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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM AIKEN COUNTY
Court of Common Pleas

The Honorable Doyet A. Early, III, Circuit Court Judge

Circuit Court Case No. 2006-CP-02-1230

Heather Herron, Natalie Armstrong, Michael Ritz, Julie Freeman, Christine Watts, Alison Dannert, Michael Blease, Michael Watts, individually and for the benefit of all car buyers who paid "administrative fees" as described below to Defendants, ... **Respondents,**

v.

Century BMW d/b/a Sonic Automotive; Dick Dyer & Associates, Inc.; Galeana Chrysler Plymouth, Inc., a/k/a Galeana Chrysler Jeep, Inc.; J.L.H. Investments LP a/k/a Hendrick Honda; Overland, Inc., d/b/a Land Rover of Columbia; Taylor Toyota a/k/a Taylor Investments, and Toyota of Greenville, Inc., ... **Defendants**

OF WHOM

Century BMW d/b/a Sonic Automotive is the **Appellant.**

RECORD ON APPEAL

Volume I

[counsel listed on following page]

Steven W. Hamm, S.C. Bar No. 2634
C. Jo Anne Wessinger Hill, S.C. Bar No. 15025
David A. Anderson, S.C. Bar No. 11550
Jocelyn T. Newman, S.C. Bar No. 73119
RICHARDSON PLOWDEN & ROBINSON, P.A.
P.O. Drawer 7788
Columbia, South Carolina 29202
(803)771-4400
(803)779-0016 facsimile
Email: shamm@richardsonplowden.com
jhill@richardsonplowden.com
danderson@richardsonplowden.com
jnewman@richardsonplowden.com

Dennis M. Black (*pro hac vice admitted*)
Ryan L. VanGrack (*pro hac vice admitted*)
WILLIAMS & CONNOLLY LLP
725 Twelfth St., N.W.
Washington, DC 20005
(202) 434-5000
(202) 434-5029 (facsimile)
Email: dblack@wc.com
rvangrack@wc.com

ATTORNEYS FOR APPELLANT CENTURY BMW D/B/A
SONIC AUTOMOTIVE, WHOSE TRUE NAME IS SONIC
AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC.
D/B/A CENTURY BMW

Other Counsel of Record:

A. Camden Lewis, Esq.
Brady R. Thomas, Esq.
LEWIS & BABCOCK, LLP
1513 Hampton Street
P.O. Box 11208
Columbia, SC 29211
803-771-8000
803-733-3534 (facsimile)
Email: acl@LewisBabcock.com
brt@lewisbabcock.com

Michael E. Spears, Esq.
MICHAEL E. SPEARS, P.A.
P.O. Box 5806
Spartanburg, SC 29304

Gedney M. Howe, III, Esq.
GEDNEY M. HOWE, III, PA
P.O. Box 1034
Charleston, SC 29402

Richard A. Harpootlian, Esq.
RICHARD A. HARPOOTLIAN, P.A.
P.O. Box 1090
Columbia, SC 29202
ATTORNEYS FOR RESPONDENTS

James Y. Becker, Esquire
R. David Proffitt, Esquire
HAYNESWORTH SINKLER BOYD, PA
1201 Main Street, 22nd Floor (29201-3226)
P.O. Box 11889
Columbia, S.C. 29211-1889
(803)779-3080
(803)765-1243 (fax)
Email: jbecker@hsblawfirm.com
dproffitt@hsblawfirm.com
ATTORNEYS FOR GALEANA CHRYSLER-JEEP, INC. AND
J.L.H. INVESTMENTS, LP, D/B/A HENDRICK
HONDA OF EASLEY

J. Gregory Studemeyer, Esquire
1804 Bull Street
P.O. Box 12201
Columbia, SC 29211-2201
(803)779-3363
(803)779-3364
Email: GESquire@sc.rr.com
ATTORNEY FOR DICK DYER & ASSOCIATES, INC.

Harvey G. Sanders, Jr., Esquire (SC Bar No. 4925)
James T. Hewitt, Esquire (SC Bar No. 66422)
S. Brooke Chapman, Esquire (SC Bar No. 71772)
LEATHERWOOD WALKER TODD & MANN, P.C.
300 East McBee Avenue, Suite 500 (29601)
P.O. Box 87
Greenville, SC 29602-0087
(864) 242-6440
(864) 240-2498 (facsimile)
Email: hsanders@lwtm.com
jhewitt@lwtm.com
bchapman@lwtm.com
ATTORNEYS FOR DEFENDANTS OVERLAND, INC. D/B/A LAND
ROVER OF COLUMBIA AND TOYOTA OF GREENVILLE, INC.,
D/B/A TOYOTA OF GREENVILLE

H. Clayton Walker, Jr., Esquire
Robert L. Reibold, Esquire
WALKER & REIBOLD, LLC
P.O. Box 61140
Columbia, SC 29260
(803) 454-0955
(803) 454-0956 (facsimile)
Email: cwalker@walkerreibold.net
rreibold@walkerreibold.net
ATTORNEYS FOR DEFENDANT TAYLOR INVESTMENTS,
INC., D/B/A TAYLOR TOYOTA

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	CIVIL ACTION NO.: 06-CP-02-1230
COUNTY OF AIKEN	)	
Heather Herron, Natalie Armstrong, Michael	)	
Ritz, Julie Freeman, Christine Watts, Alison	)	
Dannert, Michael Blease, Michael Watts,	)	
Individually and for the Benefit of All Car	)	
Buyers Whom Paid "Administrative Fees" as	)	
Described below to Defendants	)	
	)	
Plaintiffs,	)	ORDER DENYING MOTION TO
	)	COMPEL ARBITRATION
vs.	)	
	)	
Century BMW a/k/a Sonic Automotive; Dick	)	
Dyer & Associates, Inc.; Galeana Chrysler	)	
Plymouth, Inc. a/k/a Galeana Chrysler Jeep,	)	
Inc.; J.L.H. Investments, LP a/k/a Hendricks	)	
Honda; Overland, Inc. d/b/a Land Rover of	)	
Columbia; Taylor Toyota a/k/a Taylor	)	
Investments; and Toyota of Greenville, Inc., et.	)	
al.	)	
	)	
Defendants.	)	

DAE
#1

This matter comes before the Court by way of Century BMW a/k/a Sonic Automotive's ("Century BMW's") Motion to Compel Arbitration. This motion was argued before me on November 30, 2007. After considering the parties' filings, as well as the memoranda and legal arguments of counsel, I have determined that the Motion to Compel Arbitration should be denied.

FACTUAL BACKGROUND

On January 25, 2005, Plaintiff Christine Watts, a twenty-four year old college student, and her father, Michael Watts, a garage door salesman, purchased a car from Defendant Century BMW. The vehicle was a graduation present for Ms. Watts. The car was purchased to be Ms. Watts's primary source of transportation and was needed so that she could get back and forth to work.

After the parties agreed to a price for the car, Century BMW's F&I manager took Ms. Watts and her father into a cubicle to sign paperwork. Christine Watts in her affidavit stated that the documents were "hastily presented." Century BMW refers to this process as "rolling out the paper."

The Wattses say they were presented with a big packet of documents containing flags indicating where the Wattses were supposed to sign. Century BMW's General Manager testified that it was the F&I manager's custom to place his finger on the individual documents pointing to the place on the documents that needed to be signed and say "sign here."

The Wattses signed multiple documents. Some of the documents were required to be signed by law.

The arbitration agreement at issue was one of the documents included in the packet. This arbitration agreement is a form contract drafted by Century BMW. The arbitration agreement uses a small font.

