
Yo-yo Sales- Understanding car dealers' attempts to create conditional car sales

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NCLC
NATIONAL
CONSUMER
LAW
CENTER*

Advancing Fairness
in the Marketplace for All

Presenter – John Van Alst

- Joined NCLC in 2006 as a Staff Attorney at the Center's Washington, DC Office.
- At NCLC John specializes in issues related to car sales and finance.
- Prior to joining NCLC John work for seven years as an Attorney with Legal Aid of North Carolina.

Presenter – Tom Domonoske

- In 2009 he moved to his current position as Of Counsel to the Legal Aid Justice Center, based out of Charlottesville, Virginia. His primary emphasis is on using the civil justice system to remedy credit-related frauds, particularly regarding lending related to automobiles and homes.
- He has published many articles on several aspects of consumer law in various professional publications.
- In the past twelve years he has given over 110 consumer law trainings at various events around the country and regularly trains JAG lawyers for the United States military.

Presenter – Andrew A. Ault

- During his second summer of law school he interned with Indiana Legal Services' Migrant Farmworker Law Center.
- He spent his last year of Law School at Indiana University School of Law, Indianapolis, where he founded the Immigration Law Society and served as its president. As President he organized educational events to promote immigration reform and encourage and support those students who were interested in pursuing a career in immigration law.
- After passing the bar and serving for a time as a Deputy Prosecutor, he joined Indiana Legal Services in May of 2008. He focuses on consumer auto fraud, mortgage foreclosure defense, and family law.

Agenda

- How this works or doesn't work in real life
 - Andrew A. Ault
 - Questions

- Legal framework
 - Tom Domonoske
 - Questions

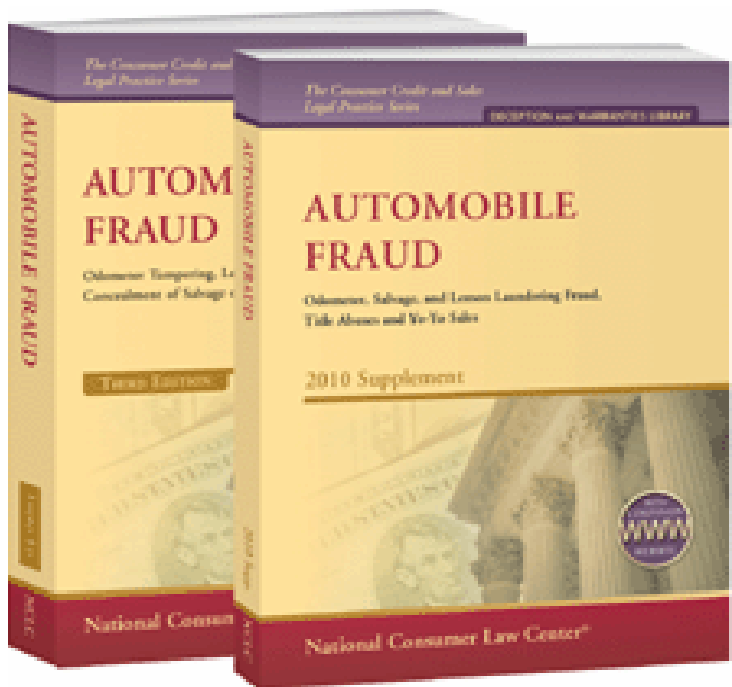
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For more information

- To subscribe to the listserv of those interested in Cars and Working Families just go to: <http://lists.nclc.org/subscribe/> and check the Auto Ownership, Finance, and Policy list
- Visit the following website:
 - National Consumer Law Center's Auto Page:
 - <http://www.workingcarsforworkingfamilies.org>

For More Information on Understanding Yo-Yo Sales and Protections for Car Buyers



*See the Third Edition &
Supplement of the
Definitive Treatise*
**from National Consumer
Law Center**

Visit

www.consumerlaw.org

The Untold Secrets of Car Dealer Financing:

Spot Delivery and Yo-Yo Sales

Conditional Sale?

- Most consumers rightly believe that once you make a down payment on a car, trade in a vehicle, sign all of the documents, and drive off the car dealer's lot, the deal is complete.
- Car dealers, on the other hand, despite making every effort to make the consumer believe that the deal is complete, are still waiting for final approval on outside financing.
- Car Dealers NEVER intend to finance the vehicle themselves. The phrase “Buy Here Pay Here” is misleading because the dealer has no intention of financing the vehicle. The dealer’s primary excuse: “We’re not banks!”

Conditional Sale?

- The Contract that the dealer signs with the consumer is to be sold to an outside finance company. That finance company could be located anywhere in the world.
- The dealer makes substantially more money selling the financing contract than it does on the sale price of the car, and the dealer has specific goals on the amount of money that it wants to make in selling the consumer's contract to the outside finance company.

Conditional Sale?

- So in the dealer's incorrect view, and even after the dealer signing the credit contract, the deal is still conditional upon whether the dealer can sell the contract for a profit big enough to satisfy the dealer.
- So what happens if the dealer cannot transfer his credit contract for the desired profit?
- There are several different actions that the dealer can take at this point, but to understand what happens next, it is critical to understand that at this point, the consumer has almost always signed something called a “spot delivery” form.

“Spot Delivery”

- Spot delivery forms are signed after the dealer agrees unconditionally and in writing to finance the purchase of the car himself - think “Buy Here Pay Here.”
- The dealer uses spot delivery forms to keep the buyer off the market and to deliver the vehicle to the customer “on the spot” before getting final approval for outside financing.
- The Spot delivery form, however, directly contradicts the credit contract by stating that the sale is conditional, and that if the dealer can't sell the contract for enough of a profit, or for any other reason, the dealer retains the right to repossess the vehicle at the customer's expense, and depending on how it is worded, it also provides that the customer **FORFEITS** his down payment and also any trade-in, oftentimes through exorbitant day, mileage, and repossession fees.

“Spot Delivery”

- The dealer gets the customer to sign the spot delivery form by making misleading and fraudulent statements to the buyer such as “You’re approved” and “It’s a done deal,” and the dealer might even show the customer a “fully approved” computer screen with for an outside finance company.
- The consumer is intentionally led to believe that the deal is done, BUT, the dealer says, there are several other forms to sign, including the spot delivery form.

“Spot Delivery”

- The Spot Delivery document, in whatever form it takes, is fraudulently presented as a formality or as otherwise insignificant.
- The consumer has been led to believe that the “Deal is done” and that “congratulations are in order.” So the consumer is not worried about signing anything else, especially since the dealer is saying and indicating that the sale is complete and that the other forms are not important.

Yo-Yo Sales

- If the dealer is able to sell his credit contract on terms that he deems favorable enough to him, the customer never finds out the fact that the dealer never intended to finance the vehicle. The customer never knows that he was lied to in regards to the “done deal”, because the dealer eventually successfully sold the contract for a profit acceptable to the dealer.
- However, if the dealer cannot make the profit he wishes to, or if the dealer simply wants to steal the customer’s down payment money and/or trade-in and sell the same car again, there are any number of means that the dealer employs to regain possession of the car, in order to increase the dealer’s profit margin at the customer’s expense.

Yo-Yo Scenario One

- Gordon Dealer sells a used Jaguar to Richard. Gordon and Richard sign a credit contract, and Richard pays \$3,000 down. Gordon stated to Richard that he was “approved for the loan” through American Lenders. Richard drives home with his Jaguar.
- About one week later, Gordon calls Richard and tells him to bring the car back because American Lenders “had a problem with his loan.”
- Richard calls American Lenders, and American Lenders has no problem with the loan, it just needs the documents that Richard had given to Gordon to be submitted for final approval of financing. Gordon had not provided the documents to American Lenders.

Yo-Yo Scenario One

- Richard calls Gordon and tells Gordon that he needs to provide the documents to American Lenders, but that Richard had just contacted American Lenders and there was otherwise no problem at all with his outside financing.
- Gordon says that he needs to bring the car back and begins to threaten police action.
- Richard refuses to bring the car back because his first payment is not yet due, and there is no problem with his lender other than the fact the Gordon needs to forward the documents that Richard had provided to Gordon.

Yo-Yo Scenario One

- Gordon hires someone to repossess Richard's car while Richard is away, leaving Richard without transportation and without his \$3,000.00 down payment, a part of which Richard financed and will have to pay back with interest. Gordon refuses to return any of the money that Richard paid for the down payment.

Yo-Yo Scenario Two

- Jim Dealer signs an 8% credit contract with Randy for the purchase of a late model Ford truck. Randy pays \$2,500 in cash as a down payment. Jim cannot sell the credit contract for the profit that he wants, so he calls Randy back and tells him to bring back the car because “financing fell through.” The dealer states to Randy that Randy has to come back to the dealership to try and “find a deal that works.”
- Randy is very upset because he was told that he was already financed, but he nevertheless brings back the Ford truck to the dealership to respond to what he was told by Jim.

Yo-Yo Scenario Two

- Once Jim has Randy at the dealership, he tells Randy that he has two options, he can either sign a new credit contract for 12%, or he can look for a cheaper vehicle.
- Randy reluctantly signs the 12% contract because he was told that he could not keep the Ford Truck if he did not. The extra 4% will cost Randy several thousand dollars more over the life of the loan.
- The dealer actually was able to sell the contract at 8%, but at no finance profit to the dealer. The extra 4% goes directly into the dealer's pocket as a sales commission.

Yo-Yo Scenario Three

- Brianna buys a used new Jeep from Jeremy Dealer. Brianna pays \$9,000.00 down and signs a credit contract with Jeremy. The interest rate is 15% and she has to pay \$330.00 a month.
- After Jeremy and Brianna sign the credit contract, Jeremy congratulates Brianna on her purchase, and tells her that there are just a few more papers to sign. Jeremy gives Brianna a Spot Delivery form to sign, stating that it's just a necessary part of the deal, to not worry about it, and that it just means that Jeremy can give Brianna the Jeep today.

Yo-Yo Scenario Three

- Brianna, being led to believe that the car is already hers, heartily agrees that she wants the car today, and she signs the spot delivery form.
- One week later, Jeremy calls Brianna and tells her that the outside finance company rejected her application, but that Jeremy would look for other companies to finance her.
- Brianna asks if she should pay the dealer directly on her first payment date. Jeremy says, “No, we need to get you financed. Keep your payments until we can get you financed.”

Yo-Yo Scenario Three

- Over the next two to three months, Brianna drives her vehicle, but the dealership never “gets her financed” with an outside lender. Brianna calls regularly to follow up with this, but the dealer never has any answers, and she always feels like the dealer isn’t really trying, and that she’s just getting the run-around.
- Finally, after almost three months, Brianna drives to the dealership and demands that she be financed because she is tired of calling and not getting anywhere. The dealer asks for her keys and states that he needs the keys in order to get in her application for a new deal.

Yo-Yo Scenario Three

- Brianna hands over her keys and waits in the lobby while the dealer rep retreats into an office, presumably to get Brianna financed.
- Brianna waits for 20 minutes, and then checks with the receptionist to see what is going on. She is informed that they are still trying to get a deal.
- One hour later, Brianna is fed up. She asks to speak with the dealer rep immediately. The dealer rep informs Brianna that they could not finance her, and that she will not be getting her keys back. She demands a refund of the \$9,000.00 she paid, but the dealer rep refused to return anything, stating, “You’ll have to file in court for that.”
- Brianna needs to call a cab to get a ride home.

Conditional Sale?

- The Dealer makes NO attempt to inform the customer that the dealer considers this sale conditional, and that nothing is for sure until the dealer sells the dealer's credit contract for a profit acceptable to the dealer.
- In fact, the dealer does just the opposite. The dealer does everything in his power to make the customer rightly believe that the sale is complete. The dealer does this because the dealer wants to make sure that the customer does not shop around for a better deal somewhere else. This practice is anticompetitive because it takes buyers off of the market even though the dealer still wants this sale to be conditional.
- This is a widespread national problem in the dealer business culture. Most dealers actually believe that this is an acceptable business practice, and that it is their right to yo-yo a car when they can not make the profit they want on the credit contract transfer

Conditional Sale?

- In Indiana, where I practice, there is no specific law against this. We do have an Unfair and Deceptive Sales Practices Act, which many states do, but it is relatively weak, and it is not specific enough to stop this fraudulent practice common among dealers.
- There is no federal regulation or law that stops this practice.
- Some dealers intentionally commit fraud for the purpose of stealing down payments. Others do actually encounter problems in the transfer of the contract and fail to recognize that the dealership must transfer the credit contract or finance the contract itself as the dealer already agreed to.



Questions???

RETAIL INSTALLMENT CONTRACT AND SECURITY AGREEMENT

No. 2171

Date 2/5/2011

Seller
Circle City Enterprises
5555 Southeastern Ave
Indianapolis, IN 46203

Buyer
Isaac Lumpkin and Brandon Foster
160N Carrollton Ave
Indianapolis, IN 46202

"We" and "us" mean the Seller above, its successors and assigns.

"You" and "your" mean each Buyer above, and guarantor, jointly and individually.

TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	AMOUNT FINANCED The amount of credit provided to you or on your behalf.	TOTAL OF PAYMENTS The amount you will have paid when you have made all scheduled payments.	TOTAL SALE PRICE The total cost of your purchase on credit, including your down payment of
21.00 %	\$ 2174.82	\$ 7125.18	\$ 9300.00	\$ 2500.00 \$ 11800.00

Payment Schedule: Your payment schedule will be

Number of Payments	Amount of Payments	When Payments Are Due
29	\$310.00	Monthly, Beginning 03/22/11
1 Final Payment	\$310.00	8/22/2013

Security: You are giving a security interest in the Motor Vehicle purchased.

