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CASE# CV2020-006215	
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13 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

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

15 STATE OF ARIZONA, *ex rel.* MARK  
16 BRNOVICH, Attorney General,

17 Plaintiff,

18 v.

19 DEPENDABLE AUTO INC., D/B/A  
20 DEPENDABLE AUTO SALES; JAMAL  
21 HARDAN and RENNA HARDAN, husband  
22 and wife.

23 Defendants.

Case No: CV 2020-006215

**COMPLAINT FOR INJUNCTIVE AND  
OTHER RELIEF**

**(Non-classified Civil; Consumer Fraud)**

24 Plaintiff, State of Arizona *ex rel.* Mark Brnovich, the Attorney General (the "State"),  
25 alleges the following for its Civil Complaint (the "Complaint") against Defendants Dependable  
26 Auto Inc., doing business as Dependable Auto Sales; Jamal Hardan (collectively with  
27 Dependable Auto, Inc., "Dependable Auto Defendants"); and Renna Hardan.



1                   **III.    DEPENDABLE AUTO DEFENDANTS' BUSINESS PRACTICES**

2           10.    From approximately 2010 to the present, the Dependable Auto Defendants engaged  
3 in the sale and financing of used motor vehicles to consumers in Tucson, Arizona.

4   **A.    Overcharging Fees**

5           11.    Dealers may charge a reasonable fee for preparing documents in connection with  
6 the sale and financing of vehicles to consumers, pursuant to A.R.S. § 44-281(2) and 44-287;  
7 however, the Dependable Auto Defendants routinely charged unreasonable amounts for their  
8 services, such as a “document prep fee” in the amount of \$1,793.

9           12.    The Dependable Auto Defendants routinely charged consumers licensing,  
10 registration and filing fees described as “official” that are substantially more than what the  
11 Department of Transportation charges for licensing, registration, and filing.

12           13.    The Dependable Auto Defendants’ contracts provided that they were collecting  
13 various fees, including “Tag and Title Fee,” “Registration Fee,” “Title Fee,” “Postage Fee,” and  
14 “Lien/Filing Fee,” and claimed that those fees were “Payments made on [consumers’] behalf to  
15 Public Officials for Official Fees.”

16           14.    The Dependable Auto Defendants routinely charged consumers a “Tag and Title  
17 Fee” that was substantially more than what the Dependable Auto Defendants paid to the  
18 Department of Transportation for these fees.

19           15.    The Dependable Auto Defendants routinely failed to issue refunds for overcharges  
20 for payments made to “Public Officials for Official Fees,” and retained the balance of those fees  
21 for their own benefit.

22           16.    The Dependable Auto Defendants’ overcharges for payments made to “Public  
23 Officials for Official Fees” increased the cost of vehicles by hundreds of dollars each.

24           17.    In addition, in some instances, the Dependable Auto Defendants fraudulently  
25 calculated charges in the Dependable Auto Defendants’ favor and misstated the total amounts  
26 that consumers were required to pay for vehicles. For example, the Dependable Auto  
27 Defendants’ Bill of Sale for one consumer included a “Sub Total” of all the costs and lists the  
28

1 total as \$7,871.91, instead of the actual total of \$5,901.91. This resulted in an overcharge of  
2 \$1,970:

3	1. CASH PRICE OF VEHICLE	\$	4999.00
4	2. ACCESSORIES	\$	N/A
5	3. TRADE ALLOWANCE	\$	N/A
6	4. TAXABLE AMOUNT	\$	4999.00
7	5. SALES TAX	\$	484.91
8	6. DOC FEE	\$	299.00
9	7. REGISTRATION FEE	\$	N/A
10	8. TITLE FEE	\$	149.00
11	9. LIEN / FILING FEE	\$	N/A
12	10. LIEU TAX (TAG)	\$	N/A
13	11. POSTAGE FEE	\$	N/A
14	12. WEIGHT FEE	\$	N/A
15	13. INSURANCE	\$	N/A
16	14. GAP	\$	N/A
17	15. SERVICE CONTRACT	\$	N/A
18	16. TRADE PAYOFF	\$	N/A
19	17. TOTAL FEES (5 Through 16)	\$	
20	18. SUB TOTAL (4 + 17)	\$	7871.91
21	20. CASH DOWN	\$	1000.00
22	21. DEFERRED DOWN	\$	1000.00
23	21. AMOUNT FINANCED	\$	5871.91

24 **B. Credit Terms**

25 18. The Dependable Auto Defendants charged consumers who financed vehicles in-  
26 house a “document prep fee,” which ranged in cost from \$599 to \$1,793, and which was higher  
27 than the \$299 “document prep fee” that the Dependable Auto Defendants charged consumers  
28 who did not use in-house financing.

19 19. Because the Dependable Auto Defendants charged higher fees to in-house financed  
20 consumers than those they charged for other consumers, including those who paid cash, the  
21 difference in the amounts charged effectively became finance charges incident to the extension of  
22 credit.

1           20.    The Dependable Auto Defendants included the higher document prep fees in the  
2 amount financed instead of including that fee as part of the finance charge when calculating the  
3 interest rate (“annual percentage rate” or “APR”) that they charged the consumer.