The Wattses say there was no discussion with the F&I manager about the arbitration agreement. Century BMW's General Manager did not know what was discussed with the Wattses but stated that he would expect his people to tell the customer that the agreement is "a document providing a remedy for the customer without having to go to court." The Wattses also testified that believed that they were required to sign all of the documents in order to get the car.

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On October 31, 2006, Plaintiff Watts initiated the current action against Defendant Century BMW. In the Amended Complaint, Plaintiff Watts alleged causes of action for a declaratory judgment, civil conspiracy, and violation of the Motor Vehicle Dealers Act. On December 29, 2006, Defendant Century BMW filed a motion to compel arbitration.

ANALYSIS

The Plaintiff and Defendant agree that Simpson v. MSA of Myrtle Beach, Inc., 644

S.E.2d 663 (S.C.,2007) is the controlling authority for this motion. The Simpson Court held that a car dealer's attempt in a form contract to prevent a consumer from prosecuting statutory rights in arbitration was unconscionable and unenforceable. Simpson, 644 S.E.2d at 668-671. Application of the Simpson test here shows that the Century BMW arbitration agreement is also unconscionable and unenforceable.

A. The Century BMW Arbitration is an Adhesion Contract.

The Century BMW arbitration agreement is an adhesion contract. "[A]n adhesion contract is a standard form contract offered on a 'take-it-or-leave-it' basis with terms that are not negotiable." Simpson, 644 S.E.2d at 669. Adhesion contracts "are standard in the automobile retail industry." Id.

The arbitration agreement here is a standard form contract drafted by Century BMW. The contract has only blanks that can be filled in depending on the date of the transaction, the VIN number of the vehicle, the name of the customer, and the name of the dealership. Plaintiff Watts did not participate in the drafting of the agreement and had no voice in the formulation of its terms.

Century BMW presents the arbitration agreement on a take-it-or-leave-it basis. Century BMW's procedures and method of presentation lead to the conclusion that the arbitration agreement must be signed to purchase the car. Century BMW's General Manager stated that the F&I Manager's "practice" was to present the individual documents and point to on the paper to where the customer was supposed to sign and say "sign here." Century BMW had no standard

statements to tell purchasers. This practice indicates that signing the document is required in order to purchase a car. This conclusion is further supported by the fact that in over 6,000 transactions, the only person the General Manager could name who ever bought a car without signing the arbitration agreement was Brad Martin, Esq., a lawyer in this case.

The agreement is a standard form contract. Century BMW's procedures and the Watts's testimony¹ show that the terms of the arbitration agreement were not negotiable. Accordingly, I find that the arbitration agreement is an adhesion contract. Because the Century BMW arbitration agreement is an adhesion contract, the Century BMW arbitration agreement should be viewed with "considerable skepticism." Simpson, 644 S.E.2d at 670(adopting rationale of Ohio Courts in analyzing arbitration agreements by automobile retailers and stating "We...proceed to analyze this contract between a consumer and automobile retailer with 'considerable skepticism'.").

B. Absence of Meaningful Choice.

I also find that there was an absence of meaningful choice in agreeing to arbitrate and waive the statutory right to participate in a multi-plaintiff action. The Simpson case describes absence of meaningful choice as follows:

Absence of meaningful choice on the part of one party generally speaks to the fundamental fairness of the bargaining process in the contract at issue. In determining whether a contract was "tainted by an absence of meaningful choice," courts should take into account the nature of the injuries suffered by the plaintiff; whether the plaintiff is a substantial business concern; the relative disparity in the parties' bargaining power; the parties' relative sophistication; whether there is an element of surprise in the inclusion of

¹The Watts's testimony is the only testimony about the events surrounding the execution of the agreement. The Watts testified they believed they were required to sign the agreement in order to get the car. Century BMW was unable to produce any witness whom remembered the transaction.

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the challenged clause; and the conspicuousness of the clause.

Simpson v. MSA of Myrtle Beach, Inc., 644 S.E.2d 663 (internal citation omitted).

Because an automobile is a "necessity" in everyday life, the Simpson Court found this factor should be considered in determining "whether a consumer had a meaningful choice in negotiating the arbitration agreement." Simpson, 644 S.E.2d at 669.

Applying this analysis, the Simpson Court provided as follow:

[T]he contract between Simpson and Addy involved a vehicle intended for use as Simpson's primary transportation, which is critically important in modern day society. Applying the factors considered by the Fourth Circuit in analyzing arbitration clauses, we also acknowledge Simpson's claim that she did not possess the business judgment necessary to make her aware of the implications of the arbitration agreement, and that she did not have a lawyer present to provide any assistance in the matter. *But see Munoz*, 343 S.C. 531, 542 S.E.2d 360 (failing to factor in the weaker party's status as a consumer in analyzing an unconscionability claim in an arbitration agreement between a consumer and a lender). Similarly, we note that Simpson's allegation that the contract was "hastily" presented for her signature.

Simpson, 644 S.E.2d at 670. The facts here support a finding of an absence of meaningful choice by the Plaintiffs.

There was a clear disparity in the parties' bargaining power and the relative sophistication between the parties. Century BMW argues that Ms. Watts is sophisticated because in 2008 she works as an auditor. However, in 2005, when the vehicle was purchased, Ms. Watts was a student at the College of Charleston. Michael Watts sold garage doors. The Wattses did not have any attorney present when they signed the agreement. The Plaintiffs were not sophisticated and obviously not substantial business concerns.

Century BMW, on the other hand, is owned by Sonic Automotive, Inc., a large corporation that owns dozens of cars dealerships. Sonic Automotive, Inc. drafted the arbitration

agreement and had engaged in thousands of transactions where arbitration clauses were used.

Sonic was a sophisticated car dealer with years of arbitration clause use. I find that there was a disparity of bargaining power between the parties.

Additionally, there was unfairness in the bargaining process. Century BMW inconspicuously placed the arbitration agreement within a series of documents that included documents that were required to be signed by law and then had its F&I Manager point on each document (whether required to be signed by law or not) and say sign here. There was nothing telling the Wattses that the arbitration agreement, unlike the documents required to be signed by law was not mandatory. This procedure indicates that signing all of the documents is mandatory and is indicative of unfairness in the bargaining process. Simpson, 644 S.E.2d at 669 ("Absence of meaningful choice on the part of one party generally speaks to the fundamental fairness of the bargaining process in the contract at issue.").

The Watts stated that there was no discussion of the arbitration agreement. Century BMW's General Manager did not know what was discussed with the Wattses but stated that he would expect his people to tell the customer that the agreement is "a document providing a remedy for the customer without having to go to court." This statement, if given by Century BMW, is sorely lacking because the arbitration agreement in actuality takes away remedies and statutory rights. The lack of a Century BMW full explanation is further evidence showing the fundamental unfairness of the bargaining process.

There was also an element of surprise involved in the inclusion of the arbitration agreement because none of the signatories of the arbitration agreement (the Wattses nor the F&I manager) understood what they were signing. Neither of the Wattses had ever participated in an

arbitration nor had any understanding of arbitration. Similarly, Century BMW's General Manager and F&I manager did not have much understanding of the arbitration agreement nor how it worked.

Century BMW's argument that the bargaining process was fair because the Wattses could have read the arbitration agreement is non-availing. The Plaintiff in Simpson also could have read the arbitration agreement at issue in that case. Additionally, even if the Wattses had read the arbitration agreement, the bargaining process was unfair because the arbitration agreement was not easily understandable.

