
26 cannot engage in the business until the Department issues the license.”

1 f. On November 13, 2008, the Department sent a second letter to Diaz as
2 additional information was required in order to process the Motor Vehicle Dealer
3 Application for LD Automotive. The Department reminded Diaz that on August 18,
4 2008, it requested a written explanation and documents for any business LD Automotive
5 transacted in Arizona without a license. As of November 13, 2008, no written explanation
6 had been received by the Department. The Department reiterated that “[LD Automotive]
7 cannot engage in the business until the Department issues the license.”

8 51. On December 8, 2008, the Department sent a final letter to Diaz rejecting his
9 license applications as incomplete. The Department informed Diaz he could re-apply for
10 licensure. Once again, the Department cautioned that Arizona law prohibited unlicensed activity
11 and warned of the substantial penalties for non-compliance:

12 “Please remember that you cannot engage in the business of a motor vehicle dealer
13 or sales finance company without first obtaining the required license. Unlicensed
14 motor vehicle dealer and/or sales finance company activity is a violation of
15 Arizona Revised Statutes and is subject to civil money penalties of up to
\$5,000.00 per day per violation.”

16 A copy of the Department’s December 8, 2008 letter to Diaz is attached hereto as Exhibit “C”.

17 52. Despite the Department’s letters, Diaz has not re-applied for a motor vehicle or
18 sales finance company license for LD Automotive Group.

19 53. In 2009, LD Automotive has continued to sell motor vehicles and on information
20 and belief, has continued to create or hold retail installment sales contracts.

21 COUNT I – VIOLATIONS OF THE CONSUMER FRAUD ACT

22 2020 AUTOMOTIVE

23 54. The State re-alleges all preceding paragraphs.

24 55. For purposes of this Complaint, “2020 Automotive Defendants” refers to Abraham
25 Bekelian, Patrick Beck and Leonard Diaz.

26 56. A.R.S. § 44-1522(A) of the Consumer Fraud Act, provides:

The act, use, or employment by any person of any deception,

1 deceptive act or practice, fraud, false pretense, false promise,
2 misrepresentation, or concealment, suppression or omission of any
3 material fact with intent that others rely upon such concealment,
4 suppression or omission, in connection with the sale or
 advertisement of any merchandise whether or not any person has in
 fact been misled, deceived, or damaged thereby, is declared to be an
 unlawful practice.

5 57. In all matters alleged in paragraphs 1 through 25 above, the 2020 Automotive
6 Defendants engaged in unlawful practices and violated the Arizona Consumer Fraud Act, A.R.S.
7 § 44-1521, *et seq.*

8 58. In all matters alleged in paragraphs 1 through 25 above, the 2020 Automotive
9 Defendants acted willfully in violation of A.R.S. § 44-1531(A).

10 **COUNT II – VIOLATIONS OF THE CONSUMER FRAUD ACT**

11 **LD AUTOMOTIVE**

12 59. The State re-alleges all preceding paragraphs.

13 60. In all matters alleged in paragraphs 26 through 47 above concerning LD
14 Automotive, Leonard Diaz engaged in unlawful practices and violated the Arizona Consumer
15 Fraud Act, A.R.S. § 44-1521, *et seq.*

16 61. In all matters alleged in paragraphs 26 through 47 above concerning LD
17 Automotive, Leonard Diaz acted willfully in violation of A.R.S. § 44-1531(A).

18 **COUNT III**

19 **VIOLATION OF THE MOTOR VEHICLE TIME SALES DISCLOSURE ACT**

20 **LD AUTOMOTIVE**

21 62. The State re-alleges all preceding paragraphs.

22 63. Pursuant to Title 6 and Title 44, Chapter 2.1, of the Arizona Revised Statutes
23 (A.R.S. § 44-281, *et seq.*), the Superintendent of the Arizona Department of Financial
24 Institutions (“the Superintendent”) is charged with the duty to regulate all persons engaged in
25 the motor vehicle dealer and sales finance company business and with the enforcement of
26 statutes, rules and regulations relating motor vehicle dealers and sales finance companies.