Late Charge: If a payment is more than 10 days late, you will be charged \$17.00

This amount may change pursuant to Indiana Code §§ 24-4.5-1-106 and 24-4.5-2-203.5.

Prepayment: If you pay off this Contract early, you may will not have to pay a Minimum Finance Charge.

Contract Provisions: You can see the terms of this Contract for any additional information about nonpayment, default, any required repayment before the scheduled date, and prepayment refunds and penalties.

CREDIT INSURANCE: Credit life, credit disability (accident and health), and any other insurance coverage quoted below, are not required to obtain credit and we will not provide them unless you sign and agree to pay the additional premium. If you want such insurance, we will obtain it for you (if you qualify for coverage). We are quoting below ONLY the coverages you have chosen to purchase.

Credit Life: Insured _____
 Single Joint Prem. \$ N/A Term N/A

Credit Disability: Insured _____
 Single Joint Prem. \$ N/A Term N/A

Your signature below means you want (only) the insurance coverage(s) quoted above. If none are quoted, you have declined any coverages we offered.

Buyer _____ d/o/b Buyer _____ d/o/b
 Buyer _____ d/o/b Buyer _____ d/o/b

PROPERTY INSURANCE: You must insure the Property securing this Contract. You may purchase or provide the insurance through any insurance company reasonably acceptable to us. The collision coverage deductible may not exceed \$ N/A. If you get insurance from or through us you will pay \$ N/A for _____ of coverage.

This premium is calculated as follows:
 \$ N/A Deductible, Collision Cov. \$ N/A
 \$ N/A Deductible, Comprehensive \$ N/A
 Fire-Theft and Combined Additional Cov. \$ N/A
 _____ \$ N/A

Liability insurance coverage for bodily injury and motor vehicle damage caused to others is not included in this Contract unless checked and indicated.

ITEMIZATION OF AMOUNT FINANCED

Vehicle Price (incl. sales tax of \$ 629.68)	\$ 9625.18
Service Contract, Paid to: _____	\$ N/A
	Cash Price \$ 9625.18
Manufacturer's Rebate	\$ N/A
Cash Down Payment	\$ 2500.00
Deferred Down Payment	\$ 0.00
a. Total Cash/Rebate Down	\$ 2500.00
b. Trade-In Allowance	\$ 0.00
c. Less: Amount owing	\$ 0.00
Paid to (includes f.):	
d. Net Trade-In (b. minus c.)	\$ 0.00
e. Net Cash/Trade-In (a. plus d.)	\$ 2500.00
f. Amount to Finance line e. (if e. is negative)	\$ N/A
Down Payment (e.; disclose as \$0 if negative)	\$ 2500.00
Unpaid Balance of Cash Price	\$ 7125.18
Paid to Public Officials - Filing Fees	\$ N/A
Insurance Premiums*	\$ N/A
To: _____	\$ N/A
To: _____	\$ _____
To: _____	\$ _____
To: _____	\$ _____
Total Other Charges/Amounts Pd. to Others	\$ N/A
Less: Prepaid Finance Charges	\$ N/A
Amount Financed	\$ 7125.18

*We may retain or receive a portion of this amount.

SINGLE-INTEREST INSURANCE: You must purchase single-interest insurance as part of this sale transaction. You may purchase the coverage from a company of your choice, reasonably acceptable to us. If you buy the coverage from or through us, you will pay \$ N/A for _____ of coverage.

SERVICE CONTRACT: With your purchase of the Vehicle, you agree to purchase a Service Contract to cover _____

This Service Contract will be in effect for _____

SALE: You agree to purchase from us, on a time basis, subject to the terms and conditions of this contract and security agreement (Contract), the Motor Vehicle (Vehicle) and services described below. The Vehicle is sold in its present condition, together with the usual accessories and attachments.

Description of Vehicle Purchased

Year 2001 VIN SAJDA24C41LF27686

Make Jaguar Lic. No./Year

Model XJ Series New Used

Other:

Description of Trade-In

SECURITY: To secure your payment and performance under the terms of this Contract, you give us a security interest in the Vehicle, all accessions, attachments, accessories, and equipment placed in or on the Vehicle, together called Property, and proceeds of the Property. You also assign to us and give us a security interest in proceeds and premium refunds of any insurance and service contracts purchased with this Contract.

PROMISE TO PAY AND PAYMENT TERMS: You promise to pay us the principal amount of \$ 7125.18, plus finance charges accruing on the unpaid balance at the rate of 21.00 % per year from today's date until paid in full. Finance charges accrue on a 365 day basis. You agree to pay this Contract according to the payment schedule and late charge provisions shown in the TRUTH IN LENDING DISCLOSURES. You also agree to pay any additional amounts according to the terms and conditions of this Contract.

MINIMUM FINANCE CHARGE: You agree to pay a minimum finance charge of \$ N/A if you pay this Contract in full before we have earned that much in finance charges.

DOWN PAYMENT: You also agree to pay, or apply to the Cash Price, on or before today's date, any cash, rebate and net trade-in value described in the ITEMIZATION OF AMOUNT FINANCED.

You agree to make deferred payments as part of the cash down payment as reflected in your Payment Schedule.

PREPAYMENT: You may prepay this Contract in full or in part at any time. Any partial prepayment will not excuse any later scheduled payments until you pay in full.

A refund of any prepaid, unearned insurance premiums may be obtained from us or from the insurance company named in your policy or certificate of insurance.

GENERAL TERMS: You have been given the opportunity to purchase the Vehicle and described services for the Cash Price or the Total Sale Price. The Total Sale Price is the total price of the Vehicle and any services if you buy them over time. You agreed to purchase the items over time. The Total Sale Price shown in the TRUTH IN LENDING DISCLOSURES assumes that all payments will be made as scheduled. The actual amount you will pay may be more or less depending on your payment record.

We do not intend to charge or collect, and you do not agree to pay, any finance charge or fee, that is more than the maximum amount permitted for this sale by state or federal law. If you pay a finance charge or fee that is contrary to this provision, we will, instead, apply it first to reduce the principal balance, and when the principal has been paid in full, refund it to you.

You understand and agree that some payments to third parties as a part of this Contract may involve money retained by us or paid back to us as commissions or other remuneration.

If any section or provision of this Contract is not enforceable, the other terms will remain part of this Contract.

BALLOON PAYMENT: If any payment is more than twice as large as the average of all other regularly scheduled payments, you may refinance that payment when due. You may do so on terms as favorable as the terms originally agreed to in this Contract. This right does not apply if your payment schedule is adjusted for seasonal or irregular income.

OWNERSHIP AND DUTIES TOWARD PROPERTY: By giving us a security interest in the Property, you represent and agree to the following:

- A. Our security interest will not extend to consumer goods unless you acquire rights to them within 10 days after we enter into this Contract, or they are installed in or affixed to the Vehicle.
- B. You will defend our interests in the Property against claims made by anyone else. You will do whatever is necessary to keep our claim to the Property ahead of the claim of anyone else.
- C. The security interest you are giving us in the Property comes ahead of the claim of any other of your general or secured creditors. You agree to sign any additional documents or provide us with any additional information we may require to keep our claim to the Property ahead of the claim of anyone else. You agree we may file a financing statement signed by us instead of you with the appropriate public officials. You will not do anything to change our interest in the Property.
- D. You will keep the Property in your possession in good condition and repair. You will use the Property for its intended and lawful purposes. Unless otherwise agreed in writing, the Property will be located at your address listed on page 1 of this Contract.
- E. You will not attempt to sell the Property (unless it is properly identified inventory) or otherwise transfer any rights in the Property to anyone else, without our prior written consent.
- F. You will pay all taxes and assessments on the Property as they become due.
- G. You will notify us of any loss or damage to the Property. You will provide us reasonable access to the Property for the purpose of inspection. Our entry and inspection must be accomplished lawfully, and without breaching the peace.

DEFAULT: You will be in default on this Contract if any one of the following occurs (except as prohibited by law):

- A. You fail to perform any obligation that you have undertaken in this Contract.
- B. We, in good faith, believe that you cannot, or will not, pay or perform the obligations you have agreed to in this Contract.

If you default, you agree to pay our costs for collecting amounts owing, including, without limitation, court costs, attorneys' fees (for attorneys who are not our salaried employees), and fees for repossession, repair, storage and sale of the Property securing this Contract all without relief from valuation and appraisal laws.

If an event of default occurs as to any one of you, we may exercise our remedies against any or all of you.

REMEDIES: If you are in default on this Contract, we have all of the remedies provided by law and this Contract:

- A. We may require you to immediately pay us, subject to any refund required by law, the remaining unpaid balance of the amount financed, finance charges and all other agreed charges.
- B. We may pay taxes, assessments, or other liens or make repairs to the Property if you have not done so. We are not

required to do so. This amount will be due immediately. This amount will earn finance charges from the date paid at the rate described in the PROMISE TO PAY AND PAYMENT TERMS section until paid in full.

- C. We may require you to make the Property available to us at a place we designate that is reasonably convenient to you and us.
- D. We may immediately take possession of the Property by legal process or self-help, but in doing so we may not breach the peace or unlawfully enter onto your premises. We may then sell the Property and apply what we receive as provided by law to our reasonable expenses and then toward your obligations.
- E. Except when prohibited by law, we may sue you for additional amounts if the proceeds of a sale do not pay all of the amounts you owe us.

By choosing any one or more of these remedies, we do not waive our right to later use another remedy. By deciding not to use any remedy, we do not give up our right to consider the event a default if it happens again.

You agree that if any notice is required to be given to you of an intended sale or transfer of the Property, notice is reasonable if mailed to your last known address, as reflected in our records, at least 10 days before the date of the intended sale or transfer (or such other period of time as is required by law).

You agree that, subject to your right to recover such property, we may take possession of personal property left in or on the Property securing this Contract and taken into possession as provided above.

RETURNED CHECK CHARGE: You agree to pay a fee of \$25.00 for each check, negotiable order of withdrawal or share draft you issue in connection with this Contract that is returned because it has been dishonored.

INSURANCE: You agree to buy property insurance on the Property protecting against loss and physical damage and subject to a maximum deductible amount indicated in the PROPERTY INSURANCE section, or as we will otherwise require. You will name us as loss payee on any such policy. In the event of loss or damage to the Property, we may require additional security or assurances of payment before we allow insurance proceeds to be used to repair or replace the Property. You agree that if the insurance proceeds do not cover the amounts you still owe us, you will pay the difference. You may purchase or provide the insurance through any insurance company reasonably acceptable to us. You will keep the insurance in full force and effect until this Contract is paid in full.

If you fail to obtain or maintain this insurance, or name us as a loss payee, we may obtain insurance to protect our interest in the Property. This insurance may include coverages not required of you. This insurance may be written by a company other than one you would choose. It may be written at a rate higher than a rate you could obtain if you purchased the property insurance required by this Contract. We will add the premium for this insurance to the amount you owe us. Any amount we pay will be due immediately. This amount will earn finance charges from the date paid at the rate described in the PROMISE TO PAY AND PAYMENT TERMS section until paid in full.

OBLIGATIONS INDEPENDENT: Each person who signs this Contract agrees to pay this Contract according to its terms. This means the following:

- A. You must pay this Contract even if someone else has also signed it.
- B. We may release any co-buyer or guarantor and you will still be obligated to pay this Contract.
- C. We may release any security and you will still be obligated to pay this Contract.
- D. If we give up any of our rights, it will not affect your duty to pay this Contract.
- E. If we extend new credit or renew this Contract, it will not affect your duty to pay this Contract.

WARRANTY: Warranty information is provided to you separately.

WAIVER: To the extent permitted by law, you agree to give up your rights to require us to do certain things. We are not required to: (1) demand payment of amounts due; (2) give notice that amounts due have not been paid, or have not been paid in the appropriate amount, time or manner; or, (3) give notice that we intend to make, or are making, this Contract immediately due.

ASSIGNMENT: This Contract and Security Agreement is assigned to Westlake Financial Services

the Assignee, phone (352) 368-5766. This assignment is made under the terms of a separate agreement made between the Seller and Assignee.

THIRD PARTY AGREEMENT

By signing below you agree to give us a security interest in the Property described in the SALE section. You also agree to the terms of this Contract, including the WAIVER section above, except that you will not be liable for the payments it requires. Your interest in the Property may be used to satisfy the Buyer's obligation. You agree that we may renew, extend, change this Contract, or release any party or property without releasing you from this Contract. We may take these steps without notice or demand upon you.

You acknowledge receipt of a completed copy of this Contract.

Signature _____ Date 2/5/2011

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

IF YOU ARE BUYING A USED VEHICLE, THE INFORMATION YOU SEE ON THE WINDOW FORM FOR THIS VEHICLE IS PART OF THIS CONTRACT. INFORMATION ON THE WINDOW FORM OVERRIDES ANY CONTRARY PROVISIONS IN THE CONTRACT OF SALE.

NOTICE TO BUYER

(1) Do not sign this agreement before you read it or if it contains any blank spaces. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge.

BY SIGNING BELOW BUYER AGREES TO THE TERMS ON PAGES 1, 2 AND 3 OF THIS CONTRACT AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS CONTRACT.