Century BMW's Rule 30(b)(6) representative as the person most knowledgeable on the arbitration agreement testified that he did not have much understanding of how the arbitration agreement worked. Century BMW's General Manager has thirty-two years worth of experience in the car industry, has dealt with the subject arbitration agreement since 2002, and does not understand the arbitration agreement. Similarly, the F&I manager, whom presented the arbitration agreement to the Wattses, does not have much understanding of the agreement. It is unfair to expect the Wattses to understand the agreement, when in a little cubicle with the F&I Manager with his finger on the document pointing to the place to sign.

I also find that use of the car was a necessity to Ms. Watts. The car was purchased to be Ms. Watts's primary source of transportation and was purchased so that she could get back and forth from work. Century BMW argues that the vehicle was not necessity because Christine Watts previously owned a Mitsubishi Montero. The fact that Ms. Watts previously owned another vehicle does not defeat the fact that use of a car is a necessity. The plaintiff in Simpson, prior to purchasing the car in that case, owned a 2001 Toyota 4-Runner and the South Carolina

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Supreme Court expressly found that the car purchased was a necessity. Simpson, 644 S.E.2d at 663. The car purchased by Ms. Watts, like the car purchased in Simpson, was purchased to be her primary source of transportation. As such, I find that the use of the car was a necessity.

In the end, I find that the facts in this case are similar to those in Simpson. These facts, just as they did in Simpson, warrant a finding that Plaintiff Watts had an absence of meaningful choice when she entered into the arbitration agreement.²

C. One-Sided and Oppressive Terms.

The Century BMW arbitration agreement contains oppressive and one-sided terms. In analyzing this factor, the Simpson Court stated:

The general rule is that courts will not enforce a contract which is violative of public policy, statutory law, or provisions of the Constitution. *Carolina Care Plan*, 631 S.C. at 555, 606 S.E.2d at 758. In our opinion, this rule has two applications in the present case. First, this arbitration clause violates statutory law because it prevents Simpson from receiving the mandatory statutory remedies to which she may be entitled in her underlying SCUTPA and Dealers Act claims. Second, unconditionally permitting the weaker party to waive these statutory remedies pursuant to an adhesion contract runs contrary to the underlying statutes' very purposes of punishing acts that adversely affect the public interest. Therefore, under the general rule, this provision in the arbitration clause is unenforceable.

Simpson, 644 S.E.2d at 671 (citing the "strong public policy notions behind the enactment of the...Dealers Act."). The Simpson case reasoning is equally applicable here.

²In addition to Simpson, the North Carolina Supreme Court's decision in Tillman v. Commercial Credit Loans, Inc., 655 S.E.2d 362 (N.C.2008) also supports a finding that the arbitration agreement here is unenforceable.

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One-Sided Terms

The prohibition of multi-plaintiff and class action in the Century BMW arbitration agreement is one-sided. Although styled as a mutual prohibition on representative class actions, it is difficult to envision the circumstances on which the provision might negatively impact Century BMW, because car dealers typically do not sue their customers in class action lawsuits. Such a one-sided contract is unconscionable. See Kinkel v. Cingular Wireless, LLC, 828 NE2d 812, 820-821 (Ill.App. 5 Dist., 2005) ("cellular telephone service providers typically do not sue their customers in class action lawsuits. Thus, Cingular's provision barring class arbitration is a one-sided limitation on its customers' ability to seek relief...such a one-sided limitation that could effectively deny plaintiffs their day in court is substantively unconscionable."). See also Szetela v. Discover Bank, 97 Cal.App. 4th 1094 (2002) (Holding a similar clause unconscionable and one-sided because "credit card companies typically do not sue their customers in class action lawsuits."). Clearly, the Century BMW arbitration agreement contains one-sided terms.

Oppressive Terms

The arbitration agreement contains oppressive terms that violate public policy and statutory law. The Century BMW arbitration agreement here, like the arbitration agreement in Simpson, attempts to take away Plaintiff Watts's statutory rights. The Dealers Act provides substantive rights to those harmed by violations. S.C. Code Ann. §56-15-110(2) provides:

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- (2) When such action is one of common or general interest to many persons or when the parties are numerous and it is impracticable to bring them all before the court, one or more may sue for benefit of the whole. Including actions for injunctive relief.

S.C. Code Ann. §56-15-110(2) provides statutory rights to plaintiffs including the right to bring a

claim on behalf of a group and injunctive relief on behalf of a group. The statute was "[o]bviously enacted...because consumers' remedies at common law were deemed inadequate." See Kucharski v. Rick Hendrick Chevrolet, LP, 2002 WL 313860990 (SC Ct. App., 2002). As stated by the Supreme Court in Simpson, the purpose behind the Dealers Act is to "punish[] acts that adversely affect the public interest." Simpson, 644 S.E.2d at 671.

The Century BMW arbitration agreement's attempted prohibition of group suits prevents Plaintiff Christine Watts from effectively vindicating her statutory rights in arbitration. The right to bring a claim on behalf of a group under S.C. Code Ann. §56-15-110(2) is significant. This protection is necessary because otherwise parties with nominal individual claims, but significant collective claims, would be left with limited avenues for relief and a wrongdoer car dealer with little checks on its abuses of law. S.C. Code Ann. §56-15-110 makes it economical for a car purchaser who has been harmed by violation of the statute to bring claims against a car dealer. Century BMW's attempt to take this right away is violative public policy.

Similarly, Plaintiff Christine Watts's statutory right, as one harmed Plaintiff, to seek group injunctive relief, when an action is of common or general interest to many persons, cannot be effectively vindicated under the Century BMW arbitration Agreement. S.C. Code Ann. §56-15-110(2) is designed so that one person can stop a car dealers from perpetrating wrongdoing against many car purchasers. This right to group injunctive relief was given by the General Assembly to prevent car dealerships from perpetrating mass wrongdoing on the public. This is a significant right that cannot be vindicated in the Century BMW arbitration agreement.

Courts in other jurisdictions have found similar provisions unconscionable and unenforceable. See Tillman v. Commercial Credit Loans, Inc., 655 S.E.2d 362 (N.C. 2008);

Cooper v. QC Financial Services, Inc., 503 F.Supp2d 1266, 1290 (D.Ariz.,2007); Eagle v. Fred Martin Motor Co., 809 NE2d 1161 (Ohio App. 2004)(concluding provision preventing right to proceed through a class action or as a private attorney general were both against public policy and the underlying purpose of the Consumer Sales Practices Act and thus were unenforceable). Lozada v. Dale Baker Oldsmobile, Inc., 91 F. Supp. 2d 1087 (W.D. Mich. 2000)(arbitration clause involving the sale of automobiles providing for waiver by buyer's or right to proceed by way of a class action was substantially unreasonable and unconscionable); State Ex Rel. Dunlap v. Berger, 567 SE2d 570, 576 (Fla. Dist. Ct. App.. 1998).

The South Carolina Supreme Court has stated that it will not enforce this type of arbitration clause. "[P]reclusion of class-wide or consolidated arbitration in an adhesion contract, even if explicit, undermines principles favoring expeditious and equitable case disposition absent demonstrated prejudice to the drafter of the adhesive contract." Bazzle v. Green Tree Financial Corp., 569 S.E.2d 349, 361 (S.C.,2002)(*R'vd on other grounds*). Such clauses are unconscionable because they insulate Defendants from significant exposure brought about when otherwise small claims are grouped together.