4           21.    By charging this increased fee to consumers who finance in-house, the Dependable  
5 Auto Defendants disclosed the APR as lower than the true APR, and incorrectly disclosed the  
6 amount financed and the finance charge.

7           22.    By failing to accurately deliver material disclosures, such as the “finance charge,”  
8 “amount financed,” and “annual percentage rate,” in accordance with the Truth in Lending Act,  
9 15 U.S.C. §§ 1605, 1606, and 1638(a)(2)–(4), and Regulation Z, 12 C.F.R. §§ 1026.4 and  
10 1026.18(b), (d), (e), the Dependable Auto Defendants misrepresented credit terms to consumers.

11 **C.    Service Contracts**

12           23.    From approximately December 2012 until at least March 2016, the Dependable  
13 Auto Defendants included a Pre-Paid Labor Fee of \$1,294, which they called a “service contract  
14 fee” on the Bill of Sale and/or Motor Vehicle Retail Installment Service Contract.

15           24.    A separate form requiring the consumer’s signature at the time of purchase stated,  
16 however, that the consumer agreed to “Free labor maintenance with a \$100.00 Diagnostic Fee for  
17 every shop incident.”

18           25.    The Dependable Auto Defendants thus misrepresented to consumers who financed  
19 in-house that they would receive “free labor maintenance” when those consumers actually were  
20 required to pay a \$1,294 service contract fee and additionally pay a \$100 diagnostic fee for  
21 “every shop incident.”

22           26.    In approximately November 2016, the Dependable Auto Defendants began selling  
23 service contracts administered by third parties (“Third-Party Service Contracts”).

24           27.    The Dependable Auto Defendants represented to consumers that Third-Party  
25 Service Contracts must be purchased in order to obtain financing when that was not true.

26           28.    The Dependable Auto Defendants deceived consumers by omitting or  
27 misrepresenting material facts about the terms and conditions of the Third-Party Service  
28 Contracts and in some instances failed to provide a copy of the purchased service contract to the

1 consumer.

2 29. In numerous instances, the Dependable Auto Defendants charged consumers \$599  
3 to \$1,793 for Third-Party Service Contracts but failed to purchase those contracts from the third  
4 parties. The Dependable Auto Defendants did not inform the consumers of this failure or refund  
5 the consumers' money.

6 **D. Implied Warranty of Merchantability**

7 30. At times, the Dependable Auto Defendants misrepresented the statutory protections  
8 available to consumers by failing to honor and attempting to exclude, modify, and/or disclaim the  
9 implied warranty of merchantability set forth in A.R.S. § 44-1267.

10 31. The Dependable Auto Defendants excluded, modified, and/or disclaimed the  
11 implied warranty when consumers declined to purchase Third-Party Service Contracts from the  
12 Dependable Auto Defendants.

13 32. If a consumer declined to purchase a Third-Party Service Contract, the Dependable  
14 Auto Defendants required the consumer to sign a document titled "Declining of Service Contract  
15 Protection," which stated the following:

16 I acknowledge that the service contract available to me has been explained to me  
17 and I choose NOT to purchase any protection. By declining coverage, I am aware  
18 that any repairs not covered by the manufacturer's warranty are to be completed at  
19 my own expense.

20 33. At times, the Dependable Auto Defendants required consumers to sign a  
21 document that stated, "AS-IS NO WARRANTY" and the following:

22 I [name of consumer] . . . AM BUYING THIS VEHICLE AS-IS NO  
23 WARRANTY [and] I AM HAPPY WITH MY VEHICLE AND THE PRICE[.] I  
24 WILL NOT HOLD DEPENDABLE AUTO RESPONSIBLE FOR ANYTHING  
25 AFTER TODAY.

26 34. At times, the Dependable Auto Defendants refused to make repairs in accordance  
27 with the implied warranty of merchantability.  
28

1 35. The Dependable Auto Defendants' service contract provision required fees that  
2 exceeded the implied warranty of merchantability's permissible maximum charge of \$25 for each  
3 repair made within 15 days or 500 miles, whichever is earlier.

4 **E. Late Fees**

5 36. The Dependable Auto Defendants' contracts contained a late fee "in the amount of  
6 \$35.00 for the 1st day, and an additional \$5.00 per day thereafter, unless arrangements have been  
7 made prior to the due date."

8 37. A.R.S. § 44-291(C) limits the amount that may be charged as late fees to 5% of the  
9 unpaid balance of the installment if the payment is more than 10 days late.

10 38. Thus, the Dependable Auto Defendants' contracts misrepresented and/or concealed  
11 both the time period for which the Dependable Auto Defendants may charge a late fee and the  
12 amount they may charge.

13 **F. Failure to Disclose Salvage Title**

14 39. A.R.S. § 28-2095(H) requires a seller of a vehicle with a restored salvage  
15 certificate of title to disclose to the buyer that the vehicle is a restored salvage vehicle.

16 40. At times, the Dependable Auto Defendants sold vehicles with restored salvage  
17 certificates of title to consumers and failed to disclose that fact to consumers.

