



JOHN W. SUTHERS
Attorney General

CYNTHIA H. COFFMAN
Chief Deputy Attorney General

DANIEL D. DOMENICO
Solicitor General

STATE OF COLORADO
DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL

STATE SERVICES BUILDING
1525 Sherman Street - 7th Floor
Denver, Colorado 80203
Phone (303) 866-4500

December 10, 2007

To whom it may concern:

Please be advised that in 1979, the Office of the Colorado Attorney General developed a form Assurance of Discontinuance (the "Assurance"), pursuant to § 6-1-110(2), C.R.S., in connection with an investigation of certain practices of Colorado motor vehicle dealers. Specifically, the form Assurance concerned the imposition and disclosure of Delivery and Handling Charges ("D & H Charges") for delivery, handling, dealer preparation, paperwork, documentary fees, get-ready charges and all similar charges involved in inspecting, cleaning and adjusting motor vehicles for delivery to retail customers. A copy of the form Assurance is attached as Exhibit 1 to this letter.

As a result of negotiations between the Metro Denver Automobile Dealers Association ("MDADA") and the Office of the Attorney General, the form Assurance provided for prominent disclosures in the dealer showroom and on the face of each buyer's order, purchase order, customer's offer to purchase a motor vehicle, contract for retail sale of a motor vehicle, and invoice. Specifically, the required disclosure had to state:

This charge represents costs and additional profit to the seller/dealer for items such as inspecting, cleaning and adjusting new and used vehicles and preparing documents related to the sale.

If motor vehicle dealers made the required disclosure (or other alternatives set forth in the form Assurance), the Office of the Attorney General stated in the form Assurance that it would not prosecute claims against dealers for failing to disclose D & H Charges including claims under the Colorado Consumer Protection Act, §§ 6-1-101 et seq., C.R.S. Specifically, the form Assurance stated, in Section VI.b:

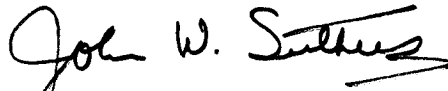
Except as provided in paragraph VI.A above [which waived claims prior to April 1, 1979], the attorney general reserves the right to investigate or prosecute any claims against [the dealer] for any violation of the Consumer Protection Act; provided, however, that compliance by [the dealer] with this assurance shall bar the attorney general from prosecuting a claim against

[the dealer] for failing to disclose that a D & H charge is imposed by such dealership.

The Office of the Attorney General recognizes that not all motor vehicle dealers in Colorado executed the form Assurance or even impose D & H charges. However, the Office of the Attorney General acknowledges that it is appropriate for those dealers who executed the form Assurance, and even for those with notice of the terms of that form Assurance, to rely on the representation in that form Assurance that disclosure of D & H charges in compliance with that form Assurance would not result in an enforcement action by the Attorney General.

Motor vehicle dealers in Colorado may continue to rely on the form Assurance which remains in full force and effect and accurately sets forth the position of the Office of the Attorney General concerning the imposition and disclosure of D&H charges as described in the form Assurance. So long as motor vehicle dealers comply with the terms of the form Assurance, the Office of the Attorney General shall not seek to prosecute such dealers for violations of the Consumer Protection Act with respect to the disclosure of D & H charges as described in the form Assurance.

Sincerely,


JOHN W. SUTHERS
Attorney General

STATE OF COLORADO
DEPARTMENT OF LAW

ASSURANCE OF
DISCONTINUANCE

I.

The attorney general has generally investigated the practices of Colorado motor vehicle dealers in imposing certain charges incident to the sale of motor vehicles. In the interest of full disclosure to the consuming public, the motor vehicle dealer signing this assurance of discontinuance, specifically denying any violations of law, agrees to adopt the procedures set forth in this assurance pursuant to C.R.S. 1973, section 6-1-110.

II.

As used in this document, the following terms shall have the following meanings:

1. "D&H" shall mean charges for delivery, handling, dealer preparation, paperwork, documentary fees, get-ready charges and all similar charges (excluding any charges, fees or taxes required by any government agencies, such as state inspection and temporary registration costs) involved in inspecting, cleaning and adjusting motor vehicles for delivery to retail customers.

2. "Motor vehicle" shall include automobiles, trucks of any kind, motor homes, recreational vehicles, four-wheel vehicles, and vans, whether said motor vehicle is new or used.

III.

