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

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

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

17 Plaintiff,

18 v.
19

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

24 Defendants.
25
26
27
28

Case No. CV2020-006215

STIPULATED CONSENT JUDGMENT

(Assigned to the Hon. Rosa Mroz)

1 The State of Arizona, *ex rel.* Mark Brnovich, the Attorney General (the “State”), filed a
2 Complaint alleging violations of the Arizona Consumer Fraud Act, A.R.S. §§ 44-1521 to 1534
3 (the “ACFA”), and Dependable Auto Inc., d/b/a Dependable Auto Sales; Jamal Hardan
4 (collectively with Dependable Auto, Inc., “Dependable Auto Defendants”); and Renna Hardan
5 (collectively with the Dependable Auto Defendants, “Defendants”) have waived service of the
6 Complaint, have been fully advised of the right to a trial in this matter, and have waived the
7 same. The Defendants admit the jurisdiction of this Court over the subject matter and parties,
8 stipulate that this Court may enter the following Consent Judgment, and acknowledge that this
9 Court shall retain jurisdiction for the purposes of enforcing this Consent Judgment. The
10 Defendants have consented and stipulated to entry of this Consent Judgment to compromise and
11 settle claims in connection with an investigation under the Arizona Consumer Fraud Act and not
12 out of any admission of guilt, wrongdoing, violation, or sanction.

13 **PARTIES**

14 1. The State is authorized to bring this action under the ACFA.

15 2. Defendant Dependable Auto Inc., d/b/a Dependable Auto Sales, (“Dependable
16 Auto”) is an Arizona corporation that incorporated in Arizona in 2010, and operates as an
17 Arizona-licensed used motor vehicle dealer at 723 E. 22nd Street in Tucson, Arizona.

18 3. Defendant Jamal Hardan, an Arizona resident, is the sole president, director, and
19 owner of Dependable Auto.

20 4. Jamal Hardan and Renna Hardan are husband and wife. At all times material and
21 relevant to this Complaint, Jamal Hardan acted for and on behalf of the marital community.
22 Renna Hardan is named solely for any interest that she may have in her marital community with
23 Jamal Hardan.

24 5. All events, acts and practices described in, and relevant to, this Consent Judgment
25 took place in Pima County, Arizona.

26 6. This Court has jurisdiction over the Complaint and the parties necessary for the
27 Court to enter this Consent Judgment and any orders hereafter appropriate pursuant to
28 A.R.S. § 44-1528 and this Consent Judgment.

1 7. Venue is proper in Maricopa County pursuant to A.R.S. § 12-401(17).
2

3 **STATE’S ALLEGATIONS**

4 8. From approximately 2010 to the present, the Dependable Auto Defendants have
5 engaged in the sale and financing of used motor vehicles in Tucson, Arizona.

6 9. The State alleges that the conduct of the Dependable Auto Defendants set forth
7 below constitutes deceptive and/or unfair acts and practices in violation of the ACFA; that the
8 Defendants acted willfully, as defined by A.R.S. § 44-1513(B), while engaging in such conduct;
9 and that the Dependable Auto Defendants’ willful violations entitle the State to injunctive relief
10 and awards of restitution, disgorgement of profits/gains/benefits, civil penalties, attorneys’ fees
11 and costs, investigative expenses and other relief necessary to prevent the unlawful acts and
12 practices described in this Consent Judgment and to remedy the consequences of past unlawful
13 practices.

14 **Overcharging Fees**

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

19 11. The Dependable Auto Defendants routinely charged consumers licensing,
20 registration and filing fees described as “official” that were substantially more than what public
21 officials charged for licensing, registration, and filing.

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

26 13. The Dependable Auto Defendants routinely charged consumers a “Tag and Title
27 Fee” that was substantially more than what the Dependable Auto Defendants paid to the State for
28 those fees.