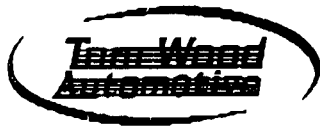
Buyer: _____
Signature _____ Date 2/5/2011

Signature _____ Date 2/5/2011

Signature _____ Date 2/5/2011

Signature _____ Date 2/5/2011

Seller: By _____



SPOT DELIVERY FORM

Right to Vehicle/Conditional Delivery. Customer acknowledges and agrees that Customer shall have no right to the vehicle until Dealer has been paid in full for the vehicle. Customer agrees to pay the balance of the price in accordance with the terms of this Agreement and agrees to accept delivery of the vehicle within 48 hours after Customer has been notified that it is ready. In case Customer fails to pay and take delivery when notified, Customer's deposit may be retained as liquidated damages by Dealer to cover expenses and efforts in the matter and Dealer may, in its sole discretion, dispose of the vehicle without any liability to Customer whatsoever. In the event it becomes necessary for Dealer to collect the balance due, Customer will be responsible for all costs of collection including reasonable attorney fees. It is expressly agreed that Customer acquires no right, title or interest in or to the vehicle until the vehicle is delivered to Customer and either the full purchase price is paid in cash by Customer, by Customer's representative or by a lending or leasing company to Dealer. Customer acknowledges that in the event the vehicle is being financed or leased, the final approval of the financing contract or leasing contract may not have been granted by the lender or lessor. Customer agrees that the Dealer will not receive payment in full until the lender/lessor has approved, the finance/lease contract and until such approval the Dealer is not required to deliver the vehicle.

As a convenience to the Customer, the Dealer may deliver the automobile to the Customer prior to final approval of the finance/lease contract and payment in full. The Customer agrees to be responsible and liable for any damage to the vehicle caused in any manner. Customer agrees to maintain at all physical damage liability insurance, all at the expense of the Customer.

In the event Customer's finance/lease contract is not approved, assigned and accepted by the lender/lessor or Dealer is not paid in full for any reason, the Customer agrees, at Dealer's sole option and demand, to (a) return the vehicle to Dealer or (b) pay Dealer the full purchase price as reflected in this Order. Dealer's decision to demand return of the vehicle or payment of the purchase price shall not in any way limit the remedies available to Dealer. Dealer's demand may be made orally or in writing mailed to the address shown on this Order.

If the finance/lease contract is rejected by a lender due to any error contained therein, whether or not the fault of Dealer in drafting the contract, Customer agrees to return to the dealership and to execute corrected documents. Failure or refusal by Customer to do so entitles Dealer to obtain a court order requiring Customer to execute corrected documents, and Dealer may recover its attorney fees incurred in obtaining said order.

Failure of the Customer to return the vehicle or to pay the full purchase price within 24 hours of demand by Dealer will render the Customer liable for all damages to Dealer, including but not limited to, any repossession or attorney fees incurred by Dealer in recovering the vehicle, court costs and any depreciation occurring to the vehicle during the Customer's use. In addition to any actual damages incurred by the Dealer as a result of breach of this Agreement, the Customer agrees that any deposit on down payment shall be kept by Dealer as liquidated damages.

Should the Dealer elect to demand return of the vehicle and to cancel or revoke the contract, the down payment made by Customer may be retained as damages and/or returned at the Dealer's discretion. If the Agreement includes a trade-in vehicle(s), the Dealer may keep and sell the trade-in to compensate Dealer for any damages incurred, or may either return the vehicle to Customer or reimburse Customer the actual cash value of the vehicle as determined in the sole discretion of the Dealer. The "actual cash value" does not equal and may be less than the trade-in allowance provided in the Agreement.

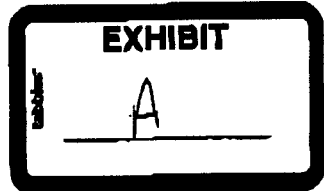
If the Dealer has paid any indebtedness owed by Customer on the trade-in, and the Dealer elects to return the trade-in if the contract is cancelled or revoked for any reason, including but not limited to rejection of the contract by a lender/lessor, then in order to obtain return of the trade-in. Provided further, that if Customer elects not to accept return of the trade in, Customer agrees to pay to Dealer the difference, if any, of the payoff made on the trade in by Dealer and the net amount realized by Dealer upon selling said trade in (said net amount to be computed by subtracting from the price realized for the trade in all expenses of sale incurred by Dealer).

Dealer reserves the right to retain and resell the trade-in vehicle in its sole discretion. Dealer's right to rescind, cancel or revoke the Vehicle Order Agreement does not provide Customer the right to return of the trade-in vehicle or the trade-in allowance. Upon cancellation, revocation or rescission. Customer agrees to immediately return to Dealer the above-described vehicle in the same condition as when sold. If damaged in any way, Customer agrees to pay Dealer the value of all repairs required and all other losses or damages. In addition, if Dealer cancels, rescinds or revokes this Agreement, Customer agrees to pay the sum of \$1.00 per mile for use that Customer has made of the Vehicle. In addition, Customer agrees that Dealer shall have no obligation to deliver title to the ordered vehicle until all consideration has been paid or provided to Dealer.

Clifford Thomas
Customer Name (Printed)

10-08-2008
Date

Clifford Thomas
Customer Signature



DATE OF SALE 05/17/04

DEAL# 2544

Y187104

PURCHASER'S NAME (PRINT OR TYPE)		HOME ADDRESS	
CO/PURCHASER NAME (PRINT OR TYPE)		CITY, STATE, ZIP COLONIAL HEIGHTS VA 23834	
PLEASE ENTER MY ORDER FOR THE FOLLOWING: <input type="checkbox"/> NEW <input checked="" type="checkbox"/> USED <input type="checkbox"/> DEMO		COUNTY HOPEWELL	E-MAIL ADDRESS
YEAR 2004	MAKE NISSAN	HOME PHONE	BUS. PHONE
MODEL ALTIMA	TYPE/DOORS 4DR SDN S	COLOR AT VELVET BEIGE	
MILEAGE 306	VIN 1N4A111D54C187104	IN SERVICE DATE 05/17/04	
PRICE INCLUDING FREIGHT, HANDLING & DELIVERY		26000.00	
GAP INSURANCE		500.00	
TOTAL PURCHASE PRICE		26500.00	
PROCESSING FEE FOR CONSUMER SERVICES		399.00	
3% VA. TITLE TAX		791.97	
DEALER'S BUSINESS LICENSE TAX		N/A	
PURCHASER'S ON-LINE SYSTEMS FILING FEE		10.00	
LICENSE FEE	N/A	TITLE FEE	39.50
TOTAL DELIVERED PRICE		27740.47	
SUBMITTED WITH ORDER		(1) N/A	
ALLOWANCE FOR USED CAR TRADE-IN AS APPRAISED		7100.00	
LESS BALANCE OWING TO - SYNTHETIC FEDERAL CR (PURCHASER RESPONSIBLE FOR PAYOFF ACCURACY)		APPROXIMATELY 7100.00	
FOR "AS IS" SALE ONLY: I UNDERSTAND THAT THIS VEHICLE IS BEING SOLD "AS IS" WITH ALL FAULTS AND IS NOT COVERED BY ANY DEALER WARRANTY. I UNDERSTAND THAT THE DEALER IS NOT REQUIRED TO MAKE ANY REPAIRS AFTER I BUY THIS VEHICLE. I WILL HAVE TO PAY FOR ANY REPAIRS THIS VEHICLE WILL NEED. SEE #15 ON REVERSE SIDE		EQUITY ON TRADE-IN (2)	N/A
DATE 05/17/04	SIGNATURE	ADDITIONAL DOWN PAYMENT ON DELIVERY (3)	500.00
DESCRIPTION OF TRADE-IN		MFG REBATE (4)	1500.00
YEAR 1998	MAKE GMC	MODEL 1500	COLOR TEAL
TYPE/DOORS PU	TOTAL DOWN PAYMENT (1+2+3+4)		2000.00
MILEAGE 127254	VIN 1GTEK19WXNE505584	EXTENDED SERVICE CONTRACT INCLUDING TAX OF 40.39	1795.00
SALESPERSON ADRIAN L BENNIEFIELD	BALANCE DUE ON DELIVERY		27575.96

The front and back of this buyer's order, along with other documents signed by Purchaser(s) in connection with this order, comprise the entire agreement between the parties affecting this purchase. No oral agreements or understandings shall be binding. Purchaser(s) acknowledges that he/she has been given the opportunity to review all documents prior to signing them and that he/she has not signed any documents in blank. By executing this Order, Purchaser(s) acknowledges he/she has read all of its terms and has received a fully completed copy. Purchaser(s) certifies he/she is 18 years of age or older. Until made effective, this order is not binding and Purchaser(s) may cancel and recover deposit.

NO LIABILITY INSURANCE INCLUDED UNLESS SPECIFICALLY INCLUDED

SECURITY AGREEMENT: Purchaser hereby grants Seller, its successors and assigns, a security interest in the motor vehicle, equipment and accessories to be purchased pursuant to this agreement, and such security interest shall remain in effect until all sums due hereunder have been paid in full.

FOR SALES INVOLVING DEALER ARRANGED FINANCING ONLY:
THIS SALE IS CONDITIONED UPON APPROVAL OF YOUR PROPOSED RETAIL INSTALLMENT SALE CONTRACT AS SUBMITTED TO OR THROUGH THE DEALER. IF THAT PROPOSED RETAIL INSTALLMENT SALE CONTRACT IS NOT APPROVED UNDER THE TERMS AGREED TO WITH THE DEALER, YOU MAY CANCEL THIS SALE AND ANY DOWN PAYMENT AND/OR TRADE-IN YOU SUBMITTED WILL BE RETURNED TO YOU, PROVIDED THAT ANY VEHICLE DELIVERED TO YOU BY THE DEALER PURSUANT TO THIS AGREEMENT IS RETURNED TO THE DEALER IN THE SAME CONDITION AS DELIVERED TO YOU, NORMAL WEAR AND TEAR EXCEPTED, WITHIN TWENTY-FOUR HOURS OF WRITTEN OR ORAL NOTICE TO YOU OF THE CREDIT DENIAL.

FOR SALES INVOLVING DEALER ARRANGED FINANCING/ LEASING ONLY: IF THE DEALER DOES NOT RECEIVE APPROVAL FROM A FINANCIAL SOURCE FOR YOUR PROPOSED RETAIL INSTALLMENT CONTRACT OR LEASE ("CONTRACT") ON TERMS ACCEPTABLE TO DEALER, DEALER MAY CANCEL THE SALE AND THE CONTRACT, AND YOU WILL RETURN THE VEHICLE IN GOOD CONDITION WITHOUT EXCESS MILEAGE. IF YOU FAIL TO RETURN THE VEHICLE DEALER SHALL BE ENTITLED TO REPOSSSESS THE VEHICLE AND SHALL HAVE ALL OTHER RIGHTS UNDER TITLE 8.2 OF THE CODE OF VIRGINIA, OTHER STATUTES AND COMMON LAW.

AGREEMENT TO MEDIATE DISPUTES: The Purchaser(s) and Dealer, (collectively, the "Parties") agree that should any Dispute (as defined below) arise between the Parties, the Parties will first attempt to resolve the Dispute through non-binding mediation conducted by a neutral third party prior to instituting any other legal action. Either of the Parties may initiate the mediation by contacting the organization named here.

Mediation Organization Name, Address and Telephone

BETTER BUSINESS BUREAU
THE DISPUTE RESOLUTION CE
701 EAST FRANKLIN ST. SUITE

ECOA NOTICE OF ACTION TAKEN

Adverse Action and Statement of Reasons

FROM:

HARBOR BANK

1 Old Oyster Point Road
Newport News, Virginia 23602

Notice Date: February 19, 2002

DESCRIPTION OF ACCOUNT, TRANSACTION, OR REQUESTED CREDIT.

Application for credit requested by you.

DESCRIPTION OF ACTION TAKEN.

We regret that we are unable to approve your application.

PRINCIPAL REASONS FOR ADVERSE ACTION TAKEN.

Your application reveals that current obligations are excessive in relation to income.

The value or type of collateral is insufficient.

Other (specify): Excessive Credit Inquiring and Insufficient Down Payment

LENDER'S CONTACT.

If you have any questions about our evaluation or decision, you should contact:

Lending Officer's Name: Toni Marshall

Lender's Name: Harbor Bank

Address: 1 Old Oyster Point Road, Newport News, Virginia 23602

Phone: (757) 596-1175

DISCLOSURE OF USE OF INFORMATION OBTAINED FROM AN OUTSIDE SOURCE.

Our credit decision was based in whole or in part on information obtained in a credit report from the consumer reporting agency(ies) listed below. However, the consumer reporting agency did not make the decision and is unable to supply you with specific reasons for why we have denied credit to you. You have a right under the Fair Credit Reporting Act to know the information contained in your credit file at the consumer reporting agency. Under the Fair Credit Reporting Act, you have the right to obtain a free copy of this report if you submit a written request to the consumer reporting agency(ies) named below no later than 60 days after you receive this notice. Under the Fair Credit Reporting Act you also have the right to dispute with the consumer reporting agency the accuracy or completeness of any information in the report.

If writing to the consumer reporting agency, please provide the agency with: your full name, any names used in the past, your current and former addresses for the last five years (including ZIP codes), your social security number or tax identification number, your date of birth and a copy of this notice

Name: Equifax Credit Information Services

Address: P. O. Box 740241 Atlanta, Georgia 30374-0241

Phone: (800) 685-1111

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this creditor is:



CATA Bulletin

DriveChicago
Virtually Every Vehicle In Town!
official Web site of CATA dealers

a biweekly newsletter

Volume 104, No. 13

July 2, 2007

NADA: Best for dealers to send adverse action notice to all customers who are denied credit

By DENNIS M. O'KEEFE
CATA LEGAL COUNSEL

A July 5, 2004, edition of the CATA Bulletin advised that dealers who fail to submit a completed credit application to a bank or finance company must notify the consumer that their credit has been denied and the reasons why, inasmuch as a failure to submit the application is tantamount to denying a customer credit.

This so-called "Adverse Action Notice" is the subject of a new 28-page NADA publication, "Adverse Action Notices Guide," which the NADA mailed in June to its membership.