The class action and representative capacity suit prohibitions in the Century BMW arbitration agreement are contrary to the "strong public policy reasons" behind the enactment of the Dealers Act and contrary to the Dealers Act's purpose of "punishing acts that adversely affect the public's interest." Simpson, 644 S.E.2d at 671. I, therefore, find that the terms of the arbitration agreement are oppressive and violative of public policy and statutory law.

CONCLUSION

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Like the arbitration agreement at issue in Simpson, there was an absence of meaningful choice by the Wattses in entering into the Century BMW arbitration agreement. Additionally, the Century BMW arbitration agreement's attempt to take away statutory rights under the Motor Vehicle Dealers Act are one-sided and violative of statutory law. I therefore find that the Century BMW arbitration agreement is unconscionable and unenforceable.

Based upon the foregoing, the Motion to Compel Arbitration filed by Century BMW is denied.

AND IT IS SO ORDERED.

Brought, South Carolina

March 10, 2008

MA Early
Hon. Doyet A. Early, III
Circuit Court Judge
Second Judicial Circuit

To: Steve Hamm

From: Kate Hyland
w/ Judge Early

Fax: 803-779-0016

Re: Heather Herron, et al vs. Century BMW, et al

Attached please find the signed order
denying Motion to Compel Arbitration

STATE OF SOUTH CAROLINA
COUNTY OF AIKEN

IN THE COURT OF COMMON PLEAS
Case No. 2006-CP-02-1230

Heather Herron, et al.,

Plaintiffs,

v.

Dick Dyer & Associates, Inc., et al.,

Defendants.

FILED 2/5 2008
Liz Godard
C.C.P. & G.S.
Deputy Clerk

**ORDER
ON
PLAINTIFFS' RULE 41(a) MOTION
TO VOLUNTARILY DISMISS CERTAIN DEFENDANTS
AND
DEFENDANTS' RULE 59(e) MOTION TO RECONSIDER
THE DENIAL OF THEIR MOTIONS TO DISMISS ON CERTAIN GROUNDS**

I. PROCEDURAL POSTURE AND FACTUAL BACKGROUND

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Plaintiffs filed their original Complaint against certain Dealers in Aiken County on August 29, 2006, with four Plaintiffs suing 51 motor vehicle dealerships located in thirteen counties. Plaintiffs filed a "Corrigenda" correcting the original Complaint on September 1, 2006. Plaintiffs filed their First Amended Complaint in this case on October 31, 2006, with eight Plaintiffs suing some 324 dealerships ("Defendants" or "Dealers") located in forty-one counties. Each named Plaintiff alleges he or she bought one vehicle from a single Dealer.

As set forth more fully in the First Amended Complaint, Plaintiffs allege among other things that (1) Defendants charged closing fees in violation of the South Carolina Regulation of Manufacturers, Distributors and Dealers Act ("the Dealers Act") Code Ann. §§ 56-15-10 to -600 (2006), and failed to comply with requirements of the South

STATE OF SOUTH CAROLINA
Liz Godard, Clerk of Court of Common Pleas and General
Sessions for Aiken County, South Carolina do hereby certify
that the foregoing is a true and correct copy of the
original documents which have been filed in my office this

FEB 05 2008

Liz Godard
C.C.P. & G.S., Aiken County, S.C.
Deputy Clerk

Carolina Code Ann. § 37-2-307 (2002) (the "Closing Fee Statute"); (2) Defendants engaged in a civil conspiracy; and (3) Plaintiffs request that the circuit court issue a declaratory judgment finding Defendants' practices illegal and granting other relief.

Defendants moved to dismiss the First Amended Complaint based on lack of standing; improper joinder; Rules 12(b)(1), (2), (3) and (6), SCRCF; failure to plead the requirements of Rule 23, SCRCF; and other grounds.

This Court denied Defendants' various motions to dismiss by Order filed August 1, 2007. Defendants on August 10 and 13, 2007, timely served two Joint Motions to Amend or Reconsider the denial of the motions to dismiss pursuant to Rule 59(e), SCRCF.

Plaintiffs on October 11, 2007, moved pursuant to Rule 41(a), SCRCF, to voluntarily dismiss without prejudice all parties named in the First Amended Complaint, filed October 31, 2006, except for the seven named Plaintiffs and the seven Defendants from which those Plaintiffs purchased a vehicle.¹

 A hearing was held before this Court on November 30, 2007, on Plaintiffs' motion to voluntarily dismiss certain Defendants and Defendants' motions to reconsider. Numerous lawyers for Plaintiffs and Defendants were present, with A. Camden Lewis presenting the Plaintiffs' motion and arguments and James Y. Becker, Bradford N. Martin and Steven W. Hamm presenting Defendants' motions and arguments.

This case is related to two other cases before this Court: Janet L. West-Cox et al. v. Cale Yarborough Honda, Inc. et al., Case No. 2007-CP-02-1154 (Complaint filed in Aiken County on

¹ The eighth named Plaintiff in the First Amended Complaint, Alison Dannert, has settled her claims against Defendant CarMax Auto Superstores, Inc., and is no longer involved in this litigation.

Aug. 20, 2007) (the West-Cox case); Howard Adams et al. v. Action Ford Mercury, Inc. et al., Case No. 2007-CP-02-1232 (Complaint filed in Aiken County on Sept. 4, 2007) (the Adams case).

II. PLAINTIFFS' MOTION TO VOLUNTARILY DISMISS CERTAIN DEFENDANTS

The majority of Defendants apparently have consented to Plaintiffs' Rule 41(a) motion to dismiss. Some Defendants have opposed this motion. I find that granting Plaintiffs' Rule 41(a) motion to dismiss serves judicial economy and is in accord with Rule 1, SCRCP, and thus, Plaintiffs' motion is granted. All Defendants in this case are hereby dismissed without prejudice pursuant to Rule 41(a)(2), SCRCP, except the following:

- 
1. Heather Herron v. Land Rover of Columbia;
 2. Natalie Armstrong v. Galeana Chrysler Jeep, Inc.;
 3. Michael Ritz v. Taylor Investments, Inc. d/b/a Taylor Toyota, Inc.;
 4. Julie Freeman v. J.L.H. Investments, d/b/a Hendrick Honda of Easley;²
 5. Christine Watts v. Sonic Automotive 2752 Laurens Rd., Greenville, Inc. d/b/a Century BMW;
 6. Michael Blease v. Dick Dyer & Associates, Inc.; and
 7. Michael Watts v. Toyota of Greenville, Inc.

Defendants, including those which have consented to Plaintiffs' Rule 41(a) motion to dismiss and those which have not, have moved or reserved any and all rights they may have to seek the payment of their attorney's fees and costs by Plaintiffs. Defendants also have reserved any and all rights they may have with regard to any applicable statute of limitations if Plaintiffs

² The First Amended Complaint incorrectly asserts that Ms. Freeman purchased a vehicle from Rick Hendrick Honda Cars Co.

should refile this lawsuit against them. I express no opinion on these motions or issues and reserve ruling on them until a later date. Before I rule on such motions, the parties will be allowed to prepare memoranda and affidavits in support of or opposition to the motions, and present their arguments at a hearing.

III. DEFENDANTS' MOTIONS TO RECONSIDER

I grant Defendants' motions to reconsider in part and modify my earlier ruling on the issue of a Plaintiff's standing to sue Dealers with whom he or she did not transact any business. I deny Defendants' motions to reconsider in part, reaffirming my earlier rulings on the issues of the applicability of Rule 23, SCRPC. I reserve any rulings on the issues of improper joinder and venue until a later time.