EXHIBIT A

DEAL CHECKLIST	F&I ASST (X)	JEN (X)	HEATHER (X)
FRONT OF DEAL JACKET :	/		7
BANK APPROVAL	/		7
MNGER WORKSHEET	/		7
BANK PACKET:	/		7
CONTRACT PACKAGE	/		7
TITLE PACKET:			
TITLE APPLICATION (SIGNED)	/		7
SECURE ODO (SIGNED)	/		7
POA (SIGNED)	/		7
TRADE PACKET:			
PAYOFF SHEET (10 DAY/PERDIEM)			7
ACV SHEET (MUST MATCH SCREEN)			7
SECURE ODO (SIGNED)			7
POA (SIGNED)			7
DEAL ORDER:			
SALES SUMMARY SHEET	/		7
CONTRACT	/		7
PURCHASE ORDER	/		7
PROOF OF DOWN PYMNT	/		7
FINAL WORKSHEET	/		7
CREDIT APPLICATION (SIGNED)	/		7
PRIVACY POLICY	/		7
CREDIT BUREAU	/		7
AGREEMENT TO PROVIDE INS.	/		7
DL/ID CARD(S) (VALID)/INSURANCE	/		7
WE OWE (COMPLETE AND SIGNED)	/		7
EASYCARE WARRANTY (IF SOLD)	/		7
GAP (IF SOLD)	/		7
PREMIER PROTECTION (EVERY DEAL)	/		7
PREMIER GUARD (EVERY DEAL)	/		7
AZ TEMP PERMIT AND REG	/		7
BUYERS GUIDE (SIGNED)	/		7
BOOKSHEET	/		7
STIPS			7
DISCLOSURES			7
MISC PAPERWORK/DOCS			7
INITIALS			

CUSTOMER NAME: [REDACTED]

DEAL#

25973

STK#

2762

LENDER:

[Handwritten Signature]

CUST: 211099

EXHIBIT B

LD AUTOMOTIVE GROUP
17410 N CAVE CREEK RD.
PHOENIX AZ 85032-1813
(602) 368-1940

VEHICLE PURCHASE ORDER

STOCK NO. 820

PURCHASER'S NAME

DATE 08/17/2008

PLEASE ENTER MY ORDER FOR ONE:

NEW USED DEMO AS FOLLOWS

MAKE FORD TRUCK	MODEL F150	COLOR GOLD	TYPE 4 DOOR	YEAR 2007
VEHICLE IDENTIFICATION NUMBER [REDACTED]		MILEAGE 22541	TO BE DELIVERED ON OR ABOUT 08/17/2008	
PRICE OF VEHICLE			10915.00	
TINT, VTR, DPP, INT PROT			1896.00	
SERVICE CONTRACT			1015.00	
TOTAL			13826.00	
TAX			529.54	
DEALER DOCUMENTARY FEE			489.00	
FUEL FEE			69.00	
LICENSE 300.00	TRANSFER 3.75	TITLE 4.00	REGISTRATION FEE 8.25	316.00
(1) TOTAL CASH SALE PRICE			15229.54	
DOWN PAYMENT	CASH DEPOSIT SUBMITTED WITH ORDER			3000.00
	ALLOWANCE FOR USED VEHICLE TRADE-IN			6500.00
	LESS BALANCE OWING TO -			2183.00
DESCRIPTION OF TRADE		VIN 1N6DD26T74C479604	(2) TOTAL DOWN PAYMENT	7317.00
YEAR 2004	MAKE NISSAN TRUCK	MODEL FRONTIER	TYPE 2 DOOR CAB	BALANCE DUE (1 less 2) 7912.54
MILEAGE 34581	PLATE NO.	EXPI. DATE		

Purchaser intends to use the vehicle primarily for personal, family, or household purposes ("personal use") business, agricultural or other non-personal uses ("commercial use").
Purchaser agrees that this Order includes all of the terms and conditions on both the face and reverse side hereof, that this Order cancels and supersedes any prior agreement and as of the date hereof comprises the complete and exclusive statement of the terms of the agreement relating to the subject matters covered hereby. This Order is not binding until accepted by Seller and, if a time sale, (1) appropriate financing disclosures are made and (2) a retail installment sale contract and purchase money security agreement ("Contract") is executed. Until a time sale Order becomes binding, Purchaser may cancel it and recover any deposit made. The Contract and this Order shall be subject to cancellation by Seller unless and until approval of the Contract is given by a bank or finance company willing to purchase the Contract from Seller.