In its Guide, the NADA stresses that it is providing "guidance to dealers in an unsettled and evolving area of the law in which many courts and dealer attorneys disagree as to the scope of dealers' compliance obligations." Notwithstanding this caveat, the Guide urges dealers to undertake general acts to safeguard themselves.

The operative part of the Guide states as follows:

"The adverse action notice requirements apply to 'participating creditors'—that is, creditors who 'regularly participate in a credit decision,' including setting the terms of the credit. . . . As a dealer, you are a 'participating creditor' if you 'regularly participate in a credit decision.'

If a dealer regularly signs retail sales installment agreements with his customers, he should follow the ECOA rules for a 'participating creditor,' including the adverse action notice requirements.

"In contrast, if you only refer customers or prospective customers to creditors, or select or offer to select creditors from whom the customer will directly request credit, you are what is called a 'referral creditor.' Referral creditors are not required to give adverse action notices, although they still are subject to the ECOA's (Equal Credit Opportunity Act) rules against illegal discrimination.

"Unfortunately, the ECOA and its regulations are unclear as to what it means for a dealer to 'regularly participate in a credit decision.' The courts have reached different conclusions in answering this question.

"In some cases, a dealer has been deemed to 'participate in a credit decision' when the dealer merely forwards the customer's application to a bank or finance company for its determination.

"Dealers have also been deemed to 'regularly participate in a credit decision' in a spot delivery credit sale. Under some interpretations, a dealer may 'regularly participate in a credit decision' because the dealer regularly

SEE ADVERSE ACTION, PAGE 4

JMIC Life Insurance faces class action suit

The CATA has been made aware of a class action lawsuit filed against JMIC Life Insurance Co., alleging that JMIC failed to return unearned premiums to consumers who purchased credit life and disability insurance and paid off their vehicle loans before the policies expired.

A second issue in the litigation is whether consumers were obligated to notify JMIC and request a refund, or whether the burden to notify rests solely on the insurance company.

The litigation has been certified as a nationwide class action. JMIC has been ordered by the Superior Court of Muscogee County in Georgia to prepare and send a letter to its dealers with

SEE JMIC, PAGE 4

DOC fee bill awaits action by governor

Illinois Gov. Rod Blagojevich has until about Aug. 20 to act on legislation to increase to \$150 the state's maximum permissible documentary service fee.

House Bill 1657, which cleared the General Assembly last spring, was delivered to the governor June 20, when the 60-day clock began ticking for him to sign or veto the bill.

The current maximum DOC fee that dealers can charge is \$58.48.

AYES summer update

By **JIM BUTCHER**
ILLINOIS AYES MANAGER

The CATA's service technician education program, AYES, is underway with this year's summer intern placements, which were slow but measureable. We have placed 12 students in area dealership service departments and trained an additional nine mentors to work with those students.

The AYES program in Illinois continues to grow with the addition of the Joliet Township High School program. Next year we will add one or more schools in the Rockford area, and we are on schedule to team in 2009 with Carl Schurz High School in Chicago.

AYES (Automotive Youth Educational Systems) works with the local area high school automotive programs that are NATEF-certified. Currently in Illinois, we work with seven high schools:

- Curie Metro High School, Chicago-Midway Airport area
- Hammond Area Career Center, Hammond, Ind.
- Joliet Township High School, Central Campus
- Lake County High Schools Technology Campus, Grayslake
- Parkland College, Champaign
- Streamwood High School
- Technology Center of DuPage, Addison

There are about 120 Illinois high schools offering automotive technology courses. Of those, we work only with the above listed schools. Why, you might ask? Because these schools have agreed to follow the professional standards of the automotive industry.

These schools teach employability skills and work safety skills (OSHA, ANSI, and EPA), and follow NATEF (National Automotive Technicians Education Foundation) certification standards.

NATEF is an affiliate of ASE and certifies the automotive school programs to ensure they are compliant with the automotive industry standards. We work only with NATEF-certified high schools to ensure that each school stays on course to produce the high quality student you seek in your service department.

The AYES program is designed to help your service department grow its own employees. We work with the manufacturer training programs like ASEP, ASSET, CAP and T-TEN.

The AYES program is your best way to obtain young, eager talent for your service department. I can be reached at 630-424-6020.

Adverse Action

CONTINUED FROM PAGE 1

signs the retail installment sales agreement before sending it to a bank or other finance source."

Because of the above, the NADA Dealer Guide concludes that "because of the uncertainty as to how this important question will be resolved by a court, if a dealer regularly signs retail sales installment agreements with his customers, he should follow the ECOA

rules for a "participating creditor," including the adverse action notice requirements.

The Guide contains rules and examples as to when a "participating creditor" needs to send Adverse Action Notices. A sample notice recommended by the NADA is included as a flier in this newsletter.

The CATA urges all its members to closely read the NADA publication and to comply with its recommendations and directives.

JMIC

CONTINUED FROM PAGE 1

updated information regarding former sales of credit life and disability policies.

While the CATA is not aware that any Illinois dealers have received the court ordered letter from JMIC Life Insurance Co., dealers are recommended to consult with their legal counsel in deciding whether to respond.

Because the request for information is extensive, dealers have raised customer privacy issues, and it is unclear what authority the Georgia court has to request such information from dealers who are not parties to the litigation.

Notwithstanding the above, the court-ordered letter threatens dealers with subpoenas for failure to comply.

Congratulations!

Eight area dealers are winners of the 2006 Toyota President's Award: **Bredemann Toyota** (Park Ridge), **Chicago Northside Toyota**, **Classic Toyota** (Waukegan), **Elgin Toyota**, **Elmhurst Toyota**, **Oak Lawn Toyota**, **Oakbrook Toyota in Westmont**, and **Schaumburg Toyota**.

Marketplace

Office Manager 20+ years' dealership experience. Organized, efficient, detail-oriented. Strong analytical and problem-solving skills. Proficient with ADP, Toyota Dealer Daily, GM Dealer World, Chrysler Dealer Connect. Office Management skills recognized by General Motors, Toyota and DaimlerChrysler. Marguerite Gnadinger, 630-769-9173.

Résumé on file at the CATA.

option, the highest rate the law permits.

If the vehicle is lost or damaged, you agree that we may use any insurance settlement to reduce what you owe or repair the vehicle.

- e. **What happens to returned insurance, maintenance, service, or other contract charges.** If we obtain a refund on insurance or service contracts, we will subtract the refund from what you owe.

6. Applicable Law

Federal law and the law of the state of the Seller's address shown on the front of this contract apply to this contract.

7. VSI and Optional Insurance

Choice of Insurer. If vendor's single interest insurance is required (as indicated on the front), or if you desire optional insurance, such as credit life insurance or credit disability insurance, you have the right to use alternative coverage or to buy insurance elsewhere from the agent or insurer of your choice. You may also buy required physical damage insurance from the agent or insurer of your choice. Your choice of agent or insurer will not affect our decision to extend credit or your credit terms.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OF WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

The preceding NOTICE applies only if the "personal, family or household" box in the "Primary Use for Which Purchased" section of this contract is checked. In all other cases, Buyer will not assert against any subsequent holder or assignee of this contract any claims or defenses the Buyer (debtor) may have against the Seller, or against the manufacturer of the vehicle or equipment obtained under this contract.

FRB & FTC Issue Final Risk-Based Pricing Rule

On December 22, 2009, the Federal Reserve Board and the Federal Trade Commission (FTC) released their long-awaited joint Final Risk-Based Pricing Rule. The following is a preliminary summary of several key provisions in the final rule. NADA will disseminate a more comprehensive summary later this year.

- The Risk-Based Pricing Rule imposes a new notice requirement that takes effect January 1, 2011. It implements section 311 of the FACT Act of 2003, which significantly amends the Fair Credit Reporting Act (FCRA). It is the latest (and the last major) duty mandated by the FACT Act.
- The notice requirement is intended to improve the accuracy of credit reports by alerting consumers whose credit applications have been approved (but generally on less favorable terms) to the existence of negative information in their credit reports that they can check for accuracy and, if warranted, correct.
- This is meant to “complement” the FCRA’s adverse action notice requirement that requires creditors who deny a consumer’s credit application based in whole or part on information in a credit report to provide information about credit reports to those consumers.¹
- The Risk-Based Pricing Notice (RBPN) requirement is entirely separate from the new Model Privacy Notice that the FTC and the federal banking regulatory agencies recently issued under the FTC Privacy Rule.²
- The Risk-Based Pricing Rule generally applies to creditors that (i) engage in risk-based pricing and (ii) use a credit report to set the terms on which credit is extended to consumers.
- The rule does not apply to extensions of business credit or to lease transactions.
- Although NADA submitted detailed comments to the agencies arguing that dealers involved in three-party vehicle financing (in which the dealer enters into a credit contract with a consumer and then immediately assigns it to a finance source that already conducted underwriting on the consumer’s credit application) typically do not engage in risk-based pricing, the agencies stated that dealers acting as original creditors must comply with the new notice requirement.³
- The rule requires dealers and other creditors who use credit reports to deliver a RBPN to consumers to whom the dealer will extend credit but on “material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person.”

¹ The Equal Credit Opportunity Act (ECOA) and its implementing regulation, Reg B, also impose an adverse action notice requirement, which is not dependent on the use of a credit report, on participating creditors who deny a customer’s credit application. For more information on the adverse action notice requirements imposed by the FCRA and the ECOA, see NADA’s *A Dealer Guide to Adverse Action Notices*.

² See www.ftc.gov/opa/2009/11/glb.shtm.

³ The agencies stated, in part: “The automobile dealer’s use of a consumer report to determine which third-party financing source is likely to purchase the retail installment sales contract and at what ‘buy rate,’ and to set the annual percentage rate based in part on the ‘buy rate,’ is conduct that fits squarely within the description of risk based pricing.... Thus, automobile dealers that are original creditors in a three-party financing transaction must provide risk-based pricing notices to consumers, in accordance with the rules.”

- Determining which credit-approved customers fit into this category has been the subject of considerable discussion and is one reason why it took the agencies six years to issue the final rule. To help creditors make this determination, the Agencies created a “Credit Score Proxy Method” and a “Tiered Pricing Method.” Although these methods are intended to simplify the comparison process, they nonetheless require creditors to separate credit customers who will receive favorable terms from those who will not and then issue RBPNs only to customers in the latter category.
- Because of the implementation challenges this creates, NADA recommended and the Agencies adopted an “Exception Notice” that creditors may issue in lieu of a RBPN. It is largely modeled on a similar type of notice that presently must be issued by auto dealers in California. The information below focuses on the requirements applicable to the Exception Notice, as it will likely be the compliance option pursued by most dealers. NADA will analyze the RBPN methods in its subsequent guidance on the topic.
- Regardless of the type of notice issued, the rule generally states that a consumer is entitled to only one notice and it is the original creditor (not the assignee creditor) who must deliver the notice. If the finance source is the original creditor, the rule permits the finance source to “arrange to have the auto dealer ... provide the notice within the time [specified if the finance source] maintains reasonable policies and procedures to verify that the auto dealer... provides such notice to the consumer within the applicable time periods.”

Exception Notice

- Unlike the RBPN, the Exception Notice may be issued (indeed must be issued) to all consumers who request credit. This avoids the need to identify a subset of customers to whom the notice must be provided.
- In order to use the Exception Notice, the notice must include the consumer’s credit score along with the following information to put the score in context:
 - 1) the range of possible credit scores under the model used to generate the score, and
 - 2) either –
 - (a) a bar graph that breaks down the range of possible credit scores into at least six bars indicating the percentage of consumers with credit scores that fall within the range of scores for each bar (as illustrated in the model notice described below), or
 - (b) a clear statement indicating how the consumer’s credit score compares to other consumers (e.g., “Your credit score ranks higher than __ % of U.S. consumers”).
- If dealers use a bar graph to comply with this disclosure requirement, they may use a bar graph prepared by the consumer reporting agency (CRA) or other person from which they obtained the credit score.
- The Exception Notice also must contain the name of the CRA or other entity that provided the score, the date on which the credit score was created, and certain statements that are intended to educate the consumer about credit reports, credit scores, and how the consumer may obtain the free annual credit report to which all consumers are entitled.
- If a dealer regularly provides the Exception Notice to consumers and (i) cannot obtain a credit score for a particular consumer because it is unavailable from the CRA or other entity from which the

dealer regularly obtains credit scores, and (ii) does not obtain a credit score for that consumer from another CRA or other entity (the rule does not require the dealer to attempt to obtain a credit score from another CRA), the dealer may provide the consumer with an Alternative Exception Notice⁴ (in lieu of a RBPN) that provides certain general information about credit reports and credit scores but does not include the consumer's credit score or the information that puts it in context.

- Dealers who obtain credit reports but not credit scores for their credit customers and are the original creditor in a credit transaction must obtain a credit score if they wish to use the Exception Notice in lieu of the RBPN.
- The Exception Notice (and, when permitted, the Alternative Exception Notice) must be (i) provided to the consumer in writing in a form the consumer may keep, (ii) clear, conspicuous, and segregated from other information provided to the consumer, and (iii) delivered as soon as reasonably practicable after the credit score has been obtained (or requested in the case of the Alternative Exception Notice), but in any event at or before consummation of the credit transaction.
- Appendix B of the rule contains optional model forms for providing the notices. Form B-4 (pages 198-199) contains the model Exception Notice and Form B-5 (page 200) contains the model Alternative Exception Notice. Appropriate use of the forms provides dealers with safe harbor protection for the disclosures used in the notice. Certain limited modifications to the form are permitted (see page 191).