A. STANDARD FOR DECIDING MOTION TO DISMISS

DPE
2/4
A trial judge may dismiss a claim when the defendant demonstrates the plaintiff's failure to state facts sufficient to constitute a cause of action in the pleadings filed with the court. Rule 12(b)(6), SCRPC. When considering the motion to dismiss for failure to state a cause of action, the trial court must base its ruling solely upon the allegations made on the face of the complaint. Baird v. Charleston County, 333 S.C. 519, 511 S.E.2d 69 (1999). If the facts and inferences drawn from the facts alleged in the complaint would entitle the plaintiff to relief on any theory, then the grant of a motion to dismiss for failure to state a cause of action is improper. Brown v. Leverette, 291 S.C. 364, 353 S.E.2d 697 (1987). When it is determined that a plaintiff does not have standing to prosecute, the court must dismiss the action. Brock v. Bennett, 313 S.C. 513, 519, 443 S.E.2d 409, 413 (Ct. App. 1994).

B. STANDING

In my Order filed August 1, 2007, denying Defendants' motions to dismiss, I ruled that the First Amended Complaint sufficiently pled facts supporting standing of the Plaintiffs to proceed under the three causes of action in the First Amended Complaint, and that at this stage of the proceeding, there were sufficient allegations of civil conspiracy in the First Amended Complaint to avoid dismissal. I now reconsider and clarify my ruling on the issue of standing, reversing it to a limited extent.

Defendants' motion to dismiss is granted with regard to a named Plaintiff's claims against "no-sale Defendants," i.e., Defendants with which a named Plaintiff did not transact any business. Otherwise, Defendants' motion to dismiss on this ground is denied.

 In short, I conclude that a named Plaintiff has standing to pursue all three causes of action, on behalf of himself or others, against the Defendant from which that particular Plaintiff purchased a vehicle. However, a named Plaintiff does not have standing to sue, on behalf of himself or others, any Defendant with which he did not transact any business. A named Plaintiff may later gain standing to sue Defendants with which a named Plaintiff did not transact any business by presenting evidence sufficient to create a genuine issue of material fact that particular Defendants conspired on the charging of the closing fee with the Defendant from which the named Plaintiff purchased a vehicle.

Standing is a "fundamental requirement for instituting an action," without which "[n]o justiciable controversy is presented." Brock v. Bennett, 313 S.C. 513, 519, 443 S.E.2d 409, 412-13 (Ct. App. 1994). As a result, upon determining a plaintiff has no standing to prosecute a cause of action, the court must dismiss the action. Id.

To have standing, a party must prove all elements that constitute the "irreducible constitutional minimum of standing":

First, the plaintiff must have suffered an injury in fact – an invasion of a legally protected interest which is (a) concrete and particularized and (b) actual or imminent, not conjectural or hypothetical. Second, there must be a causal connection between the injury and the conduct complained of – the injury has to be fairly traceable to the challenged action of the defendant, and not the result of the independent action of some third party not before the court. Third, it must be likely, as opposed to merely speculative, that the injury will be redressed by a favorable decision.

Sea Pines Assn. for the Protection of Wildlife, Inc. v. S.C. Dept. of Nat. Resources, 345 S.C. 594, 601, 550 S.E.2d 287, 291 (2001) (internal quotes and ellipses omitted). An injury in fact is a particularized harm that affects the plaintiff in a personal and individual way. Id. at 602, 550 S.E.2d at 292. Plaintiffs bear the burden of demonstrating each of the three elements. Sea Pines, 345 S.C. at 601, 550 S.E.2d at 291.

A plaintiff may not sue a defendant with whom he or she has had no dealings because the law precludes a plaintiff from suing a defendant "unless the plaintiff has suffered an injury at the hands of the defendant." Gardner v. S.C. Dept. of Revenue, 353 S.C. 1, 23 n.14, 577 S.E.2d 190, 201 n.14 (2003). In Blum v. Yaretsky, 457 U.S. 991 (1982), the United States Supreme Court explained that

[i]t is not enough that the conduct of which the plaintiff complains will injure *someone*. The complaining party must also show that he is within the class of persons who will be concretely affected. Nor does a plaintiff who has been subject to injurious conduct of one kind possess by virtue of that injury the necessary stake in litigating conduct of another kind, although similar, to which he has not been subject.

Id. at 999 (emphasis in original).

In the present case, when considering solely the allegations made on the face of the First Amended Complaint, each named Plaintiff has sustained no injury from any of the Dealers with which he or she did not conduct any business, and he or she is not in immediate danger of a

direct injury from any of these Dealers. A named Plaintiff cannot establish standing because there simply is no causal connection between the injury alleged (a closing fee illegally charged by a Dealer that sold a vehicle to an individual Plaintiff) and the challenged actions of the other Dealers (which did not sell a vehicle to Plaintiff). The injury suffered by each named Plaintiff is fairly traceable to the challenged action of only the Dealer from which he or she bought a car, not every other Dealer in the state. A decision in the named Plaintiff's favor would not redress the injuries allegedly suffered by people who bought vehicles from other, unrelated Dealers. Furthermore, each named Plaintiff has a personal stake in an action only against the Dealer with which he or she did transact business. The mere fact that other Dealers may charge a closing fee simply does not give Plaintiffs standing to sue every Dealer in the state that charges such a fee.

Accordingly, a named Plaintiff does not have standing to sue, on behalf of himself or others, any Defendant from which a Plaintiff did not purchase a vehicle or transact any business. Stated conversely, a named Plaintiff who alleges he or she has been charged an illegal motor vehicle closing fee has standing to sue, on behalf of himself or others, only the Defendant which sold a vehicle to that particular Plaintiff. As explained further in Section E below, a named Plaintiff may gain standing to sue other Defendants with which he or she did not transact any business if that Plaintiff, during discovery, obtains evidence sufficient to raise a genuine issue of material fact on whether certain Defendants engaged in a civil conspiracy with regard to the charging of a closing fee.

2. Impact of S.C. Code Ann. § 56-15-110(2) on standing

South Carolina Code Ann. § 56-15-110(2) (2006) does not confer standing for Plaintiffs to sue Dealers with which they did not conduct any business. Under § 56-15-110(1), "any person who shall be injured in his business or property by reason of anything forbidden in this

chapter may sue therefor [sic] in the court of common pleas." (Emphasis added.) This subsection simply gives an injured person a right to sue a Dealer with which he or she did business for damages, but in no way indicates that person may sue every other Dealer in South Carolina. To be liable under this provision, a Dealer must have participated in wrongdoing against a Plaintiff who bought a vehicle from that Dealer. Jackson v. Speed, 326 S.C. 289, 302, 486 S.E.2d 750, 756 (1997); Rowe v. Hyatt, 321 S.C. 366, 468 S.E.2d 649 (1996). The named Plaintiffs were not injured in their person or property by dealers with which they did no business. Therefore, Plaintiffs have no claim under § 56-15-110(1) against those Dealers with which they did no business.

MAE
This ruling is consistent with the South Carolina Supreme Court's decision in Gardner v. S.C. Dept. of Revenue, 353 S.C. 1, 577 S.E.2d 190 (2003), in which the plaintiffs brought an action for violations of the South Carolina Debt Setoff Act and, like the Plaintiffs in this case, they sued defendants with which they had not conducted any business. The plaintiffs alleged that public agencies which collected debts by seizing an individual's state income tax refund under the Debt Setoff Act had failed to comply with the Act's notice provisions. The plaintiffs sued defendant class members that had *not* collected debts from them, but had collected debts from other persons using the Act. The Supreme Court held that the plaintiffs could not sue persons who did *not* collect debts from them and at whose hands they had suffered no injury. Gardner, 353 S.C. at 23 n.14, 577 S.E.2d at 201 n.14.

