

1 Terry Goddard
Attorney General
2 (Firm State Bar No. 14000)

3 REBECCA SALISBURY
Assistant Attorney General
4 Consumer Protection & Advocacy Section
State Bar No. 22006
5 Office of the Attorney General
1275 West Washington Street
6 Phoenix, AZ 85007
Telephone: (602) 542-7710
7 FAX: (602) 542-4377

8 Attorneys for Plaintiff

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

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

12 STATE OF ARIZONA, *ex rel.* TERRY
GODDARD, Attorney General,

13 Plaintiff,

14 vs.

15 Steve Coury Ford, Lincoln-Mercury, Inc., Steve
16 Coury Automotive Family, Inc., and Steve
Coury Buick Pontiac & GMC Truck, Inc.

17 Defendants.

Case No.: CV2009-025432

CONSENT JUDGMENT

(Assigned to Honorable Jeanne Garcia)

18 The State of Arizona, having filed a complaint alleging violations of the Arizona Consumer
19 Fraud Act, A.R.S. § 44-1521 *et seq.*, and the Defendants, Steve Coury Ford, Lincoln-Mercury, Inc.,
20 Steve Coury Automotive Family, Inc., and Steve Coury Buick Pontiac & GMC Truck, Inc., having
21 waived formal service of the Complaint and Summons; having been fully advised of their right to a trial
22 in this matter and, after receiving the advice of counsel, having waived the same; admit that this Court
23 has jurisdiction over the subject matter and the parties for the purpose of entry of this Consent Judgment.
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1 **I. Parties**

2 1. Plaintiff is the State of Arizona, ex rel. Terry Goddard, the Attorney General of Arizona,
3 who is authorized to bring this action under the Arizona Consumer Fraud Act, A.R.S. § 44-1521 *et seq.*
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5 2. Defendant Steve Coury Ford, Lincoln-Mercury, Inc., is an Arizona corporation, located
6 in Cottonwood, Arizona. Defendant Steve Coury Automotive Family, Inc., is an Arizona corporation,
7 located in Camp Verde, Arizona. Defendant Steve Coury Buick Pontiac & GMC Truck, Inc., is an
8 Arizona corporation, located in Cottonwood, Arizona. Defendants are hereinafter referred to as "Steve
9 Coury Automotive."
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11 **II. Definitions**

12 For purposes of this Consent Judgment, the following definitions shall apply:
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14 3. "Advertisement" (including the terms "advertise" and "advertising") means any oral,
15 written, graphic, or pictorial statement made that concerns the offering of motor vehicles for sale or
16 lease. "Advertisement" includes, but is not limited to, any oral or written statement or representation
17 made for the purpose of inducing, soliciting, or encouraging consumers in the State of Arizona to
18 purchase goods or services, whether made in a newspaper, magazine, or other publication; on radio or
19 television; via the Internet or other computer networks, including statements or representation appearing
20 on Defendants' websites or on the websites of other companies such as AutoTrader.com; in any notice,
21 handbill, sign, billboard, banner, poster, display, circular, pamphlet, letter, or other printed material;
22 contained in any window sticker or price tag. With respect to the price of a motor vehicle, the price
23 posted on the vehicle is considered an "advertisement" (in addition to vehicle prices posted on the
24 Internet or otherwise published in the media). "Advertisement" does not, however, include statements
25 made solely for the purposes of obtaining financing or vehicle titles.
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1 4. "Clear and conspicuous" (including the terms "clearly" and "conspicuously") means that
2 the statement, representation, or term being conveyed is in close proximity to some other statement,
3 representation or term it clarifies, modifies, explains or to which it otherwise relates; is readily
4 noticeable; is reasonably understandable by the person(s) to whom it is directed; and is not contradictory
5 to any terms it purports to clarify, modify or explain.
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7 5. "Effective Date" of this Consent Judgment means the date it is signed by the Court.

8 **III. Application**

9 6. This Order applies to the locations and businesses included in Steve Coury Automotive
10 and to its current and future principals, officers and directors, assigns and successors, managerial or
11 supervisory employees, and to any other employees or agents having responsibilities with respect to the
12 subject matter of this Order, but not in any individual capacity.
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14 **IV. Injunction**

15 7. Steve Coury Automotive shall comply with the Arizona Consumer Fraud Act,
16 A.R.S. § 44-1521, *et. seq.*, as it is currently written, or as it is amended in the future.

17 8. Steve Coury Automotive shall comply with the Better Business Bureau's Auto
18 Advertising Guidelines for Arizona and the Attorney General's Arizona Auto Advertising Guidelines.

19 9. Steve Coury Automotive shall engage in truthful and non-misleading advertising. All
20 disclosures and disclaimers, including footnotes, must be clear and conspicuous and in close proximity
21 to the claims to which they apply.