LIMITATIONS/EXCLUSIONS OF PRODUCT WARRANTIES:

(a) For "new" vehicles: (1) if the vehicle is purchased for personal use, Seller makes no implied warranty of merchantability or of fitness for any particular purpose unless Seller also gives Purchaser a written warranty, on its own behalf, with respect to the Vehicle, or, at the time of the sale or within 90 days thereafter, Seller enters into a service contract with Purchaser which applies to the vehicle. In that event, any implied warranties arising from the sale of the vehicle shall be limited to the duration of Seller's written warranty or service contract; (2) if the vehicle is purchased for commercial use, Seller makes no implied warranty of merchantability or of fitness for any particular purpose. The vehicle is sold to Purchaser AS IS, except for any express warranties made by Seller, on its own behalf, or by the manufacturer of the Vehicle or of any component parts. (3) In all cases, Seller shall not be liable for any consequential damages arising from any breach of any warranty, express or implied.

(b) For "used" vehicles:

(1) Used Car Implied Warranty of Merchantability:

THE SELLER HEREBY WARRANTS THAT THE VEHICLE WILL BE FIT FOR THE ORDINARY PURPOSES FOR WHICH THE VEHICLE IS USED FOR 15 DAYS OR 500 MILES AFTER DELIVERY, WHICHEVER IS EARLIER, EXCEPT WITH REGARD TO PARTICULAR DEFECTS DISCLOSED ON THE FIRST PAGE OF THIS AGREEMENT. YOU (THE PURCHASER) WILL HAVE TO PAY UP TO \$25.00 FOR EACH OF THE FIRST TWO REPAIRS IF THE WARRANTY IS VIOLATED.

(2) Waiver of Used Car Implied Warranty of Merchantability:

ATTENTION PURCHASER: SIGN HERE ONLY IF THE DEALER TOLD YOU THAT THIS VEHICLE HAS THE FOLLOWING PROBLEM(S) AND THAT YOU AGREE TO BUY THE VEHICLE ON THOSE TERMS:

ATENCIÓN COMPRADOR: FIRME AQUÍ SOLAMENTE SI EL VENDEDOR TE HA DICHO QUE EL VEHÍCULO TIENE EL SIGUIENTE PROBLEMA(S) Y QUIE LISTED ESTA DE ACIERTO DE COMPRA EL VEHÍCULO BAJO ESTOS TÉRMINOS:

DESCRIPTION OF TRADE		VIN 1N6DU26T74C479604	(2) TOTAL DOWN PAYMENT	7317.00
YEAR 2004	MAKE NISSAN TRUCK	MODEL FRONTIER	TYPE 2 DOOR CAB	BALANCE DUE (1 less 2) 7912.54
MILEAGE 34581	PLATE NO.	EXP. DATE		

Purchaser intends to use the vehicle primarily for personal, family, or household purposes ("personal use") business, agricultural or other non-personal uses ("commercial use").
Purchaser agrees that this Order includes all of the terms and conditions on both the face and reverse side hereof, that this Order cancels and supersedes any prior agreement and as of the date hereof comprises the complete and exclusive statement of the terms of the agreement relating to the subject matters covered hereby. This Order is not binding until accepted by Seller and, if a time sale, (1) appropriate financing disclosures are made and (2) a retail installment sale contract and purchase money security agreement ("Contract") is executed. Until a time sale Order becomes binding, Purchaser may cancel it and recover any deposit made. The Contract and this Order shall be subject to cancellation by Seller unless and until approval of the Contract is given by a bank or finance company willing to purchase the Contract from Seller.

LIMITATIONS/EXCLUSIONS OF PRODUCT WARRANTIES

a) For "new" vehicles: (1) If the vehicle is purchased for personal use, Seller makes no implied warranty of merchantability or of fitness for any particular purpose unless Seller also gives Purchaser a written warranty, on its own behalf, with respect to the Vehicle, or, at the time of the sale or within 90 days thereafter, Seller enters into a service contract with Purchaser which applies to the vehicle. In that event, any implied warranties arising from the sale of the vehicle shall be limited to the duration of Seller's written warranty or service contract; (2) If the vehicle is purchased for commercial use, Seller makes no implied warranty of merchantability or of fitness for any particular purpose. The vehicle is sold to Purchaser AS IS, except for any express warranties made by Seller, on its own behalf, or by the manufacturer of the Vehicle or of any component parts. (3) In all cases, Seller shall not be liable for any consequential damages arising from any breach of any warranty, express or implied.

b) For "used" vehicles:

(1) Used Car Implied Warranty of Merchantability:

THE SELLER HEREBY WARRANTS THAT THE VEHICLE WILL BE FIT FOR THE ORDINARY PURPOSES FOR WHICH THE VEHICLE IS USED FOR 15 DAYS OR 500 MILES AFTER DELIVERY, WHICHEVER IS EARLIER, EXCEPT WITH REGARD TO PARTICULAR DEFECTS DISCLOSED ON THE FIRST PAGE OF THIS AGREEMENT. YOU (THE PURCHASER) WILL HAVE TO PAY UP TO \$25.00 FOR EACH OF THE FIRST TWO REPAIRS IF THE WARRANTY IS VIOLATED.