- - -

- There is no federal private right of action for violations of the Risk-Based Pricing Rule. However, the rule is subject to administrative enforcement.
- There are several other pertinent aspects of the Final Rule not included here (e.g., notice responsibilities in credit transactions involving more than one consumer, notice responsibilities for dealers who obtain more than one credit score, exceptions to the notice requirement, examples of compliance with the rule, etc.) that will be discussed in NADA's Risk-Based Pricing Rule guidance to be issued later this year.
- The final rule, including the model forms, is available at www.ftc.gov/os/2009/12/R411009riskbasedpricingfrn.pdf.

The foregoing preliminary summary of the Final Risk-Based Pricing Rule is offered for informational purposes only and is not intended as legal advice. Dealers should review the final rule in its entirety and consult an attorney who is familiar with applicable law and their operations for guidance on the full scope of their compliance obligations.

⁴ The rule does not refer to this type of notice as an Alternative Exception Notice. We have used that term to distinguish it from the Exception Notice that may be provided when the dealer is able to obtain the consumer's credit score.

option, the highest rate the law permits.

If the vehicle is lost or damaged, you agree that we may use any insurance settlement to reduce what you owe or repair the vehicle.

- e. **What happens to returned insurance, maintenance, service, or other contract charges.** If we obtain a refund on insurance or service contracts, we will subtract the refund from what you owe.

6. Applicable Law

Federal law and the law of the state of the Seller's address shown on the front of this contract apply to this contract.

7. VSI and Optional Insurance

Choice of Insurer. If vendor's single interest insurance is required (as indicated on the front), or if you desire optional insurance, such as credit life insurance or credit disability insurance, you have the right to use alternative coverage or to buy insurance elsewhere from the agent or insurer of your choice. You may also buy required physical damage insurance from the agent or insurer of your choice. Your choice of agent or insurer will not affect our decision to extend credit or your credit terms.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OF WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

The preceding NOTICE applies only if the "personal, family or household" box in the "Primary Use for Which Purchased" section of this contract is checked. In all other cases, Buyer will not assert against any subsequent holder or assignee of this contract any claims or defenses the Buyer (debtor) may have against the Seller, or against the manufacturer of the vehicle or equipment obtained under this contract.

**RETAIL INSTALLMENT SALE CONTRACT
SIMPLE FINANCE CHARGE**

Dealer Number _____ Contract Number _____

Buyer (and Co-Buyer) Name and Address (Including County and Zip Code) <div style="background-color: black; width: 150px; height: 20px; margin-bottom: 5px;"></div> COLONIAL HEIGHTS HOPEWELL VA 23834	Creditor - Seller (Name and Address) VICTORY NISSAN OF MECHANICSVILLE 6564 MECHANICSVILLE TRNPK MECHANICSVILLE VA 23111
--	--

You, the Buyer (and Co-Buyer, if any), may buy the vehicle below for cash or on credit. By signing this contract, you choose to buy the vehicle on credit under the agreements on the front and back of this contract. You agree to pay the Creditor - Seller (sometimes "we" or "us" in this contract) the Amount Financed and Finance Charge according to the payment schedule below. We will figure your finance charge on a daily basis. The Truth-In-Lending Disclosures below are part of this contract.

New/Used/Demo	Year	Make and Model	Vehicle Identification Number	Primary Use For Which Purchased
NEW	2004	NISSAN ALTIMA	1N4AL11B54C197104	<input checked="" type="checkbox"/> personal, family or household <input type="checkbox"/> business <input type="checkbox"/> agricultural

FEDERAL TRUTH-IN-LENDING DISCLOSURES				
ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid after you have made all payments as scheduled.	Total Sale Price The total cost of your purchase on credit, including your down payment of \$2000.00 is \$41581.28
12.54 %	\$ 12005.42	\$ 27575.86	\$ 39581.28	\$ 41581.28

Your Payment Schedule Will Be:

Number of Payments	Amount of Payments	When Payments Are Due
72	549.74	Monthly beginning 07/01/2004

Or As Follows:

Late Charge. If payment is not received in full within 7 days after it is due, you will pay a late charge of 5 % of the part of the payment that is late.

Prepayment. If you pay off all your debt early, you will not have to pay a penalty.

Security Interest. You are giving a security interest in the vehicle being purchased.

Additional Information: See this contract for more information including information about nonpayment, default, any required repayment in full before the scheduled date and security interest.

ITEMIZATION OF AMOUNT FINANCED

1 Cash Price (including \$ <u>832.36</u> sales tax)	\$ <u>26832.36</u> (1)
2 Total Downpayment =	
Trade-In <u>1998 GMC 1500</u>	
(Year) (Make) (Model)	
Gross Trade-In Allowance	\$ <u>7100.00</u>
Less Pay Off Made By Seller	\$ <u>7100.00</u>
Equals Net Trade In	\$ <u>0.00</u>
+ Cash	\$ <u>500.00</u>
+ Other <u>CASH</u>	\$ <u>1500.00</u>
(If total downpayment is negative, enter "0" and see 4H below)	\$ <u>2600.00</u> (2)
3 Unpaid Balance of Cash Price (1 minus 2)	\$ <u>24832.36</u> (3)
4 Other Charges Including Amounts Paid to Others on Your Behalf	
(Seller may keep part of these amounts):	
A Cost of Optional Credit Insurance	
Paid to the Insurance Company or Companies	
Life \$ <u>N/A</u>	
Disability \$ <u>N/A</u>	\$ <u>N/A</u>
B Vendor's Single Interest Insurance	
Paid to Insurance Company(ies)	\$ <u>N/A</u>
C Other Insurance Paid to Insurance Company(ies)	\$ <u>N/A</u>

Insurance. You may buy the physical damage insurance this contract requires (see back) from anyone you choose. You are not required to buy any other insurance to obtain credit unless the box indicating Vendor's Single Interest insurance is required is checked below.

If any insurance is checked below, policies or certificates from the named insurance companies will describe the terms and conditions.

Check the insurance you want and sign below:

Optional Credit Insurance

Credit Life: Buyer Co-Buyer Both
 Credit Disability (Buyer Only)

Premium:
 Credit Life \$ N/A
 Credit Disability \$ N/A

Insurance Company Name N/A

Home Office Address _____

Credit life insurance and credit disability insurance are not required to obtain credit (see back). They will not be provided unless you sign and agree to pay the extra cost. If you choose this insurance, the cost is shown in Item 4A of the Itemization of Amount Financed. Credit life insurance is based on your original payment schedule. This insurance may not pay all you owe on this contract if you make late payments. Credit Disability Insurance does not cover any increase in your payment or in the number of payments. Coverage for credit life insurance and credit disability insurance ends on the original due date for the last payment unless a different term for the insurance is shown below.

Other Insurance

N/A N/A

Type of Insurance N/A Term N/A

Premium \$ N/A

Insurance Company Name N/A

Home Office Address N/A

I want the insurance checked above.

Buyer Signature _____ Date _____

Co-Buyer Signature _____ Date _____

THIS INSURANCE DOES NOT INCLUDE INSURANCE ON YOUR LIABILITY FOR BODILY INJURY OR PROPERTY DAMAGE.

Life	\$	N/A	
Disability	\$	N/A	\$ N/A
B Vendor's Single Interest Insurance			
Paid to Insurance Company(ies).	\$	N/A	
C Other Insurance Paid to Insurance Company(ies)	\$	N/A	
D Official Fees Paid to Government Agencies	\$	10.00	
1) to _____ for _____	\$	N/A	
2) to _____ for _____	\$	N/A	
3) to _____ for _____	\$	N/A	
E Government Taxes Not Included in Cash Price	\$	N/A	
F Government License and/or Registration Fees (Describe)	\$	N/A	
G Government Certificate of Title Fees	\$	39.50	
H Other Charges (Seller must identify who is paid and describe purpose.)			
1) to _____ for Prior Credit or Lease Balance	\$	N/A	
2) to SECURITY P for SERVICE CONTRACT	\$	1795.00	
3) to VICTORY NI for DOC FEE	\$	399.00	
4) to _____ for _____	\$	N/A	
5) to GREEN TREE for GAP INSURANCE	\$	500.00	
Total Other Charges and Amounts Paid to Others on Your Behalf	\$	2743.50	(4)
5 Amount Financed (3 + 4)	\$	27575.86	(5)

Co-Buyer Signature _____ Date _____

THIS INSURANCE DOES NOT INCLUDE INSURANCE ON YOUR LIABILITY FOR BODILY INJURY OR PROPERTY DAMAGE.

Returned Check Charge: If any check you give to us is dishonored, we may, at our option, charge you \$25.

VENDOR'S SINGLE INTEREST INSURANCE (VSI insurance): If the preceding box is checked, the Creditor requires VSI insurance for the initial term of the contract to protect the Creditor for loss or damage to the vehicle (collision, fire, theft). VSI insurance is for the Creditor's sole protection. This insurance does not protect your interest in the vehicle. You may choose the insurance company through which the VSI insurance is obtained. If you elect to purchase VSI insurance through the Creditor, the cost of this insurance is \$ _____, and is also shown in Item 4B of the ITEMIZATION OF AMOUNT FINANCED. The coverage is for the initial term of the contract. See Section 7 on the back for more information.

OPTION: You pay no finance charge if the amount financed, item 5, is paid in full on or before _____, Year _____. SELLERS INITIALS _____

NO COOLING OFF PERIOD

State law does not provide for a "cooling off" or cancellation period for this sale. After you sign this contract, you may only cancel it if the seller agrees or for legal cause. You cannot cancel this contract simply because you change your mind. This notice does not apply to home solicitation sales.

HOW THIS CONTRACT CAN BE CHANGED. This contract contains the entire agreement between you and us relating to this contract. Any change to this contract must be in writing and we must sign it. No oral changes are binding. Buyer (and any Co-Buyer) initials ND

If any part of this contract is not valid, all other parts stay valid. We may delay or refrain from enforcing any of our rights under this contract without losing them. For example, we may extend the time for making some payments without extending the time for making others.

See back for other important agreements.

NO LIABILITY INSURANCE INCLUDED

NOTICE TO RETAIL BUYER: Do not sign this contract in blank. You are entitled to a copy of the contract at the time you sign. Keep it to protect your legal rights.

You agree to the terms of this contract and confirm that you received a completely filled-in copy when you signed it.

Buyer Signs _____ Date 05/17/2004 Co-Buyer Signs _____ Date _____

Co-Buyers and Other Owners — A co-buyer is a person who is responsible for paying the entire debt. An other owner is a person whose name is on the title to the vehicle but does not have to pay the debt. The co-buyer or other owner knows that the Creditor has a security interest in the vehicle and consents to the security interest.

Other owner signs here _____ Address _____

Seller signs VICTORY NISSAN OF MECHANICSVILLE Date 05/17/2004 By _____ Title _____

Seller assigns its interest in this contract to _____ (Assignee) under the terms of Seller's agreement(s) with Assignee.

Assigned with recourse Assigned without recourse Assigned with limited recourse

Seller VICTORY NISSAN OF MECHANICSVILLE By _____ Title _____

Rivertown Ford, Inc. Spot Delivery Addendum

- The loan process cannot always be completed in one day. Your application must first be submitted to the lender for approval. The lender will review your application and notify Rivertown Ford, Inc. of its decision as quickly as possible.

RNE
DE Initial

- Rivertown Ford, Inc. is usually correct on lender selection, down payment requirements, interest rate, and loan duration.

However, the lender may require:

1. An increase or decrease in the loan term (duration).

RNE
DE Initial

2. An increase or decrease in interest rate.

RNE
DE Initial

3. The contract may need to be submitted to a different lender.

RNE
DE Initial

4. Additional down payment.

RNE
DE Initial

5. A change in vehicle selection due to purchase price.

RNE
DE Initial

- Rivertown Ford, Inc. is not the lender, only the provider of the vehicle for sale. I understand Rivertown Ford, Inc. will do everything possible to secure financing within 14 days. However, if financing is not secured within this time frame, I agree to voluntarily return the vehicle when notified (mail or phone) by Rivertown Ford, Inc. My trade-in (if applicable) will be returned at that time.

RNE
DE Initial

- I further understand, that my trade-in will NOT be paid off until my new loan is finalized and Rivertown Ford, Inc. is funded by the lender. Additionally, I understand that it is my responsibility to make payments on my trade-in until my new loan is completed.

RNE
DE Initial

Date



Customer name

[Signature]
Signature Denis [unclear]

0241 [REDACTED]

2313F

CUSTOMER'S NAME

STOCK NO.

