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December 22, 2008

Tim Jackson, President
Colorado Automobile Dealers Association
290 East Speer Boulevard
Denver, CO 80203

RE: 1979 Assurance of Discontinuance

Dear Tim:

At your request, we have reviewed the 1979 Assurance of Discontinuance ("AOD") entered into by the Colorado Department of Law and various automobile dealers in Colorado. While we believe that this AOD still reflects the policy of this Office, it is appropriate for us to clarify our current enforcement policy with respect to several provisions of that AOD.

Section III.2.b of the AOD requires dealers to include a specific statement in a buyer's order, purchase order, customer's offer to purchase a motor vehicle, contract for retail sale of a motor vehicle and invoice, to wit:

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.

(Emphasis added).

Similarly, section III.3.a of the AOD requires in-store signage to state:

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.

(Emphasis added).

Our intent in the AOD was to insure that so-called “delivery and handling” charges be fully disclosed to the consumer as involving additional dealer costs and profits. The items listed in the sections highlighted above are illustrative only of how this disclosure could be made. We will not view a disclosure that, for example, says that the delivery and handling charge “represents costs and additional profits to the seller/dealer” but does not expressly itemize cost items such as “preparing documents related to the sale”, as a violation of this AOD.

I hope this clarifies our enforcement policy regarding this AOD.

Sincerely,

FOR THE ATTORNEY GENERAL

A handwritten signature in black ink that reads "John Suthers". The signature is written in a cursive style with a large, looping initial "J" and a long, sweeping underline.

JOHN W. SUTHERS
Attorney General