3. Impact of civil conspiracy claim on standing

The mere assertion of a civil conspiracy cause of action does not confer standing on Plaintiffs to sue Dealers with which they did not transact business. Any use of the conspiracy

allegation to circumvent standing requirements would involve applying the "juridical links doctrine."

The South Carolina Supreme Court has expressly rejected the "juridical links" doctrine, finding that it runs counter to previous decisions that a plaintiff may not sue a defendant unless the plaintiff has suffered an injury at the hands of the defendant. Gardner, 353 S.C. at 23 n.14, 577 S.E.2d at 201 n.14; Edisto Fleets, Inc. v. S.C. Tax Commn., 256 S.C. 350, 182 S.E.2d 713 (1971) (plaintiff cannot maintain a class action where record indicates he was not directly harmed by defendant's actions); Furman Univ. v. Livingston, 244 S.C. 200, 136 S.E.2d 254, 256 (1964) (only a taxpayer directly affected by erroneously paying taxes has a right to seek a refund).

Given the Supreme Court's unconditional rejection of the juridical links doctrine, Plaintiffs cannot now rely on a conspiracy allegation to circumvent the standing requirements. Plaintiffs therefore lack standing at this time to bring any cause of action against Dealers with which they did not transact any business.

4. Impact of declaratory judgment action on standing

The mere assertion of a declaratory judgment action does not confer standing on Plaintiffs to sue Dealers with which they did not transact business.

The Declaratory Judgment Act provides:

[a]ny person interested under a deed, will, written contract or other writings constituting a contract or whose rights, status or other legal relations are affected by a statute, municipal ordinance, contract or franchise may have determined any question of construction or validity arising under the instrument, statute, ordinance, contract or franchise and obtain a declaration of rights, status or other legal relations thereunder.

S.C. Code Ann § 15-53-30 (2006). Despite the Act's "broad language, it has limits." Sunset Cay, LLC v. City of Folly Beach, 357 S.C. 414, 423, 593 S.E.2d 462, 466 (2004). An

adjudication that "would not settle the legal rights of the parties would only be advisory in nature and, therefore, would be beyond the intended purpose and scope of [the Act.]" Id.

To state a cause of action under the Declaratory Judgment Act, a party "must demonstrate a justiciable controversy." Id. A justiciable controversy exists "when a concrete issue is present, there is a definite assertion of legal rights and a positive legal duty which is denied by the adverse party." Graham v. State Farm Mutual Ins. Co., 319 S.C. 69, 71, 459 S.E.2d 844, 845 (1995). Additionally, in declaratory judgment actions "[t]he interest of the parties . . . to the subject matter of the controversy must be more than merely general. It must be a substantial, direct, and legally protected present interest in the relief sought." Quinn v. City of Columbia 303 S.C. 405, 407-408, 401 S.E.2d 165, 167 (1991) (holding that subdivision residents lacked standing under the Declaratory Judgment Act to challenge the city's annexation of the subdivision because the residents did not own real property in the subdivision and, therefore, had no "legally protected present interest").

 Because there was no transaction or interaction between the named Plaintiffs and Dealers with which they did no business, Plaintiffs' legal interest with respect to such dealerships is neither concrete nor legally protected and any declaratory judgment would be merely advisory in nature. Plaintiffs' declaratory judgment cause of action is, therefore, an impermissible basis to establish standing against a Dealer with which they did not transact any business.

5. Impact of public interest exception

To establish public interest standing, the reported cases indicate that a government entity or public actor must be a defendant. See e.g. Davis v. Richland County Council, 372 S.C. 497, 642 S.E.2d 740 (2007) (holding county recreation commission members had public interest standing in suit against county regarding the constitutionality of an act changing the authority to

appoint commission members, and citing several cases involving government entities as the defendant). In this case, there is no dispute with governmental entities, public officials, or public bodies. Instead, the lawsuit is an action by private individual plaintiffs against private corporate defendants. Given the well-established general principles on standing outlined above, I find that the public interest exception in this case should not be applied to allow a named Plaintiff to sue Defendants with which that Plaintiff did not transact any business.

C. APPLICABILITY OF RULE 23

Defendants assert that the First Amended Complaint should be dismissed because Plaintiffs have failed to plead the requirements of Rule 23, SCRCPP, or, in the alternative, Plaintiffs must be required to plead and prove the requirements of Rule 23 during the liability or litigation phase of this case.

 In my Order filed August 1, 2007, denying Defendants' motions to dismiss, I ruled that South Carolina Code Ann. § 56-15-110(2) (2006) creates a substantial or substantive right. I further found that Act No. 100 of 1985, 1985 S.C. Acts 277, which enacted the South Carolina Rules of Civil Procedure, did not apply to or affect substantive rights. The 1985 Act did not repeal Section 56-15-110(2). Therefore, Plaintiffs are not required to plead and prove the requirements pertaining to class actions contained in Rule 23, SCRCPP.

I have considered Defendants' arguments to reconsider my ruling regarding Rule 23, SCRCPP. I reaffirm my ruling as set forth in my Order filed August 1, 2007 and deny Defendants' motions to dismiss and to reconsider my earlier ruling on this ground. Plaintiffs are not required to plead and prove the requirements pertaining to class actions contained in Rule 23 SCRCPP during the liability or litigation phase of this case.

D. IMPROPER JOINDER AND VENUE

Defendants contend that the First Amended Complaint should be dismissed against all Defendant dealerships on the ground of improper joinder pursuant to Rules 12(b)(6) and 20(a), SCRCF. Defendants assert that Plaintiffs should be required to refile their Complaints individually in the county of proper venue, i.e., where a given Defendant has its principal place of business. In my Order filed August 1, 2007, denying Defendants' motions to dismiss, I did not explicitly rule on Defendants' motions relating to improper joinder and venue.

I have considered the parties' arguments on this issue, including the arguments made in the various memoranda and hearings listed above. These motions in this case now pertain only to seven Plaintiffs and seven Defendants, given my decision to grant Plaintiffs' motion to voluntarily dismiss all no-sale Defendants in the First Amended Complaint. Accordingly, I will refrain from ruling on these issues until after discovery is completed. Defendants may refile or renew their motions related to dismiss for improper venue and improper joinder at that time.

E. CIVIL CONSPIRACY CLAIM

YAB #12
Defendants assert that Plaintiffs have failed to adequately plead their civil conspiracy claim and so this claim should be dismissed from the First Amended Complaint in its entirety. In my Order filed August 1, 2007, I rejected Defendants' arguments and ruled that Plaintiffs have pleaded a civil conspiracy claim sufficiently to survive a motion to dismiss under Rule 12(b)(6), SCRCF. I reaffirm that ruling, but clarify its extent with regard to Defendants with which the named Plaintiffs did not transact business.

As explained in Section III(B)(3) above, a named Plaintiff may not rely on the mere assertion of an adequately pleaded civil conspiracy claim to obtain standing against no-sale Defendants, i.e., Dealers with which a given Plaintiff did not transact any business. However,

each named Plaintiff has standing to bring and has adequately pleaded in the First Amended Complaint a civil conspiracy claim against the Defendant from which that Plaintiff purchased a vehicle.