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

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

16. In addition, in some instances, the Dependable Auto Defendants fraudulently calculated charges in their favor and misstated the total amounts consumers were required to pay for vehicles. For example, the Dependable Auto Defendants’ Bill of Sale for one consumer included a “Sub Total” of all the costs and lists the total as \$7,871.91, instead of the actual total of \$5,901.91. This resulted in an overcharge of \$1,970:

1. CASH PRICE OF VEHICLE _____	\$ 4999.00
2. ACCESSORIES _____	\$ N/A
3. TRADE ALLOWANCE _____	\$ N/A
4. TAXABLE AMOUNT _____	\$ 4999.00
5. SALES TAX _____	\$ 454.91
6. DOC FEE _____	\$ 299.00
7. REGISTRATION FEE _____	\$ N/A
8. TITLE FEE _____	\$ 149.00
9. LIEN / FILING FEE _____	\$ N/A
10. LIEU TAX (TAG) _____	\$ N/A
11. POSTAGE FEE _____	\$ N/A
12. WEIGHT FEE _____	\$ N/A
13. INSURANCE _____	\$ N/A
14. GAP _____	\$ N/A
15. SERVICE CONTRACT _____	\$ N/A
16. TRADE PAYOFF _____	\$ N/A
17. TOTAL FEES (5 Through 16) _____	\$
18. SUB TOTAL (4 + 17) _____	\$ 7871.91
20. CASH DOWN _____	\$ 1000.00
21. DEFERRED DOWN _____	\$ 1000.00
21. AMOUNT FINANCED _____	\$ 5871.91

Credit Terms

17. The Dependable Auto Defendants charged consumers who financed vehicles in-house a “document prep fee,” which ranged in cost from \$599 to \$1,793, and which is higher

1 than the \$299 “document prep fee” that the Dependable Auto Defendants charged consumers
2 who did not use in-house financing.

3 18. Because the Dependable Auto Defendants charged higher fees to in-house financed
4 consumers than those they charged to other consumers, including those who paid cash, the
5 difference in the amounts charged were finance charges incident to the extension of credit.

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

9 20. By charging this increased fee to consumers who financed in-house, the
10 Dependable Auto Defendants disclosed an APR that was lower than the true APR, and
11 incorrectly disclosed the amount financed and the finance charge.

12 21. By failing to accurately deliver material disclosures, such as the “finance charge,”
13 “amount financed,” and “annual percentage rate,” in accordance with the Truth in Lending Act,
14 15 U.S.C. §§ 1605, 1606, and 1638(a)(2)–(4), and Regulation Z, 12 C.F.R. §§ 1026.4 and
15 1026.18(b), (d), (e), the Dependable Auto Defendants misrepresented credit terms to consumers.

16 22. The Dependable Auto Defendants’ failure to disclose the actual finance charge and
17 interest rate, and/or their misrepresentation that such finance charge or interest was zero percent
18 is an unfair or deceptive practice in violation of the ACFA.

19 **Service Contracts**

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

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

26 25. The Dependable Auto Defendants thus misrepresented to consumers who financed
27 in-house that they would receive “free labor maintenance” when those consumers actually were
28 required to pay a \$1,294 service contract fee and an additional \$100 diagnostic fee for “every

shop incident.”

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

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

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

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

Implied Warranty of Merchantability

30. At times, the Dependable Auto Defendants failed to honor the statutorily-mandated implied warranty of merchantability for used motor vehicles set forth in A.R.S. § 44-1267.

31. At times, the Dependable Auto Defendants misrepresented the statutory protections available to consumers by attempting to exclude, modify, and/or disclaim the implied warranty of merchantability in violation of A.R.S. § 44-1267(B).

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

33. If a consumer declined to purchase a Third-Party Service Contract, the Dependable Auto Defendants, in violation of A.R.S. § 44-1267, required the consumer to sign a document called “Declining of Service Contract Protection,” which stated:

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

34. At times, the Dependable Auto Defendants, in violation of A.R.S. § 44-1267, required consumers to sign a document that stated, “AS-IS NO WARRANTY” and the following:

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

35. At times, the Dependable Auto Defendants refused to make repairs in accordance with the implied warranty of merchantability in violation of A.R.S. § 44-1267(B).

36. The Dependable Auto Defendants' service contract provision required fees that violated the implied warranty of merchantability's permissible maximum charge of \$25 for each repair made within 15 days or 500 miles, whichever is earlier. A.R.S. § 44-1267 (B), (E).