22 10. In all used vehicle advertisements, if the offer does not apply to a majority of the vehicles
23 for sale, Steve Coury Automotive shall specifically identify the number of vehicles to which the offer
24 does apply, and, if four (4) or fewer vehicles, identify the vehicle by stock number. Providing an
25 "example" vehicle is insufficient.
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1 11. Steve Coury Automotive shall not advertise or offer for sale any used vehicle using the
2 MSRP as a comparative price, reference price or advertise an amount or percentage discount for a used
3 vehicle based on MSRP.

4 12. Steve Coury Automotive's advertisements shall not create the false appearance that a
5 consumer is receiving a check or negotiable instrument. This includes the use of a rectangular shaped
6 section in an advertisement, with any of the following: a light green background, a "memo" line, the
7 words "to the order of," "authorized signature," or "official signature," an amount expressed in both
8 words and numbers, and numbers or bar codes at the bottom of the rectangular shaped section that give
9 the appearance of those used to automate check processing.
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11 13. Steve Coury Automotive shall not use advertisements that contain footnotes that are 1)
12 not on the same page as the offer clarified, 2) in smaller than 10 point font, or 3) contain multiple, non-
13 sequential reference symbols, such as "#, †, ^, *, π, **, ¥, +, ◇."

14 14. The footnote reference number or symbol located next to the advertised claim shall be 12
15 point font or larger.
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17 15. Steve Coury Automotive shall not use terms in advertising that imply that the sale is an
18 event of urgent status, contains specially obtained inventory for the sale, or otherwise state that Steve
19 Coury Automotive has a unique incentive to sell more cars or provide better prices than usual, unless
20 Steve Coury Automotive can document these claims. Words such as "emergency" "public notice"
21 "official" or "liquidation" shall not be used unless they can be shown by Steve Coury Automotive to
22 accurately describe the true nature of the sale.
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24 16. Steve Coury Automotive shall not make offers of credit approval unless the material
25 conditions of the credit approval are placed next to the offer or are footnoted in a manner consistent with
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1 the requirements of paragraphs 13-14 above. The minimum credit score required to qualify for the offer
2 is a material condition.

3 17. Steve Coury Automotive shall not state "You Are Definitely Approved!" or words that
4 imply that credit is available to all applicants.

5 18. Steve Coury Automotive shall not advertise that all vehicles must be sold unless all
6 vehicles will, in fact, be sold by the end of the sale, regardless of price.

7 19. Steve Coury Automotive shall not advertise a sweepstakes or a chance to win cash or
8 other prizes that require the purchase of a vehicle to participate.

9 20. Steve Coury Automotive shall not offer a prize or incentive that requires a consumer to
10 pay a shipping, handling or processing fee, or that requires a consumer to meet additional terms that are
11 not disclosed in the advertisement. Steve Coury shall disclose in their advertisements any fees and
12 additional terms required to receive prizes or incentives.

13 21. If an advertised claim requires a 700 credit score or above to qualify, that condition will
14 be placed next to the claim and not in footnotes at the bottom of the advertisement.

15 22. Steve Coury will maintain copies of all direct mail advertisements and Better Business
16 Bureau correspondence for a period of two years from the effective date of this consent judgment.

17 23. Steve Coury Automotive shall adopt policies and procedures to implement the specific
18 provisions of this Consent Judgment and provide regular (at least annual) training to all relevant staff.

19 24. Within ten (10) days of the Effective Date of this Order, Steve Coury Automotive shall
20 prepare a summary of the injunctive terms of this Order for all persons employed by or contracting with
21 Steve Coury Automotive who will be responsible for complying with the Order. Within thirty (30) days
22 of the Effective Date of this Order, Steve Coury Automotive shall provide a copy of the summary to the
23 Attorney General.
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V. Payment

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25. Without admitting any liability and solely to resolve this matter without the fees, expenses, and risks of litigation, Steve Coury Automotive shall pay to the Arizona Attorney General the amount of eighty-six thousand dollars, \$86,000.00, for civil penalties and nineteen thousand eight hundred dollars, \$19,800.00 for attorneys' fees and costs of investigation, to be used for consumer fraud education and for investigative and enforcement operations of the consumer protection division in accordance with A.R.S. § 44-1531.01(C).

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26. Steve Coury Automotive shall also pay the amount of nine thousand two hundred dollars, \$9,200.00, to be divided among three individuals who suffered specified damages, filed complaints with Plaintiff and whose identities are known to both parties, as restitution. This payment shall be made to the Office of the Attorney General who will deliver it to the recipients.