Respondent agrees that, effective April 1, 1979, if any charge is made by respondent for "D&H" as defined herein, respondent will:

1. Prominently post signs in the dealer's showroom stating:

To the negotiated price of each vehicle, there will be added the sum of \$_____ for costs and additional profit to the seller/dealer for items such as inspecting, cleaning and adjusting new and used vehicles and preparing documents related to the sale.

and;

2. Print on each buyer's order, purchase order, customer's offer to purchase a motor vehicle, contract for retail sale of a motor vehicle and invoice the following:

a. A clear and conspicuous printed entry entitled "delivery and handling," "dealer preparation" or any abbreviations thereof, followed by an asterisk; and

b. A similar asterisk elsewhere on the face of the agreement followed by the following statement printed clearly and conspicuously:

"This charge represents costs and additional profit to the seller/dealer for items such as inspecting, cleaning and adjusting new and used vehicles and preparing documents related to the sale."

c. If the quoted language in (b) above is printed at the same place on such form as the entry required by (a) above, no asterisks need be used.

3. As an alternative to subparagraphs 1 and 2 of this paragraph III, where the motor vehicle under considera-

tion by a prospective purchaser is available for physical inspection by the purchaser, respondent may attach a conspicuous sticker to the window of a motor vehicle specifying the "D&H" charge for that motor vehicle and describing said charge as "delivery and handling," "dealer preparation" or any abbreviations thereof along with respondent's charge for each dealer installed option and a total price line labelled "/respondent's/ total price (including D&H)." Respondent agrees that if it discloses the D&H charge in the fashion set forth in this subparagraph 3:

a. Respondent will prominently post signs in respondent's showroom stating:

/Delivery and handling, dealer preparation or the abbreviation thereof, whichever term appears on the window sticker/ represents costs and additional profit to the seller/dealer for items such as inspecting, cleaning and adjusting new and used vehicles and preparing documents related to the sale.

b. Respondent shall not charge or set forth an itemized separate or additional charge for D&H or any component of D&H on the buyer's order, purchase order, customer's offer to purchase a motor vehicle, contract for retail sale of a motor vehicle or invoice.

4. As an alternative to subparagraphs 1, 2 and 3 of this paragraph III, respondent may disclose all charges attributable to the sale of a motor vehicle by disclosing only the following items (in addition to those otherwise required by law):

"Manufacturer's suggested retail price": \$_____.

"Respondent's name/price": \$_____.

IV.

Without written permission of the attorney general or his authorized assistant, disclosures of D&H charges will

be made only in accordance with paragraph III herein; respondent may not otherwise itemize any costs or charges involved in the inspecting, cleaning and adjusting of motor vehicles for delivery to retail customers; nor may respondent use any other language to disclose D&H charges.

V.

Respondent shall not make any oral representations that contradict the disclosures required in paragraph III herein, nor shall respondent state or otherwise represent or imply that the imposition or amount of charges for D&H has the approval or authorization of the attorney general's office. Respondent shall use its best efforts to assure that such representations and implications are not made by its agents or employees.

VI.

a. The attorney general agrees that he will take no legal or other action against respondent including, but not limited to, recovery on behalf of any persons of any money or property acquired by respondent as a result of any acts of respondent relating to the disclosure or charging of D&H charges occurring prior to April 1, 1979.

b. Except as provided in paragraph VI A. above, the attorney general reserves the right to investigate or prosecute any claims against respondent for any violation of the Consumer Protection Act; provided, however, that compliance by respondent with this assurance shall bar the attorney general from prosecuting a claim against respondent for failing to disclose that a D&H charge is imposed by said dealership.

VII.

When the attorney general has reasonable cause to believe that respondent has failed to comply with any provisions of this assurance of discontinuance, he may, upon reasonable notice to respondent, inspect the books and records of respondent relating to the charge for D&H.

VIII.

a. Pursuant to C.R.S. 1973, 6-1-110(2) this assurance will remain confidential to the parties hereto, except that any party hereto may make public the fact of the existence and general nature of this assurance, provided that respondent's identity shall remain confidential.

b. For the purpose of enforcing this assurance, the attorney general may provide copies of this assurance to any Colorado district attorney, with appropriate instructions regarding the confidentiality of this assurance.

IX.

Respondent shall forthwith explain the requirements of this assurance to each of its owners, officers, directors, and sales personnel and shall provide a copy of this assurance to each owner, officer and director.

X.

Respondent acknowledges that it has had full opportunity to review this assurance and to consult with legal counsel regarding this assurance.

FOR THE ATTORNEY GENERAL

MARSHALL A. SNIDER
Assistant Attorney General
Consumer Section

By _____

DATED: _____

ACA/DEALERS/18LM