Late Fees

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

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

39. By misrepresenting both the time period for which the Dependable Auto Defendants may charge a late fee and the amount they may charge, the Dependable Auto Defendants misrepresented and/or concealed, suppressed, and/or omitted material facts to consumers with the intent that consumers rely on the Dependable Auto Defendants representations.

Failure to Disclose Salvage Title

40. At times, the Dependable Auto Defendants sold vehicles with restored salvage certificates of title to consumers and failed to disclose that fact to consumers, in violation of A.R.S. § 28-2095(H).

41. The Dependable Auto Defendants' willful violations entitle the State to injunctive relief and awards of restitution, disgorgement of profits/gains/benefits, civil penalties, attorneys'

1 fees and costs, investigative expenses and other relief necessary to prevent the unlawful acts and
2 practices described in this Consent Judgment and to remedy the consequences of past unlawful
3 practices.

4
5 **ORDER**

6 NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED:

7 42. The “Effective Date” of this Consent Judgment is the date when the Court’s signed
8 Judgment is entered with the Clerk of Court.

9 **Injunctive Terms**

10 43. The injunctive relief set forth in this Consent Judgment is binding upon any of the
11 following that receive actual notice of this Consent Judgment through personal service or
12 otherwise: (a) the Dependable Auto Defendants; (b) their officers, agents, servants, employees,
13 and attorneys and any entity established by the Dependable Auto Defendants whether a
14 partnership, corporation or limited liability company, if any; and (c) those persons in active
15 concert or participation with the Dependable Auto Defendants or any of their officers, agents,
16 servants, employees, or attorneys.

17 44. Pursuant to A.R.S. § 44-1528, the Dependable Auto Defendants are permanently
18 enjoined, restrained and prohibited from:

- 19 a. Failing to comply with Arizona’s Motor Vehicle Time Sales Disclosure Act,
20 A.R.S. §§ 44-281 to 44-295, as it is currently written, or as it is amended in the
21 future;
- 22 b. Charging a late fee or delinquency charge, prior to 10 days after its due date, in an
23 amount that exceeds 5% of the unpaid balance of the installment, pursuant to
24 A.R.S. § 44-291(C);
- 25 c. Failing to disclose to the buyer, both orally and in writing, before completion of the
26 sale, that the vehicle has a restored salvage title;
- 27 d. Charging an administrative “document prep fee” that varies depending on the price
28 or type of the vehicle or method of purchase the customer uses (i.e., cash

- 1 purchases, in-house financing, or outside financing);
- 2 e. Misrepresenting the amounts of fees paid to public officials or state agencies for the
- 3 costs of license and registration fees and charging and collecting fees in excess of
- 4 the amounts paid;
- 5 f. Failing to compute accurately the total charges for vehicles;
- 6 g. Making any false, deceptive, or unfair statements to consumers regarding the cost
- 7 of financing the purchase of a vehicle through the Dependable Auto Defendants,
- 8 including, but not limited to, representing that consumers are paying \$0 in finance
- 9 charges when that is not true;
- 10 h. Failing to accurately disclose to consumers all finance charges, as defined by
- 11 A.R.S. § 44-281(3) and 15 U.S.C. § 1605(a), in compliance with those statutes as
- 12 they are currently written or as they are amended in the future;
- 13 i. Making any false, deceptive, or unfair statements or representations to consumers
- 14 regarding service contracts, including, but not limited to, statements that consumers
- 15 will receive “[f]ree labor maintenance with a \$100.00 Diagnostic Fee for every
- 16 shop incident” or representations that convey the same meaning;
- 17 j. Requiring consumers to purchase service contracts with the purchase of a vehicle;
- 18 k. Describing service contracts as free unless they are in fact free;
- 19 l. Failing to disclose the price and all terms and conditions of service contracts to
- 20 consumers in writing. Such written terms must be available in English and
- 21 Spanish;
- 22 m. Failing to provide consumers who purchase service contracts copies of those
- 23 service agreements with the terms of coverage;
- 24 n. Failing to purchase service contracts from third-parties when a consumer pays the
- 25 Dependable Auto Defendants to purchase such a service contract from a third
- 26 party;
- 27 o. Failing to honor statutorily-mandated warranties regarding used motor vehicles, as
- 28 required by A.R.S. § 44-1267; and

1 p. Selling motor vehicles “as is” in violation of A.R.S. §§ 28-4412(B) and 44-
2 1267(B).