BAILMENT AGREEMENT FOR VEHICLE SPOT DELIVERY

VEHICLE IDENTIFICATION _____ DATE 01/12/2002

IDENTIFICATION NUMBER	YR.	MAKE	BODY	TITLE NUMBER
1R2H072BY721C29524	1999	BUICK	WT	

THIS AGREEMENT IS ATTACHED TO AND FORMS A PART OF THAT CERTAIN SALES AGREEMENT BETWEEN DEALER LISTED BELOW AND THE UNDERSIGNED BUYER(S) AND CONCERNS THE VEHICLE LISTED ABOVE. PENDING CREDIT APPROVAL OF BUYER(S) BY LENDING INSTITUTION AND COMPLETION OF SALES TRANSACTION, INCLUDING ALL PAYMENTS TO BE MADE BY BUYER(S) OR ON BUYER(S) BEHALF AND ALL ADJUSTMENTS FOR BALANCES DUE ON TRADE-IN PAYOFFS. DELIVERY OF SAID VEHICLE BY DEALER IS HEREBY MADE TO BUYER(S) AS A CONVENIENCE TO BUYER(S), AND IS SUBJECT TO ALL TERMS AND CONDITIONS IN SAID SALES AGREEMENT AND IN THE PROMISSORY NOTE AND SALES AGREEMENT, IF ANY, EXECUTED CONCURRENTLY OR IN ACCORDANCE THEREWITH. SAID VEHICLE SHALL REMAIN THE PROPERTY OF THE DEALER. BUYER(S) REPRESENTS THAT ALL STATEMENTS MADE IN THE LOAN APPLICATION ARE TRUE AND CORRECT, AND DEALER MAKES DELIVERY OF SAID VEHICLE IN RELIANCE UPON THEIR TRUTH AND CORRECTNESS. ANY UNTRUE OR INCORRECT STATEMENT OR ANY OTHER MISREPRESENTATION OF BUYER(S) IN SAID APPLICATION OR IN ANY OTHER AFORESAID DOCUMENTS SHALL ENTITLE DEALER, AT HIS DISCRETION, TO IMMEDIATELY RESCIND THE SALE. UPON RESCINDING THE SALE, BUYER(S) SHALL PROMPTLY RETURN SAID VEHICLE TO DEALER AT DEALER'S ADDRESS IN GOOD CONDITION. BUYER(S) SHALL BE LIABLE TO DEALER FOR ALL DAMAGE TO, DESTRUCTION TO, ABUSE OF, EXCESSIVE WEAR AND/OR EXCESSIVE MILEAGE AND USE UPON SAID VEHICLE WHILE IN THE POSSESSION OF THE BUYER(S). "EXCESSIVE MILEAGE AND USE" AS DESCRIBED HEREIN SHALL BE PRESUMED WHEN THE TOTAL MILES WHICH SAID VEHICLE IS DRIVEN WHILE IN BUYER(S) POSSESSION EXCEEDS AN AVERAGE OF TWENTY (20) MILES FOR EACH DAY IN BUYER(S) POSSESSION. IN THE EVENT THAT THE AVERAGE MILEAGE EXCEEDS THE AFORESAID TOTAL, THE BUYER(S) IS/ARE RESPONSIBLE TO PAY UPON DEMAND, AT A RATE OF TWENTY (20) CENTS PER MILE, TO THE DEALER, FOR EVERY MILE EXCEEDING AVERAGE DAILY USE. THIS SUM SHALL BE ADDED TO ANY AMOUNTS OWED FOR DAMAGE, DESTRUCTION OR ABUSE. ALL FUNDS ON DEPOSIT WITH DEALER SHALL BE APPLIED TO MONIES DUE DEALER AND THE BALANCE MAY, AT DEALER'S DISCRETION, BE HELD BY DEALER FOR DAMAGES. IF SAID SUMS ARE INSUFFICIENT, DEALER MAY PROCEED AGAINST THE BUYER(S) BY OTHER LEGAL REMEDIES TO FULLY RECOVER LOSSES. IF DEALER IS ABLE TO PROVIDE BUYER(S) WITH FINANCING ACCORDING TO THE TERMS OF THE SALES AGREEMENT, SAID AGREEMENT SHALL BE BINDING UPON BUYER(S) AND ENFORCEABLE BY DEALER.

DADE CITY

FL

33525

[REDACTED SIGNATURE]

BUYER(S) SIGNATURE

BUYER(S) PRINTED NAME

X
BUYER(S) SIGNATURE

BUYER(S) PRINTED NAME

EXHIBIT
B3

tabbies

Supplemental Agreement

The undersigned Lessee/Purchaser (the "Customer"), having entered into a ~~Lease~~/Purchase Agreement (the "Agreement") with Jerry's Ford Sales, Inc. (Jerry's Ford) whereby the Customer has agreed to ~~Lease~~/purchase a 2002 FORD FOCUS, VIN 1FAFP33P52W101847, (the "Vehicle") and Customer having made an application for credit in order to effect such Agreement or having tendered one or more checks or notes as initial payments, and Customer wishing to take delivery and possession of the Vehicle pending approval of the credit application and/or before one or more checks have been honored, and it being the intention of Jerry's Ford and the Customer that this Supplemental Agreement be made a part of the Agreement, Customer does hereby agree as follows:

Customer acknowledges and represents that he/she possesses a valid driver's license and current motor vehicle liability and collision insurance coverage and assumes risk of the Vehicle while in Customer's possession. Customer recognizes and acknowledges that Jerry's Ford retains a security interest in the Vehicle and that Jerry's Ford shall, upon failure of Customer to return the Vehicle, to be entitled to all statutory and common law remedies available to a seller or holder, including without limitation, the right to repossess the Vehicle wherever found. Customer also appoints Jerry's Ford, or its designees, as attorney-in-fact for the limited purpose of executing such documents as may be necessary to record a lien on the title to the Vehicle.

If Jerry's Ford does not receive approval from a financial institution to finance the Agreement on terms acceptable to Jerry's Ford, or the check(s) is not honored or the note is not paid when due, Customer will, upon written or oral notice from Jerry's Ford, return the Vehicle within twenty-four hours, in the same condition as when delivered, normal wear excepted. If the Customer complies, any down payment and/or trade-in will be returned to the Customer and the Agreement shall be rescinded.

If the Vehicle is not returned within twenty-four hours of the notice, the Customer agrees to pay Jerry's Ford for the use of the Vehicle computed as follows: \$75.00 per day or part thereof during which the Vehicle remained in the Customer's possession, and \$.20 for every mile driven. Customer also agrees to pay Jerry's Ford any cost incurred in repairing damage to the Vehicle which occurred while in the Customer's possession, or of reconditioning or recovering the Vehicle.

Customer understands and acknowledges that all financing decisions are made by a financing source not affiliated with Jerry's Ford and said source is the credit reporting agency in accordance with the Fair Credit Reporting Act.

In the event that a financial institution, other than originally contemplated by Jerry's Ford agrees to acquire the Agreement on the form required by such financial institution, Customer agrees to sign form required by that institution.

This Supplemental Agreement shall supersede and prevail over any prior or contemporaneous oral agreements entered into between the parties hereto, and shall supplement and be a part of the Agreement referred to above.

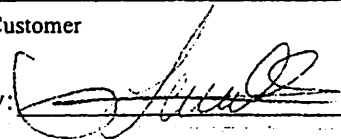
The validity and construction of this Supplemental Agreement and all matters pertaining hereto shall be determined in accordance with the laws of the Commonwealth of Virginia. The undersigned hereby waives presentment, demand, protest, notice of dishonor and all exemptions, and also waives all rights to a trial by jury. If any portion of this Supplemental Agreement or the Agreement are determined to be invalid or unenforceable, all other provisions of the Agreement and this Supplemental Agreement nevertheless continue in full force and effect.

Date: 01/30/02

JERRY'S FORD SALES, INC.

By: TODD J PATYKEWICH


Customer

By: 

MIKE PALLONE

 CHEVROLET


 NISSAN

 DAEWOO

"Driven"

SPECIAL DELIVERY AGREEMENT

This Special Delivery Agreement is incorporated into the Retail Installment Sale Contract (the Contract)

dated this date between Mike Pallone as Seller and  as

Buyer, for purchase of a 1999 ASTRO VANS under the following conditions:

1. Buyer acknowledges and represents that he/she possesses a valid driver's license, current motor vehicle liability insurance and assumes risk of loss of the vehicle while in his/her possession. Buyer understands that all financing decisions are made by a financing source not affiliated with Dealer and said source is the credit reporting agency in accordance with the Fair Credit Reporting Act. Seller will attempt to sell the contract on terms satisfactory to the Seller. If the Seller is successful in so doing, the contract (and all other documents executed by Buyer) shall be deemed delivered and fully binding.
2. If Seller does not receive approval from a lending source for the Contract on terms acceptable to Dealer, Buyer agrees that upon notice from Seller, Buyer shall return the vehicle in good condition without excess mileage and the sales transaction may be rescinded. Seller retains a priority security interest in the vehicle and upon Buyer's failure to return the vehicle. Seller shall be entitled to all remedies provided by Title 8.2 of the code of Virginia, 1950, as amended, and all other statutory and common law remedies including, but not limited to, the right to self-help, repossession, collection/repossession costs, reasonable interest and reasonable attorney's fees.
3. Buyer agrees that if a financing source other than the one originally contemplated agrees to purchase the contract on the same terms and conditions as the original lending source, Buyer will execute a replacement Contract and related documents on the same terms and conditions as the original Contract.
4. Buyer acknowledges receipt, in good condition, of the vehicle described in the attached Contract.
5. Any notice from Seller to Buyer shall be deemed given when deposited in the United States mail, postage prepaid, addressed to Buyer at the address shown in the attached Contract.

Date: _____


Buyer

05/10/2000

Buyer

CHEVROLET/DAEWOO • 7722 BACKLICK ROAD • SPRINGFIELD, VIRGINIA • (703) 451-4511 • (703) 494-7777
NISSAN • 7800 BACKLICK ROAD • SPRINGFIELD, VIRGINIA 22150 (703) 866-7800 • (703) 866-4513

www.mikepallone.com



RESCISSION AGREEMENT

IN CONSIDERATION of having induced SELLER to sell or lease to BUYER the motor vehicle which is the subject of that BUYER'S ORDER or CONSUMER/COMMERCIAL LEASE AGREEMENT executed by the parties on the 7th day of JULY 19 99 on that 1997 (year) RANGER (model) and 1FTCR15X6VTA08799 (VIN) (hereinafter referred to as "MOTOR VEHICLE") and for other good and valuable consideration the sufficiency and receipt of which is hereby acknowledged, it is agreed that:

1. SELLER and BUYER agree that SELLER may rescind the BUYER'S ORDER or CONSUMER/COMMERCIAL LEASE AGREEMENT should any of the following events occur:
 - a. In the event that the financial institution to which SELLER applies for financing refuses and/or fails to accept SELLER'S assignment of BUYER'S RETAIL INSTALLMENT CONTRACT and/or SELLER has good cause to believe that said assignment will be rejected by said financial institution;
 - b. In the event that the CONSUMER/COMMERCIAL LEASE AGREEMENT is rejected by the Lessor and/or Lessor refuses and/or fails for any reason to accept SELLER'S assignment of BUYER'S CONSUMER COMMERCIAL LEASE AGREEMENT and/or SELLER has good cause to believe that said assignment will be rejected by Lessor;
 - c. In the event that the SELLER or its agents deem that the BUYER has furnished materially inaccurate or false information, either verbal or written including, but not limited to, false statements made in connection with the maintenance of automobile insurance as required by Florida Statutes, Chapter 324, false statements made as to BUYER'S being licensed to operate the MOTOR VEHICLE and/or false statements by BUYER as to the name of the person who will retain beneficial interest in the MOTOR VEHICLE.
2. Should SELLER elect to rescind the BUYER'S ORDER or CONSUMER/COMMERCIAL LEASE AGREEMENT then BUYER shall be immediately obligated, upon demand, to return to SELLER the MOTOR VEHICLE (in the same condition that it was delivered to the BUYER, normal wear and tear excepted), and BUYER shall thereupon be obligated to pay to the SELLER all costs, losses, expenses or damage arising out of BUYER'S possession of the MOTOR VEHICLE including, but not limited to, all costs and reasonable attorney's fees which SELLER may incur to recover the MOTOR VEHICLE from the BUYER.
3. Should SELLER elect to rescind the BUYER'S ORDER or CONSUMER/COMMERCIAL LEASE AGREEMENT, SELLER shall be obligated to return all consideration paid to it for the MOTOR VEHICLE, provided however, that the following sums shall be set-off against such consideration, and any such consideration less the amounts set-off therefrom shall be due to the BUYER upon rescission, to-wit:
 - a. All costs, losses, expense or damage set forth in paragraph 2 hereinabove;
 - b. In the event that BUYER has traded in a motor vehicle towards the purchase or lease of the MOTOR VEHICLE, then SELLER shall return the BUYER'S trade-in, less any amounts due or paid by SELLER to satisfy any liens or encumbrances thereon; provided, however, if BUYER'S trade-in has been sold by the SELLER, SELLER shall only be obligated to return the value (in cash) of the trade-in as appraised by SELLER at the time of the sale (as reflected on the Purchase Agreement), less any amounts due or paid by SELLER to satisfy any liens or encumbrances thereon. BUYER agrees and acknowledges that payment under this section shall be deemed to be full restoration of the consideration provided by SELLER for the motor vehicle which BUYER traded towards the purchase or lease of the MOTOR VEHICLE.
4. In the event that SELLER elects to rescind the BUYER'S ORDER or CONSUMER/COMMERCIAL LEASE AGREEMENT, then BUYER agrees that SELLER has expressly reserved the right to whatever action it deems appropriate and necessary in order to retake possession of the MOTOR VEHICLE including, but not limited to, self-help.
5. BUYER agrees to pay SELLER'S reasonable attorney's fees and costs in connection with the enforcement and interpretation of this Rescission Agreement. Further, BUYER expressly agrees that venue for the enforcement and construction of this Rescission Agreement shall lie in Broward County, Florida.
6. In the event that BUYER'S retail installment contract is not accepted by a financial institution and SELLER obtains the approval of another lender, the BUYER agrees to enter into a new retail installment contract and related documents with the new financial institution.
7. BUYER does hereby acknowledge that he/she/they have been given the opportunity to fully read this Rescission Agreement and that he/she/they understand and agree to its terms. JULY 99

Dated this _____ day of _____, 199__.


Purchaser

Co-Purchaser

AU0019

SUPPLEMENT TO PURCHASE CONTRACT

It is the desire of all the people at the Victory Nissan of Chesapeake to have you as a satisfied customer. In order to achieve this result it is important that you have no misunderstandings regarding the terms and conditions of your purchase. Please fill out this supplement to your purchase contract.