(2) Waiver of Used Car Implied Warranty of Merchantability:

ATTENTION PURCHASER: SIGN HERE ONLY IF THE DEALER TOLD YOU THAT THIS VEHICLE HAS THE FOLLOWING PROBLEM(S) AND THAT YOU AGREE TO BUY THE VEHICLE ON THOSE TERMS:

ATENCION COMPRADOR: FIRME AQUI SOLAMENTE SI EL VENDÉDOR TE HA DICHO QUE EL VEHÍCULO TIENE EL SIGUIENTE PROBLEMA(S) Y QUE USTED ESTA DE ACIERTO DE COMPRA EL VEHÍCULO BAJO ESTOS TÉRMINOS:

1. _____ Buyer/Comprador _____
2. _____ Buyer/Comprador _____
3. _____

(3) The vehicle is sold "AS IS -- NOT EXPRESSLY WARRANTED OR GUARANTEED" unless Seller gives Purchaser a separate written instrument showing the terms of any warranty or service contract given by Seller on its own behalf. If the vehicle is purchased for personal use, Seller makes no implied warranty of fitness for any particular purpose, and the implied warranty of merchantability is limited to 15 days or 500 miles after delivery, whichever is earlier, as set forth above, unless Seller also gives Purchaser a written warranty, on its own behalf, with respect to the Vehicle, or, at the time of the sale or within 90 days thereafter, Seller enters into a service contract with Purchaser which applies to the Vehicle. In that event, any implied warranties arising from the sale of the vehicle shall be limited to the duration of Seller's written warranty or service contract. If the vehicle is purchased for commercial use, Seller makes no implied warranty of fitness for any particular purpose, and the implied warranty of merchantability is limited to 15 days or 500 miles after delivery, whichever is earlier. In all cases, Seller shall not be liable for any consequential damages arising from any breach of any warranty, express or implied, except for a breach of the implied warranty of merchantability.

Purchaser, by execution of this Order, represents that Purchaser is of legal age or older and acknowledges that Purchaser has read its terms and conditions and has received a true copy of this Order.

NOTICE: WHERE THE DEALER ARRANGES FINANCING, THE DEALER MAY RECEIVE A PORTION OF THE "FINANCE CHARGE" FROM THE LENDER.

Approved _____ SALESPERSON
THIS ORDER IS NOT VALID UNLESS SIGNED AND ACCEPTED BY SELLER

Signed: _____ PURCHASER
Signed: _____ PURCHASER
Address: _____
Phone (Res): _____ (Bus): _____

By _____

EXHIBIT C



ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

Felecia A. Rotellini
Superintendent of Financial Institutions

Janel Napolitano
Governor

December 8, 2008

Leonard Diaz
DBA LD Automotive Group
17410 N. Cave Creek Road
Phoenix, AZ 85032

COPY

Re: Motor Vehicle Dealer and Sale Finance Company License Applications –
MVD 0910397 and SF 0910345

Dear Mr. Diaz:

The Arizona Department of Financial Institutions ("DFI") received your motor vehicle dealer and sales finance company application on August 13, 2008. On August 18, 2008, DFI sent you written notification requesting documentation and information to complete your license applications. On November 13, 2008, DFI sent another letter requesting items not received in its August 18, 2008 letter. As of this date, DFI has not received the documents or information requested and therefore your applications are incomplete.

This letter will serve to inform you that pursuant to Arizona Administrative Code R20-4-107, your applications have been rejected. The company may reapply; however, the application fees are non-refundable in accordance with Arizona Revised Statutes. If you wish to reapply for a motor vehicle dealer and/or sales finance company license in the future, you will be required to submit a new application(s) and pay the required application fees in addition to other expenses in connection with the application process. Please remember that you cannot engage in the business of a motor vehicle dealer or a sales finance company without first obtaining the required license. Unlicensed motor vehicle dealer and/or sales finance company activity is a violation of Arizona Revised Statutes and is subject to civil money penalties of up to \$5,000.00 per day per violation.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Fergus".

Richard Fergus
Licensing Division Manager