3 45. The Dependable Auto Defendants have informed the State that they have ceased
4 acquiring new inventory to offer for sale to consumers. The Dependable Auto Defendants may
5 continue to offer their remaining inventory of used motor vehicles for sale to Arizona consumers.
6 Any sales shall comply with the injunctive terms provided in this Consent Judgment.

7 46. The Dependable Auto Defendants shall have fully wound up the business of
8 Dependable Auto within ninety (90) days of the entry of this Consent Judgment. The
9 Dependable Auto Defendants shall inform the State in writing when Dependable Auto’s
10 operations have completely ceased.

11 **Payment Provisions**

12 47. Pursuant to A.R.S. § 44-1528(A)(2), the Defendants are jointly and severally liable
13 and obligated to pay to the Attorney General the amount of \$90,246 in consumer restitution (the
14 “Restitution Award”) prior to the entry of this Consent Judgment, to be deposited into an interest-
15 bearing consumer restitution subaccount of the consumer restitution and remediation revolving
16 fund, pursuant to A.R.S. § 44-1531.02(B). The Arizona Attorney General shall have sole
17 discretion as to how and when restitution funds are distributed to consumers and the eligibility of
18 any consumer to receive restitution.

19 48. Pursuant to A.R.S. § 44-1528(A)(3), the Defendants are jointly and severally liable
20 and obligated to pay to the Attorney General the amount of \$310,000 in civil penalties (the “Civil
21 Penalty Award”) pursuant to A.R.S. § 44-1531.01, subject to the agreement set forth in paragraph
22 49.

23 49. Prior to the filing of this Consent Judgment by the State, the Defendants made a
24 payment of \$90,246 to the State in complete satisfaction of their obligations under paragraph 47.
25 In return, the State agrees to deem the \$310,000 Civil Penalty Award satisfied.

26 50. In the event the amount ordered as restitution herein is insufficient to provide full
27 restitution to all eligible consumers, the restitution collected shall be distributed to eligible
28 consumers at the sole discretion of the Attorney General. In the event that any portion of the

1 restitution ordered herein cannot be distributed to eligible consumers, such portion shall be
2 deposited by the Attorney General's Office into the Consumer Protection-Consumer Fraud
3 Revolving Fund, pursuant to A.R.S. § 44-1531.02(B), and used for the purposes specified in
4 A.R.S. § 44-1531.01.

5 **General Terms**

6 51. In the event of a material breach of this Consent Judgment, in addition to all other
7 remedies available under Arizona law and the penalties specifically provided under A.R.S. § 44-
8 1532, the State may, in its sole discretion, reopen proceedings and continue with this case as
9 though this Consent Judgment had not been entered, provided that the Dependable Auto
10 Defendants shall be entitled to an offset for any amount actually paid to the State.

11 52. Nothing in this Consent Judgment shall be construed as an approval by the
12 Attorney General, the Court, the State of Arizona, or any agency thereof of the Dependable Auto
13 Defendants' past, present, or future conduct. The Dependable Auto Defendants shall not
14 represent or imply that the Attorney General, the Court, the State of Arizona, or any agency
15 thereof has approved or approves of any of the Dependable Auto Defendants' actions or any of
16 the Dependable Auto Defendants past, present or future business practices.

17 53. This Consent Judgment represents the entire agreement between the parties, and
18 there are no representations, agreements, arrangements, or understandings, oral or written,
19 between the parties relating to the subject matter of this Consent Judgment which are not fully
20 expressed herein or attached hereto.

21 54. If any portion of this Consent Judgment is held invalid by operation of law, the
22 remaining terms thereof shall not be affected and shall remain in full force and effect.

23 55. Jurisdiction is retained by this Court for the purpose of entertaining an application
24 by the State for the enforcement of this Consent Judgment.

25 56. This Consent Judgment is the result of a compromise and settlement agreement
26 between the parties. Only the State may institute an action or proceeding to enforce the terms
27 and provisions of this Consent Judgment or to take action based on future conduct by the
28 Dependable Auto Defendants.