If Plaintiffs obtain sufficient evidence during the discovery process to create a genuine issue of material fact on the existence of a civil conspiracy among certain Defendants, then a named Plaintiff at that point would gain standing to sue, on behalf of himself or others, those particular Defendants which allegedly conspired on the charging of a closing fee with the Defendant from which the named Plaintiff purchased a vehicle. The named Plaintiff would not gain standing to sue every other Defendant in the state with which he or she did not transact any business, but only those allegedly involved in a conspiracy with the Defendant from which the Plaintiff did purchase a vehicle. If Plaintiffs do not obtain sufficient evidence of a civil conspiracy, dismissal of this claim pursuant to a summary judgment motion may be appropriate. Defendants may file summary judgment motions related to dismissal of the civil conspiracy claim after discovery is completed and before trial begins. I express no opinion on the validity of any civil conspiracy claim or whether dismissal of the claim ultimately may be appropriate.

F. ARBITRATION AND OTHER GROUNDS FOR DISMISSAL

Numerous Defendants have filed various motions related to arbitration agreements, including motions to dismiss the Complaint for lack of jurisdiction or to compel arbitration based on arbitration clauses found in buyer's orders or invoices and other documents related to the sale or financing of a vehicle. At the hearing on November 30, 2007, I heard arguments from Plaintiff Christine Watts and Defendant Sonic Automotive 2752 Laurens Rd., Greenville, Inc. d/b/a Century BMW, related to the arbitration agreement allegedly signed by Ms. Watts when she purchased a vehicle. I allowed those parties more time to conduct additional discovery,

including depositions, pertaining solely to issues related to the arbitration agreement. No ruling has been issued on the arbitration motion in Ms. Watts' case.

No other arbitration motions from any parties have been heard by the Court. As I previously have stated or ruled at various hearings, no party has waived any substantive or procedural rights or arguments relating to arbitration agreements, including the right to move to compel arbitration. See Green Tree Fin. Corp. v. Bazzle, 539 U.S. 444 (2003). Defendants have been careful throughout this litigation to preserve all rights related to the enforcement of arbitration agreements, as acknowledged on several occasions by Plaintiffs and this Court.

Furthermore, certain Defendants have asserted numerous other arguments and grounds for dismissal in various motions to dismiss and other pleadings filed in response to the Complaint. These other issues have not yet been considered by the Court and are expressly reserved for later review and consideration.

G. DISCOVERY

Discovery has been stayed while the parties and the Court addressed the preliminary issues contained in this Order. Discovery may proceed in this case after the filing of this Order.

IT IS SO ORDERED.



Doyet A. Early, III
Judge of the Second Judicial Circuit

January 31, 2008

IN THE COURT OF COMMON PLEAS

CASE NO. 06-CP-02-1230

MC _____ JR _____

Heather Herron

Dick Dyer, et al

PLAINTIFF(S)

DEFENDANT(S)

CHECK ONE:

- ☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.
- ☐ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.
- ☐ **ACTION DISMISSED** (**CHECK REASON:** ☐ Rule 12(b), SCRPC; ☐ Rule 41(a), SCRPC (Vol. Nonsuit); ☐ Rule 43(k), SCRPC (Settled); ☐ Other _____)
- ☐ **ACTION STRICKEN** (**CHECK REASON:** ☐ Rule 40(i), SCRPC; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other _____)

IT IS ORDERED AND ADJUDGED: ☐ See attached order; ☐ Statement of Judgment by the Court

Dated at _____ South Carolina, this _____ day of _____, 20____.

PRESIDING JUDGE

This judgment/order was entered/filed on the 4 day of Feb, 2008, and a copy mailed/hand-delivered/boxed this 4 day of Feb, 2008 to attorneys of record or to parties (when appearing pro se) as follows:

see attached

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

L. J. Hedard
CLERK OF COURT

By: DeAnn Nixon
DEPUTY CLERK

Carmax Attorney List

**Rush Smith
Nelson Mullins
1320 Main Street
Meridian Building 17th Floor
Columbia, SC 29201**

**Michael M. Nunn, Esquire
Aiken, Bridges, Nunn, Elliott, & Tyler PA
233 North Main St. Ste. 200
Greenville, SC 29603**

**C.E. Hardin, Jr.
Merritt, Flebotte, Wilson, Webb, & Caruso PLLC
1122 Lady Street 4th Floor
Columbia, SC 29211**

**Robert Reibold
PO Box 61140
Columbia, SC 29260**

**Paul H. Infinger, Esquire
PO Box 1537
Beaufort, SC 29901**

**William M. Bowen
PO Box 6128
Hilton Head Island, SC 29938**

**Alice F. Paylor, Esquire
PO Box 893
Charleston, SC 29402**

**Frank S. Potts, Esquire
PO Box 11886
Columbia, SC 29211**

**Low Country Mazda
1078 Johnny Dodds Blvd.**

Mt. Pleasant, SC 29464

**Joe Gibson Suzuki
489 West Main Street
Spartanburg, SC 29301**

**Wallace White Pontiac Buick GMC
730 Chesnee HWY
Gaffney, SC 29341-2711**

**Lawrence Chevrolet Pontiac
299 HWY 601 North
Pageland, SC 29728**

**Kia of Florence
3704 East Palmetto Street
Florence, SC 29506**

**Service Motor Company Inc
160 East Main Street
Pamplico, SC 29583**

**Kia of Myrtle Beach
1297 HWY 501
Myrtle Beach, SC 29577**

**Sparks Toyota, Inc.
4855 Hwy 501
Myrtle Beach, SC 29579**

**Jeffrey Dean Chrysler Dodge Jeep GMC
1426 Wilson Road
Newberry, SC 29108**

**Honda Cars of Columbia
178 Greystone Blvd.
Columbia, SC 29210**

**Joe Gibson Mitsubishi
489 West Main Street
Spartanburg, SC 29301**

**Kia of Greer
504 East Wade Hampton Blvd.**

Greer, SC 29651

Toyota of Greer
955 East Wade Hampton Blvd.
Greer, SC 29651

Union Chrysler Dodge Jeep Inc.
1246 South Duncan By Pass
Union, SC 29379

Raceway Chrysler Jeep Dodge, Inc.
900 East Bobo Newsom Hwy.
Hartsville, SC 29551

Raceway Ford
701 South Governor Williams Hwy
Darlington, SC 29532

Raceway Chevrolet Pontiac Buick GMC
410 West Main Street
Lake City, SC 29560

Saturn of Charleston
8261 Rivers Avenue
North Charleston, SC 29406

Whittle Motor Company
12 East Main Street
Williston, SC 29853

Low Country Volkswagen
1001 Johnnie Dodds Blvd
Mount Pleasant, SC 29464

Victory Hyundai of Charleston
1940 Savannah Highway
Charleston, SC 29407

Tison Motor Company
710 Ewest Railroad Avenue South
Estill, SC 29918

H&H Chevrolet
7491 Kershaw Camden Highway
Kershaw, SC 29067

Spartanburg Dodge
1035 North Church Street
Spartanburg, SC 29303

Dunlap Johnson Chevrolet
919 East Liberty
York, SC 29745

Modern Classic Motors, Inc.
Margaret A. Rapp
355 W.M. Hilton Parkway
Hilton Head Island, SC 29926

Rodger Shiflett Ford, Inc.
Roger E. Shiflett
1577 Twin Bridge Road
Gaffney, SC 29341

Wilson Chrysler Dodge Jeep, Inc.
Hiram F. Wilson, Jr.
238 Congress Street
Winnsboro, SC 29180

Floyd Motor Co. Inc.
Joe F. Boswell
211 Armour Street
Lake City, SC 29560

Heritage Lincoln Mercury, Inc.
P O Box 743937
Dallas, TX 75374

C. Thompson Automotive, Inc.
A Claude Thompson
1706 Montague Avenue
Greenwood, SC 29649

Boyle Toyota
Barnes Boyle, Jr.
320 N. Main St.
Sumter, SC 29150

Carolina Mazda, Inc.