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27. The amount of civil penalties, attorneys' fees, costs of investigation and restitution referenced in paragraphs 25 and 26 shall, however, be considered satisfied in full if Steve Coury Automotive makes payments to the State of Arizona totaling ninety-five thousand dollars, \$95,000.00, according to the following schedule, while further complying with the terms of this Consent Judgment.

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Schedule:

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(a) An initial payment, in the amount of nine thousand two hundred dollars, \$9,200.00, for restitution, shall be due on March 10, 2010 or within five (5) business days after the Effective Date, if the Effective Date is after March 10, 2010.

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(b) A second payment, in the amount of five-thousand and forty-seven dollars and five cents, \$5,047.05, shall be due within 30 days of March 10, 2010, or the Effective Date if that date is

1 after March 10, 2010, and every 30 days thereafter, until the total sum of ninety-five thousand dollars,
2 \$95,000.00, is reached. The \$95,000.00 total includes the initial \$9,200.00 restitution payment.

3 (c) The payments, after the initial payment of restitution, shall first be attributed to costs
4 and attorneys' fees and, after that amount is satisfied, to civil penalties.

5 28. Should Steve Coury Automotive default on any payment, and further fail to cure the
6 deficiency within five business days after having received written notice from the State of any amount
7 past due, the full amount of one hundred and fifteen dollars, \$115,000.00, less any amount previously
8 paid, will become immediately due and owing. Interest on any unpaid balance shall accrue at the
9 statutory rate.
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11 VI. General Terms

12 29. Steve Coury Automotive has agreed to a voluntary compromise of disputed claims, and
13 the State of Arizona and Steve Coury Automotive have agreed on a basis for the settlement of these
14 matters in dispute.

15 30. This Consent Judgment does not constitute an admission by Steve Coury Automotive for
16 any purpose of any violation of any state law, rule or regulation nor does this Consent Judgment
17 constitute evidence of any liability of Steve Coury Automotive. This Consent Judgment is made without
18 trial or adjudication of any issues of fact or law or finding of liability of any kind.

19 31. The State acknowledges by its execution hereof that this Consent Judgment constitutes a
20 complete settlement of its allegations against Steve Coury Automotive under the Arizona Consumer
21 Fraud Act. The State further agrees that it shall not institute any additional civil action against Steve
22 Coury Automotive based upon Steve Coury Automotive's advertising that the State could have asserted
23 or has asserted prior to the Effective Date of this Consent Judgment in its own right, or in accordance
24 with A.R.S. § 44-1528(A)(2), on behalf of any consumer.
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1 CONSENT TO JUDGMENT

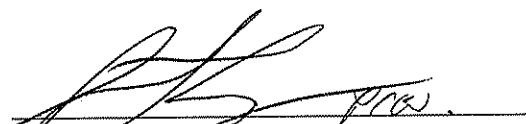
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3 1. Steve Coury Automotive states that no promise of any kind or nature not contained in this
4 Consent Judgment was made to induce them to enter into this Consent Judgment and that they have
5 entered into the Consent Judgment voluntarily.

6 2. Steve Coury Automotive has fully read and understood this Consent Judgment, understands
7 the legal consequences involved in signing it, asserts that this is the entire agreement of the parties, and
8 that there are no other representations or agreements not stated in writing herein, and no force, threats or
9 coercion of any kind have been used to obtain its signature.

10 3. Steve Coury Automotive acknowledges that the State of Arizona's acceptance of this Consent
11 Judgment is solely for the purpose of settling this litigation and does not preclude the Attorney General
12 or any other agency or officer of this State or subdivision thereof, from institution other civil or criminal
13 proceedings as may be appropriate now or in the future, other than the limitations expressed in
14 paragraph 31.

15 4. Steve Coury Automotive represents and warrants that the person signing below on its behalf
16 is duly appointed and authorized to do so.

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18 DATED this 3rd day of March, 2010.

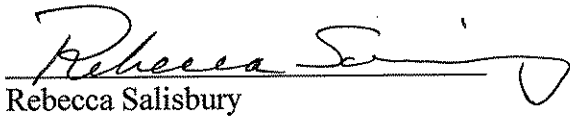
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21 Steve Coury, President
22 Steve Coury Ford, Lincoln-Mercury, Inc.,
23 Steve Coury Automotive Family, Inc.,
24 Steve Coury Buick Pontiac & GMC Truck, Inc.
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APPROVED AS TO FORM AND CONTENT

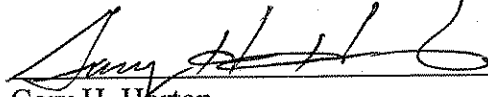
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TERRY GODDARD, Attorney General

GARY H. HORTON, Attorney at Law



Rebecca Salisbury
Assistant Attorney General
Attorney for State of Arizona



Gary H. Horton
Attorney for Steve Coury Automotive
Cottonwood, AZ

#727586