Regarding a 04 Nissan Xterra (VEHICLE) VIN 5N1E028T64C677431

WARRANTIES AND PROMISES

1. Except as written on the purchase order or this supplement, there have been no promises or representations made to me about this vehicle, including whether it may or may not have been damaged in the past, upon which I am relying unless noted here (if none, please enter "None"):

2. I understand the vehicle is new, used.

3. I understand that you, as a dealer, sell every car on an "as is" basis.

I understand that it is not the policy of the dealership to furnish a "loaner car."

I understand that you agree to perform the service which is provided for under a manufacturer's warranty or an extended service contract, if I purchased such, as herein described and that you will look to the manufacturer or the service insurer for payment for such service.

I understand and agree that the warranty on a new vehicle is made by the manufacturer which is stated in the manufacturer's manual, and that I will receive a copy of that warranty and that you, as a dealer, make no warranties.

I understand and agree that if I have chosen to purchase an extended service contract from _____ and that it has been explained to me, including the amount of deductible I must pay in event of a claim; that all arrangements for service be made with the Service Department and that I am to arrange for my own transportation unless the same is provided for under the manufacturer's warranty or an extended service contract. I understand that NO extended coverage service contract covers everything.

INITIALS: [Signature]

TITLE GUARANTY AND PAYOFF AGREEMENT

4. I represent and warrant that I am the owner of the _____, VIN _____ which is described as the "trade in" on the purchase order; that the same is free and clear of all liens and encumbrances except to

_____ upon which there is an estimated balance (payoff) of \$ _____; that I will deliver or cause the title to be delivered, properly endorsed, to you within ten (10) days, and that said title does not show "Reconstructed Vehicle." If the payoff figure is understated I will pay the difference. If the figure is overstated, you will allow a credit for the difference. I REPRESENT AND WARRANT THAT THE "TRADE-IN" HAS NOT BEEN WRECKED, DISMANTLED OR HAD DAMAGE TO THE FRAME, BODY, ENGINE OR DRIVE-TRAIN, OR HAD PAINT WORK AT ANY TIME IN THE PAST EXCEPT FOR THE FOLLOWING:

INITIALS: [Signature]

BAILMENT AGREEMENT

5. I understand that the completion of this sales transaction is contingent upon approval of a lender. Pending the credit approval for me/us, by a financing institution and completion of the sales transaction, delivery of said vehicle by Dealer is hereby made to me/us as a convenience to me/us and is subject to all terms and conditions in said Sales Agreement and in the promissory note and security agreement, if any executed concurrently or in accordance therewith. Said vehicle shall remain the property of the Dealer.

Furthermore, I understand that disapproval by a lender does not automatically void or invalidate this transaction. In the event that the original credit application is not approved, the dealer will have the option of placing the financing with another lender as long as the contract period and monthly payment and terms of the transaction remain the same. I understand and agree that it may become necessary for me/us to execute additional contracts or agreements acknowledging a new or different lender. I further agree to execute all contracts or other documents necessary to complete and finalize the same transaction upon acceptance of a lender.

We represent(s) that all statements made in my/our loan application are true and correct, and Dealer makes delivery of said vehicle in reliance upon their truth and correctness. Any untrue or incorrect statement or any other misrepresentation of Buyer(s) in said application or in any of the other aforesaid documents shall entitle Dealer immediately to rescind the sale.

Upon rescission, Buyer(s) shall promptly return said vehicle to Dealer at Dealer's address in good condition. Buyer(s) shall be liable to Dealer for all damage to, destruction of, abuse of, excessive wear and/or excessive mileage and use upon said vehicle while in the possession of the Buyer(s). "Excessive mileage and use" as used herein shall be presumed when the total miles which said vehicle is driven while in Buyer(s)' possession exceeds an average of fifty (50) miles each day in Buyer(s)' possession. In the event of such excessive mileage and use, Buyer(s) shall owe Dealer following notification of rescission, twenty-five dollars (\$25.00) per day plus fifteen cents (15¢) for every mile which said vehicle is driven in excess of an amount equal to the total number of days in Buyer(s)' possession (50), which sum shall be in addition to any amounts owed for damage, destruction and abuse. Further, in the event of damages, destruction and/or excessive mileage and use, any sums heretofore deposited by Buyer(s) with Dealer in connection with said sale, may, at the option of the Dealer, be used to the extent necessary to compensate the Dealer and to pay the cost of repairs; provided, however, that if said sums be insufficient, the Dealer shall be entitled to recover its loss, plus attorney fees.

INITIALS: [Signature]

EXHIBIT
11/24/09

6. I have received a copy of this supplement.

COMMONWEALTH OF VIRGINIA

DEPARTMENT OF MOTOR VEHICLES

CERTIFICATE OF TITLE FOR A VEHICLE

KEEP IN SAFE PLACE - ANY ALTERATION OR ERASURE VOIDS THIS TITLE

THE DEPARTMENT OF MOTOR VEHICLES, COMMONWEALTH OF VIRGINIA, HEREBY CERTIFIES THAT AN APPLICATION FOR A CERTIFICATE OF TITLE HAS BEEN MADE FOR THE VEHICLE DESCRIBED HEREON PURSUANT TO THE PROVISIONS OF THE MOTOR VEHICLE LAWS OF THIS COMMONWEALTH, THAT THE APPLICANT NAMED ON THE FACE HEREON HAS BEEN DULY RECORDED AS THE LAWFUL OWNER OF SAID VEHICLE, AND THAT, FROM THE STATEMENTS OF THE OWNER AND THE RECORDS ON FILE WITH THIS DEPARTMENT, THE HEREON DESCRIBED VEHICLE IS SUBJECT TO THE SECURITY INTEREST RECORDS ON FILE WITH THIS DEPARTMENT, AND AS DESCRIBED HEREON, IF ANY. THE MOTOR VEHICLE LAWS OF THIS COMMONWEALTH ALSO PROVIDE THAT ALL TITLE AND REGISTRATION INFORMATION IN THE OFFICE OF THE DEPARTMENT OF MOTOR VEHICLES IS PRIVILEGED AND ONLY SUBJECT TO DISSEMINATION TO AUTHORIZED AGENCIES, BUSINESS ORGANIZATIONS OR AGENTS, GOVERNMENTAL ENTITIES AND INDIVIDUALS UNDER THE CONDITIONS SPECIFIED BY MOTOR VEHICLE CODE SECTIONS 46.2-208, 46.2-209 AND 46.2-210

632 063207 ORIGINAL

VEHICLE IDENTIFICATION NO. 1HGCD5630SA055997		YEAR 1995	MAKE HONDA	VEHICLE BODY 4D SDN	TITLE NO. 58252735
EMPTY WGT. 2875	GROSS WGT.	GVWR	GCWR	AXLES 2	FUEL GAS
OTHER PERTINENT DATA 006621				SALES TAX PAID 172.50	ODOMETER *97513*,A
				DATE ISSUED 04/20/02	
				ODOMETER BRAND ACTUAL	PRIOR TITLE NO. 75778794

THIS IS NOT A TITLE NUMBER

F9842571

Name(s) and address(es) of vehicle owners:
DOMONOSKE, THOMAS DEAN, AND
FLAMIANO, DOLORES LOUISE, OR SURV
461 LEE AVENUE
HARRISONBURG VA 22802-2207

NO LIENS



A Federal and State law requires that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment. The undersigned hereby certifies that the vehicle described in this title has been transferred to the following (printed name and address of Buyer(s)).

Buyer(s) Name _____ City, State, Zip _____

Street _____ DATE OF SALE _____ SALE PRICE _____

ODOMETER READING (No Tenths) _____ I certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:
 1. The mileage stated is in excess of its mechanical limits. 2. The odometer reading is not the actual mileage. **WARNING-ODOMETER DISCREPANCY**

Signature of Seller(s) _____ Printed Name of Seller(s) _____

Signature of Buyer(s) _____ Printed Name of Buyer(s) _____

I am aware of the above odometer certification made by the Seller(s)

I am aware of the above odometer certification made by the Seller(s)

⬇ DETACH HERE ⬇

Dealer's No. _____ Licensing Jurisdiction _____

VOID IF ALTERED

VOID IF ALTERED

ANY ALTERATIONS OR ERASURE WILL VOID THIS CERTIFICATE OF TITLE AND IT MUST THEN BE SURRENDERED TO SECURE A REPLACEMENT PURCHASER MUST SECURE A NEW TITLE OR SURRENDER THIS ONE TO DMV WITHIN 30 DAYS OF SALE DATE.

Federal and State law requires that you state the mileage in connection with the transfer of ownership. Failure to complete the odometer disclosure statement or providing a false statement may result in fines and/or imprisonment.

B I am aware of the dealer's odometer certification. Date of Sale _____ Sale Price _____

Buyer(s) Printed Name _____ Buyer(s) Signature _____

Buyer(s) Address _____ City _____ State _____ Zip Code _____

ODOMETER READING (No Tenths) _____ I certify to the best of my knowledge that the odometer reading is the actual mileage unless one of the following statements is checked:

1. The mileage stated is in excess of mechanical limits.

2. The odometer reading is not the actual mileage. **WARNING-ODOMETER DISCREPANCY**

Dealer(s) Signature _____ Dealer(s) Printed Name _____ Dealer Number _____ Licensing Jurisdiction _____

The dealer certifies that the vehicle described in this title was transferred to the above buyer and that the odometer reading has been disclosed to the buyer.

C I am aware of the dealer's odometer certification. Date of Sale _____ Sale Price _____

Buyer(s) Printed Name _____ Buyer(s) Signature _____

Buyer(s) Address _____ City _____ State _____ Zip Code _____

ODOMETER READING (No Tenths) _____ I certify to the best of my knowledge that the odometer reading is the actual mileage unless one of the following statements is checked:

1. The mileage stated is in excess of mechanical limits.

2. The odometer reading is not the actual mileage. **WARNING-ODOMETER DISCREPANCY**

Dealer(s) Signature _____ Dealer(s) Printed Name _____ Dealer Number _____ Licensing Jurisdiction _____

The dealer certifies that the vehicle described in this title was transferred to the above buyer and that the odometer reading has been disclosed to the buyer.

D I am aware of the dealer's odometer certification. Date of Sale _____ Sale Price _____

Buyer(s) Printed Name _____ Buyer(s) Signature _____

Buyer(s) Address _____ City _____ State _____ Zip Code _____

ODOMETER READING (No Tenths) _____ I certify to the best of my knowledge that the odometer reading is the actual mileage unless one of the following statements is checked:

1. The mileage stated is in excess of mechanical limits.

2. The odometer reading is not the actual mileage. **WARNING-ODOMETER DISCREPANCY**

Dealer(s) Signature _____ Dealer(s) Printed Name _____ Dealer Number _____ Licensing Jurisdiction _____

The dealer certifies that the vehicle described in this title was transferred to the above buyer and that the odometer reading has been disclosed to the buyer.

E LIENOR'S NAME _____ LIENOR CODE _____ DATE OF LIEN _____

ADDRESS _____ CITY _____ STATE _____ ZIP _____

CHECK TYPE OF REGISTRATION FOR WHICH YOU ARE APPLYING: VOLUNTEER EMERGENCY VEHICLE

PRIVATE FOR-HIRE RENTAL ANTIQUE (Check One) Black & White Antique Yellow TRANSFER OF LICENSE NUMBER _____

ONE YEAR or TWO YEARS PERMANENT **For Permanent Tractor/Truck Only** No month or year decals will be issued. Vehicle must have a GVWR or GCWR of 26,001 Lbs. or more. **For Permanent Trailer Only** No month or year decals will be issued.

VEHICLE COLOR _____ or 7,501 or more if the truck/tractor is owned by a business or a farm. Annual or Bi-annual fees required. A one-time \$50.00 fee is required.

INSURANCE CERTIFICATION. I/WE CERTIFY THAT (CHECK ONE):

THIS VEHICLE IS INSURED BY A LIABILITY POLICY ISSUED THROUGH AN INSURANCE COMPANY LICENSED TO DO BUSINESS IN VIRGINIA AND IT WILL REMAIN INSURED WHILE REGISTERED.

THIS VEHICLE IS NOT INSURED; THEREFORE, I AM REMITTING THE APPLICABLE UNINSURED MOTOR VEHICLE FEE (provides NO insurance coverage).

A VEHICLE MUST BE INSURED WITH LIABILITY COVERAGE WHEN IT IS REGISTERED, AND IT MUST REMAIN INSURED WHILE REGISTERED, WHETHER OR NOT IT IS OPERATED, OR THE UNINSURED MOTOR VEHICLE FEE MUST BE PAID. PENALTIES ARE SEVERE FOR VIOLATION OF THIS REQUIREMENT.

POWER-OF ATTORNEY FOR NON-RESIDENT(S) AND CORPORATION(S) NOT DOMESTICATED IN VIRGINIA

PURSUANT TO VA CODE § 46.2-601, I/WE APPOINT THE COMMISSIONER OF THE DEPARTMENT OF MOTOR VEHICLES OF THE COMMONWEALTH OF VIRGINIA, AS MY/OUR LEGAL AGENT UPON WHOM ALL LEGAL PROCESS TO ME/US MAY BE SERVED IN ANY LEGAL PROCEEDING ARISING FROM THE OPERATION AND/OR USE OF ANY MOTOR VEHICLE REGISTERED IN MY/OUR NAME IN THE COMMONWEALTH OF VIRGINIA. I/WE AGREE THAT ANY LAWFUL PROCESS OR NOTICE TO ME/US WHICH IS SERVED ON THE COMMISSIONER SHALL HAVE THE SAME LEGAL EFFECT AS IF SERVED ON ME/US WITHIN THE COMMONWEALTH OF VIRGINIA.