18  
19 **IV. CLAIM FOR RELIEF**  
20 **VIOLATIONS OF THE ARIZONA CONSUMER FRAUD ACT**

21 **A.R.S. §§ 44-1521 to 1534 (Against all Defendants)**

22 41. The State realleges all prior allegations of this Complaint as though fully set forth  
23 herein.

24 42. The conduct described in the preceding paragraphs of this Complaint constitutes  
25 deception, deceptive or unfair acts or practices, fraud, false pretenses, false promises,  
26 misrepresentations, or concealment, suppression or omission of material facts with intent that  
27 others rely on such concealment, suppression or omission, in connection with the sale or  
28 advertisement of merchandise in violation of A.R.S. §§ 44-1521 to 1534, including, but not

1 limited to:

- 2 a. Misrepresenting the cost of “official” fees charged for licensing, registration, and  
3 filing and routinely overcharging consumers for these fees;
- 4 b. Fraudulently calculating charges in the Dependable Auto Defendants’ favor and  
5 misstating the total amounts consumers were required to pay for vehicles;
- 6 c. Misrepresenting credit terms to consumers by failing to accurately deliver material  
7 disclosures required by the Truth in Lending Act, 15 U.S.C. § 1601 *et seq.*, and  
8 Regulation Z, 12 C.F.R. § 1026 *et seq.*;
- 9 d. Concealing, suppressing, and/or omitting credit terms to consumers by failing to  
10 accurately deliver material disclosures required by the Truth in Lending Act,  
11 15 U.S.C. § 1601 *et seq.*, and Regulation Z, 12 C.F.R. § 1026 *et seq.*;
- 12 e. Misrepresenting in service contract provisions that consumers would receive “free  
13 labor maintenance” when another of the Dependable Auto Defendants’ contract  
14 forms also listed a \$100 diagnostic fee for “every shop incident”;
- 15 f. Misrepresenting to numerous consumers that they had to purchase Third-Party  
16 Service Contracts in order to obtain financing;
- 17 g. Omitting or misrepresenting material facts about the terms and conditions of the  
18 Third-Party Service Contracts;
- 19 h. Misrepresenting that the Dependable Auto Defendants purchased Third-Party  
20 Service Contracts for consumers when the Dependable Auto Defendants collected  
21 money from consumers but failed to purchase the Third-Party Service Contracts;
- 22 i. Misrepresenting the statutory protections available to consumers by failing to honor  
23 and attempting to exclude, modify, and/or disclaim the statutorily-mandated  
24 implied warranty of merchantability for used motor vehicles set forth in  
25 A.R.S. § 44-1267;
- 26 j. Misrepresenting both the time frame when the Dependable Auto Defendants legally  
27 could charge a late fee and the amount they legally could charge pursuant to  
28 A.R.S. § 44-291(C); and

1 k. Concealing, suppressing, and/or omitting that vehicles the Dependable Auto  
2 Defendants sold had titles branded restored salvage.

3 43. While engaging in the acts and practices alleged in this Complaint, the Dependable  
4 Auto Defendants knew or should have known that their conduct was of the nature prohibited by  
5 A.R.S. § 44-1522, subjecting themselves to enforcement and penalties as provided in  
6 A.R.S. § 44-1531(A).

7  
8 **V. PRAYER FOR RELIEF**

9 WHEREFORE, the State respectfully requests that the Court:

10 46. Pursuant to A.R.S. § 44-1528(A), issue a permanent injunction, enjoining and  
11 restraining (a) the Dependable Auto Defendants, (b) their officers, agents, servants, employees,  
12 attorneys, and (c) all persons in active concert or participation with anyone described in part (a)  
13 or (b) of this paragraph, directly or indirectly, from engaging in deceptive, misleading, or unfair  
14 acts or practices, or concealments, suppressions, or omissions, that violate the ACFA,  
15 A.R.S. § 44-1522(A);

16 47. Pursuant to A.R.S. § 44-1528(A)(2), order that the Dependable Auto Defendants'  
17 restore to all persons in interest any monies or property, real or personal, in the amount of at least  
18 \$90,246, which may have been acquired by any means or any practice in this article declared to  
19 be unlawful;

20 48. Pursuant to A.R.S. § 44-1531, order the Dependable Auto Defendants to pay to the  
21 State a civil penalty of up to \$10,000 for each willful violation of the ACFA, in an amount of at  
22 least \$2,130,000;

23 49. Pursuant to A.R.S. § 44-1534, order the Dependable Auto Defendants to reimburse  
24 the State for its costs and attorneys' fees incurred in the investigation and prosecution of the  
25 Dependable Auto Defendants' activities alleged in this Complaint; and

26 50. Award the State such further relief as the Court deems just and proper under the  
27 circumstances.

1 DATED this 26th day of May, 2020.  
2  
3

4 MARK BRNOVICH  
5 Attorney General

6 By: Kaitlin Hollywood  
7 Kaitlin Hollywood  
8 Assistant Attorney General  
9 Attorney for Plaintiff  
10 State of Arizona  
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