57. This Consent Judgment shall not limit the rights of any private party to pursue any remedies allowed by law.

58. With the exceptions of the State's enforcement of this Consent Judgment, this Consent Judgment is not and shall not in any event be used as an admission or evidence of any alleged wrongdoing or liability by Defendant Dependable Auto, Defendant Jamal Hardan, and/or Defendant Renna Hardan in any other civil, criminal, or administrative court, administrative agency or other tribunal.

59. This Consent Judgment resolves all outstanding claims alleged in the State's Consumer Fraud Complaint. As no further matters remain pending, this is a final judgment entered pursuant to Ariz. R. Civ. P. 54(c).

DATED this _____ day of _____, 2020.

Judge of the Superior Court

CONSENT TO JUDGMENT

1. The Defendants acknowledge that they have waived service of the Summons and Complaint, have read the State's Allegations and Order, and are aware of their right to a trial in this matter and have waived the same.

2. The Defendants admit the jurisdiction of this Court, and consent to the entry of the foregoing Order.

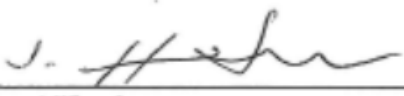
3. The Defendants state that no promise of any kind or nature whatsoever was made to induce them to enter into this Consent Judgment and declare that they have entered into this Consent Judgment voluntarily.

4. This Consent Judgment is entered as a result of a compromise and a settlement agreement between the parties. Only the parties to this action may seek enforcement of this Consent Judgment. Nothing herein is intended to create a private right of action by other parties; however, this Consent Judgment shall not limit the rights of any private party to pursue any remedies allowed by law.

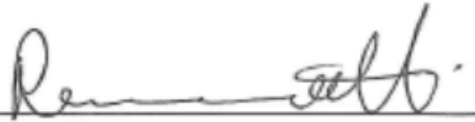
5. The Defendants acknowledge that their acceptance of this Consent Judgment is for the purpose of settling the ongoing consumer fraud lawsuit filed by the State, and further acknowledge that this Consent Judgment does not preclude any other agency or officer of this State or subdivision thereof from instituting other civil or criminal proceedings as may be appropriate.

6. This Consent to Judgment may be executed in counterparts and be delivered by facsimile or electronic transmission, or a copy thereof, such constituting an original counterpart hereof, all of which together will constitute one and the same document.

1 7. The Dependable Auto Defendants represent and warrant that Jamal Hardan, the
2 person signing below on behalf of Dependable Auto Sales, Inc., is duly appointed and authorized
3 to sign on its behalf.
4

5
6 
7 _____
8 Jamal Hardan

9 Dated: 5/13/20



Renna Hardan

Dated: 05-13-2020

10
11 **Dependable Auto Sales, Inc.**


12
13 By: 
14 _____
15 Jamal Hardan, Owner/Manager

16 Dated: 5/13/20


17
18 **APPROVED AS TO FORM AND CONTENT:**

19 **MARK BRNOVICH**
20 **Attorney General**

RONALD J. NEWMAN
Attorney At Law

21
22 By: 
23 _____
24 Kaitlin Hollywood
25 Assistant Attorney General
26 Attorney for the State of Arizona

27 Dated: 5/27/2020

By: 

Ronald J. Newman
Attorney for Dependable Auto
Defendants

Dated: 5/18/2020

eSignature Page 1 of 1

Filing ID: 11693109 Case Number: CV2020-006215
Original Filing ID: 11691473

Granted as Submitted



/S/ Rosa Mroz Date: 5/29/2020
Judicial Officer of Superior Court

ENDORSEMENT PAGE

CASE NUMBER: CV2020-006215

SIGNATURE DATE: 5/29/2020

E-FILING ID #: 11693109

FILED DATE: 6/2/2020 8:00:00 AM

KAITLIN SHAW HOLLYWOOD

DEPENDABLE AUTO INC
NO ADDRESS ON RECORD

JAMAL HARDAN
NO ADDRESS ON RECORD

RENNA HARDAN
NO ADDRESS ON RECORD