I/WE CERTIFY THAT ALL OF THE INFORMATION GIVEN HERE IS TRUE AND CORRECT. CHECK HERE IF YOU WANT THE SURVIVING OWNER TO HAVE CLEAR RIGHTS TO THIS VEHICLE IF A CO-OWNER DIES.

SIGNATURE OF APPLICANT _____ DATE _____

SOCIAL SECURITY NO. OF APPLICANT (EMPLOYEE'S IDENTIFICATION NO.) _____

SIGNATURE OF CO-APPLICANT _____ DATE _____

SOCIAL SECURITY NO. OF CO-APPLICANT (EMPLOYER'S IDENTIFICATION NO.) _____

STREET OR R.F.D. NO. _____

CITY _____ STATE _____ ZIP _____

VEHICLE PRINCIPALLY GARAGED IN CITY, TOWN, COUNTY OR STATE OF _____

If you are an active member of military service claiming residency in a state other than Virginia, please check this box and indicate your vehicle's Virginia garage location below.

CITY OR TOWN OF _____ COUNTY OF _____

DMV USE ONLY		WITH LIEN
SALE PRICE \$ _____	BEFORE TRADE-IN ALLOWANCE	COUNTER CLERK
TAX \$ _____	(MINIMUM TAX MAY APPLY)	
TITLE FEE _____		DATA ENTRY
REG FEE _____		REASSOCIATION
UMV FEE _____		
OTHER _____		
TOTAL \$ _____		

Reassignment Form, Control No., (If applicable) _____

LOG# _____ PLATE TYPE _____ PLATE NO. _____ ISSUED _____ EXPIRE DATE _____ TITLE NUMBER _____ DMV USE ONLY



RE-ASSIGNMENT OF TITLE BY VIRGINIA MOTOR VEHICLE DEALER

B1976712 VIRGINIA CADILLAC
 TITLE NUMBER TITLE STATE VEHICLE MAKE
 4-Door 1992 DeVille 1XYZ555J5N12H927
 BODY TYPE YEAR MODEL IDENTIFICATION NUMBER

RE-ASSIGNMENT 2

RE-ASSIGNMENT BY DEALER

Federal and State law requires that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and / or imprisonment.

The undersigned dealer hereby certifies that the vehicle described in this title has been transferred to the following: (printed name and address)

Samuel S. Shopper, 231 Purchase Street, Return, Va 23432

I certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:

45,332
 ODOMETER READING (No Tenths) 1. THE MILEAGE STATED IS IN EXCESS OF ITS MECHANICAL LIMITS Date of Sale 4/4/98
 2. THE ODOMETER READING IS NOT THE ACTUAL MILEAGE.

WARNING - ODOMETER DISCREPANCY

Dealer's No. 876

Signature of Dealer or Agent / Printed Name O. P. BARCOCK

Printed Firm Name and Address Reliance Motors Ltd. 100 Democrat Dr, Republican, Va 23456

I am aware of the above odometer certification made by the seller.

Signature(s) of Buyer(s) / Printed Name _____

I warrant the title to the above motor vehicle except that at the time of delivery it is subject to the following liens and none other:

None

LIENOR'S NAME _____ DATE OF LIEN _____

SIGNATURE OF DEALER OR AUTHORIZED REPRESENTATIVE _____ DATE _____

RE-ASSIGNMENT 3

RE-ASSIGNMENT BY DEALER

Federal and State law requires that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and / or imprisonment.

The undersigned dealer hereby certifies that the vehicle described in this title has been transferred to the following: (printed name and address)

I certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:

45,332
 ODOMETER READING (No Tenths) 1. THE MILEAGE STATED IS IN EXCESS OF ITS MECHANICAL LIMITS Date of Sale _____
 2. THE ODOMETER READING IS NOT THE ACTUAL MILEAGE.

WARNING - ODOMETER DISCREPANCY

Dealer's No. _____

Signature of Dealer or Agent / Printed Name _____

Printed Firm Name and Address _____

I am aware of the above odometer certification made by the seller.

Signature(s) of Buyer(s) / Printed Name _____

I warrant the title to the above motor vehicle except that at the time of delivery it is subject to the following liens and none other:

LIENOR'S NAME _____ DATE OF LIEN _____

SIGNATURE OF DEALER OR AUTHORIZED REPRESENTATIVE _____ DATE _____

RE-ASSIGNMENT 4

RE-ASSIGNMENT BY DEALER

Federal and State law requires that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and / or imprisonment.

The undersigned dealer hereby certifies that the vehicle described in this title has been transferred to the following: (printed name and address)

I certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:

45,332
 ODOMETER READING (No Tenths) 1. THE MILEAGE STATED IS IN EXCESS OF ITS MECHANICAL LIMITS Date of Sale _____
 2. THE ODOMETER READING IS NOT THE ACTUAL MILEAGE.

WARNING - ODOMETER DISCREPANCY

Dealer's No. _____

Signature of Dealer or Agent / Printed Name _____

Printed Firm Name and Address _____

I am aware of the above odometer certification made by the seller.

Signature(s) of Buyer(s) / Printed Name _____

I warrant the title to the above motor vehicle except that at the time of delivery it is subject to the following liens and none other:

LIENOR'S NAME _____ DATE OF LIEN _____

SIGNATURE OF DEALER OR AUTHORIZED REPRESENTATIVE _____ DATE _____

DEALER'S REASSIGNMENT OF TITLE TO A MOTOR VEHICLE

To be used by North Carolina licensed dealers to reassign out-of-state assigned certificates of title, non-title state registration certificates and/or bills of sale or other documents acceptable for obtaining a certificate of title in North Carolina for vehicles acquired by North Carolina dealers. May also be used to reassign manufacturer's certificates of origin and North Carolina certificates of title when the space or spaces provided on these documents for dealer's assignments have been used.

YEAR MAKE BODY STYLE VIN

Federal and State law requires that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment.

RE-ASSIGNMENT OF TITLE BY LICENSED DEALER

The undersigned hereby certifies that the vehicle described in this title has been transferred to the following printed name and address:

I certify to the best of my knowledge that the odometer reading is: (NO TENTHS) and reflects the actual mileage of this vehicle unless one of the following statements is checked:

- 1. The mileage stated is in excess of its mechanical limits.
2. The odometer reading is not the actual mileage WARNING - ODOMETER DISCREPANCY

To my knowledge the vehicle described herein: DATE VEHICLE DELIVERED TO PURCHASER Yes No Has been involved in a collision or other occurrence to the extent that the cost to repair exceeds 25% of fair market retail value. Yes No Has been a flood vehicle, a reconstructed vehicle or a salvage vehicle.

Hand Printed Name and Signature of Dealer or Agent

Printed Firm Name Dealer No.

Acknowledged before me this day of County State

Notary Public My Commission expires the day of

I am aware of the above odometer certification and damage disclosure made by the seller. (SEAL)

Hand Printed Name and Signature(s) of Buyer(s)

RE-ASSIGNMENT OF TITLE BY LICENSED DEALER

The undersigned hereby certifies that the vehicle described in this title has been transferred to the following printed name and address:

I certify to the best of my knowledge that the odometer reading is: (NO TENTHS) and reflects the actual mileage of this vehicle unless one of the following statements is checked:

- 1. The mileage stated is in excess of its mechanical limits.
2. The odometer reading is not the actual mileage WARNING - ODOMETER DISCREPANCY

To my knowledge the vehicle described herein: DATE VEHICLE DELIVERED TO PURCHASER Yes No Has been involved in a collision or other occurrence to the extent that the cost to repair exceeds 25% of fair market retail value. Yes No Has been a flood vehicle, a reconstructed vehicle or a salvage vehicle.

Hand Printed Name and Signature of Dealer or Agent

Printed Firm Name Dealer No.

Acknowledged before me this day of County State

Notary Public My Commission expires the day of

I am aware of the above odometer certification and damage disclosure made by the seller. (SEAL)

Hand Printed Name and Signature(s) of Buyer(s)

RE-ASSIGNMENT OF TITLE BY LICENSED DEALER

The undersigned hereby certifies that the vehicle described in this title has been transferred to the following printed name and address:

I certify to the best of my knowledge that the odometer reading is: (NO TENTHS) and reflects the actual mileage of this vehicle unless one of the following statements is checked:

- 1. The mileage stated is in excess of its mechanical limits.
2. The odometer reading is not the actual mileage WARNING - ODOMETER DISCREPANCY

To my knowledge the vehicle described herein: DATE VEHICLE DELIVERED TO PURCHASER Yes No Has been involved in a collision or other occurrence to the extent that the cost to repair exceeds 25% of fair market retail value. Yes No Has been a flood vehicle, a reconstructed vehicle or a salvage vehicle.

Hand Printed Name and Signature of Dealer or Agent

Printed Firm Name Dealer No.

Acknowledged before me this day of County State

Notary Public My Commission expires the day of

I am aware of the above odometer certification and damage disclosure made by the seller. (SEAL)

Hand Printed Name and Signature(s) of Buyer(s)

LIEN OR ENCUMBRANCE - ENTER IN OWNER'S APPLICATION FOR TITLE.

This form contains the conforming odometer statement and must have the hand printed name and signature of both the buyer and seller.

POWER OF ATTORNEY TO SIGN FOR OWNER WHEN REGISTERING AND / OR TRANSFERRING OWNERSHIP OF A MOTOR VEHICLE

0000011

WARNING: This form may be used only when title is physically held by lienholder or has been lost. This form must be submitted to the state by the person exercising power of attorney. Failure to do so may result in fines and / or imprisonment.

VEHICLE DESCRIPTION

Year 1991 Make Hundai Model Sonata Body Type 4-dr

Vehicle Identification Number (VIN) K1347XJ6W123B1567

PART A. POWER OF ATTORNEY TO DISCLOSE MILEAGE

Federal law and State law require that you state the mileage upon transfer of ownership. Providing a false statement may result in fines and / or imprisonment.

I, Samuel S. Shopper TRANSFEROR'S (SELLER'S) NAME OR NAMES IF JOINTLY OWNED, PRINT
appoint O. P. Babcock-Reliance Motors Ltd. TRANSFEREE'S (BUYER'S) NAME, PRINT attorney-in-fact,

to disclose the mileage, on the title for the vehicle described above, exactly as stated in my following disclosure and to sign in my / our name, place, and stead any Certificate of Title, or other supporting papers, covering said motor vehicle, in whatever manner necessary to register and / or transfer ownership of said motor vehicle; and I / we do hereby grant unto said attorney-in-fact full authority and power to do and perform any and all other acts necessary or incident to the execution of the powers herein expressly granted, as the grantor might or could do if personally present, with full power of substitution.

I state that the odometer now reads 52,766 (NO TENTHS) miles and to the best of my knowledge that it reflects

the actual mileage unless one of the following statements is checked.

- 1. I hereby certify that to the best of my knowledge the odometer reading reflects the mileage in excess of its mechanical limits.
2. I hereby certify that the odometer reading is NOT the actual mileage. WARNING - ODOMETER DISCREPANCY

Samuel S. Shopper TRANSFEROR'S (SELLER'S) SIGNATURE / PRINTED NAME
CO-TRANSFEROR'S (SELLER'S) SIGNATURE (IF JOINTLY OWNED - PRINTED NAME)
Transferor's Address 231 Purchase Street, Return, VA 23432
Date of Statement 4/4/98
Transferee's Address 100 Democrat Drive, Republican, VA 23456

PART B. POWER OF ATTORNEY TO REVIEW TITLE DOCUMENTS AND ACKNOWLEDGE DISCLOSURE

(Part B is invalid unless Part A has been completed.)

I, Dabney D. Dunn TRANSFEREE'S (BUYER'S) NAME, PRINT
appoint O. P. Babcock- Reliance Motors Ltd. TRANSFEROR'S (SELLER'S) NAME, PRINT attorney-in-fact,

to sign the mileage disclosure, on the title for the vehicle described above, only if the disclosure is exactly as the disclosure completed below and to sign in my / our name, place, and stead any Certificate of Title, or other supporting papers, covering said motor vehicle, in whatever manner necessary to register and / or transfer ownership of said motor vehicle; and I / we do hereby grant unto said attorney-in-fact full authority and power to do and perform any and all other acts necessary or incident to the execution of the powers herein expressly granted, as the grantor might or could do if personally present, with full power of substitution.

Dabney D. Dunn TRANSFEREE'S (BUYER'S) SIGNATURE / PRINTED NAME
TRANSFEREE'S (BUYER'S) ADDRESS (STREET, CITY, STATE, ZIP) 104 South St, Return, VA 23432

Federal law and State law require that you state the mileage upon transfer of ownership. Providing a false statement may result in fines and / or imprisonment.

I state that the odometer now reads 52,801 (NO TENTHS) miles and to the best of my knowledge that it reflects

the actual mileage unless one of the following statements is checked.

- 1. I hereby certify that to the best of my knowledge the odometer reading reflects the mileage in excess of its mechanical limits.
2. I hereby certify that the odometer reading is NOT the actual mileage. WARNING - ODOMETER DISCREPANCY

Date of Statement 5/1/98
Transferor's Address 100 Democrat Drive, Republican, VA 23456

PART C. CERTIFICATION

I, O. P. Babcock - Reliance Motors, Ltd. (person exercising above power of attorney, Print), hereby certify that the mileage I have disclosed on the title document is consistent with that provided to me in the above power of attorney. Further, upon examination of the title and any reassignment documents for the vehicle described above, the mileage disclosure I have made on the title pursuant to the power of attorney is greater than that previously stated on the title and reassignment documents. This certification is not intended to create, nor does it create any new or additional liability under Federal or State law.

Signature O. P. Babcock Printed Name O. P. BABCOCK
Date 5/1/98 Address 100 Democrat Drive, Republican, Va 23456