830 N. Anderson Rd.
Rock Hill, SC 29730

Clinton Family Ford Lincoln Mercury Rock Hill
John R. Clinton
1884 Canterbury Glen Lane
Rock Hill, SC 29730-708

Atlantic Ford, LLC
R. Bradley Creger
5 Radcliffe St.
Charleston, SC 29403

Diamond Automotive Group
Alvin H. Shuman
2515 Hwy 501
Conway, SC 29526

Elrod Pontiac/Buick/GMC, Inc.
William T. Elrod, Sr.
845 Hwy 9 Pass East
Lancaster, SC 29720

Crane Chevrolet Oldsmobile-Cadillac, Inc.
W.C. Crane
1600 East Main St.
Easley, SC 29640

Dickerson Motor Company
D.M. Dickerson, Jr.
60 N. Congress St.
York, SC 29745

Michael Spears, PA
PO Box 5806
Spartanburg, SC 29304

Gedney M. Howe, III, PA
PO Box 1034
Charleston, SC 29402

Richard A. Harpootlian, PA
PO Box 1090
Columbia, SC 29202

William S. Barr, Esquire

PO Box 1037
Charleston, SC 29401

Capers G. Barr, Esquire
PO Box 1037
Charleston, SC 29401

J. Gregory Studemeyer, Esquire
PO Box 12201
Columbia, SC 29211

Susan C. Rosen, Esquire
PO Box 1840
Charleston, SC 29402

Ronald J. Tyron, Esquire
1201 Main St., Ste. 1450
Columbia, SC 29202-1509

James Y. Becker
1201 Main St. 22nd Floor
Columbia, SC 29201

Harvey G. Sanders, Jr
The Leatherwood Plaza
300 East McBee Ave., Ste. 500
Greenville, SC 29601

Sarah U. Shiflett P.A.
205 West Meadow Street
Gaffney, SC 29341

Karl S. Brehmer, Esquire
PO Box 7966
Columbia, SC 29202

Brad Martin
PO Box 10410
Greenville, SC 29603

Steve Hamm
PO Drawer 7788
Columbia, SC 29202

Matthew N. Tyler
181 East Evans St., Ste. 409

Florence, SC 29506

Henry E. Grimball
5 Exchange Street
Charleston, SC 29401

Clay Walker
PO Box 61140
Columbia, SC 29260

Alexander T. Beard, Esquire
1002 Anna Knapp Blvd., Ste. 6
Mt. Pleasant, SC 29465

H. Clayton Walker, Jr.
Post Office Box 61140
Columbia, South Carolina 29260

STATE OF SOUTH CAROLINA

IN THE COURT OF COMMON PLEAS

COUNTY OF AIKEN

Case No. 2006-CP-02-1230

Heather Herron, *et al.*,

Plaintiffs,

vs.

Car Max Auto Superstores, Inc., *et al.*,

Defendants.

**ORDER REGARDING
ARBITRATION MOTIONS**

STATE OF SOUTH CAROLINA
COUNTY OF AIKEN

I, L. L. Godard, Clerk of Court of Common Pleas and General Sessions for Aiken County, South Carolina do hereby certify that the foregoing constitutes a true and correct copy of the original documents which have been filed in my office this

MAY - 2 2007

L. L. Godard
C.C.C.P. & G.A., Aiken County, S.C.
Barbara Riggins
Deputy Clerk

THIS MATTER came before the Court for hearing on Wednesday, April 4, 2007 on Defendants' Motions to Dismiss. At the hearing, Richard Ness, on behalf of Gene Reed Imports and Rush Smith, on behalf of James Ervin Toyota, raised their previously filed Motions to Dismiss based on the issue of the arbitration agreements between their clients and the customers of their clients. Additionally, Defendant Century BMW previously filed a Motion to Compel Arbitration. Other Defendants have also filed Motions to Dismiss or have reserved the right to present motions on the issue concerning arbitration.

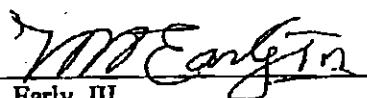
Plaintiffs' counsel requested that Defendants provide the applicable arbitration agreements, including blank copies of any arbitration agreements used by the dealer since October 16, 2002. Defendants' counsel agreed to provide the relevant information.

Additionally, Defendants' counsel indicated that Plaintiffs' counsel had been soliciting additional clients and requested that Plaintiffs' counsel provide the names of persons they might propose as additional Plaintiffs with claims against their respective dealerships. Plaintiffs' counsel agreed to provide the names of Plaintiffs already identified by April 13, 2007.

FILED 5-2-2007
L. L. Godard
C.C.C.P. & G.A.
in 8:30 AM

IT IS HEREBY ORDERED, ADJUDGED and DECREED that Plaintiffs' counsel will provide Defendants with the names of all additional persons that they may move to add as plaintiffs in this matter by May 29, 2007. Nothing herein shall prevent Plaintiffs' counsel from disclosing this information prior to that date. Defendants' counsel will provide a copy of any applicable arbitration agreements to Plaintiffs' counsel. All arbitration agreements will be subject to a separately filed Protective Order.

The Court will hear any motions regarding these arbitration agreements, including motions to compel arbitration or to dismiss, as soon as a date can be reasonably scheduled after May 29. All briefs shall be exchanged so as to be received by opposing counsel no later than fifteen (15) days prior to the date of the hearing to allow for the filing of responses.


Doyet A. Early, III

, South Carolina

April 2, 2007

IN THE COURT OF COMMON PLEAS

CASE NO. 06-CP-02-1230

MC _____ JR _____

Heather Henson, et al

Car Max Auto Superstores,
Inc et al

PLAINTIFF(S)

DEFENDANT(S)

CHECK ONE:

☐ JURY VERDICT. This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

☒ DECISION BY THE COURT. This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

☐ ACTION DISMISSED (CHECK REASON): ☐ Rule 12(b), SCRCF; ☐ Rule 41(a), SCRCF (Vol. Nonsuit); ☐ Rule 43(k), SCRCF (Settled); ☐ Other _____

☐ ACTION STRICKEN (CHECK REASON): ☐ Rule 40(j), SCRCF; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other _____

IT IS ORDERED AND ADJUDGED: ☐ See attached order; ☐ Statement of Judgment by the Court: _____

Dated at _____ South Carolina, this _____ day of _____, 20____

PRESIDING JUDGE

This judgment/order was entered/filed on the 2 day of May, 2007, and a copy mailed/hand-delivered/boxed this 2 day of May, 2007 to attorneys of record or to parties (when appearing pro se) as follows:

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

Liz Hedard
CLERK OF COURT

SCRCF APP-24

By Bartara Riggs
DEPUTY CLERK

OF SOUTH CAROLINA)

IN THE COURT OF COMMON PLEAS

OF AIKEN)

Heather Herron, Natalie Armstrong,
and Alison Dannert individually and for the
benefit of all car buyers whom paid
"administrative fees" as described below to
Defendants,)

CIVIL ACTION COVERSHEET

vs.)

06-CP-02-1230

CarMax Auto Superstores, Inc., et al
Defendant(s))

(Please Print)

Submitted By: Brady R. Thomas

SC Bar #: 68304

Address: LEWIS & BABCOCK, LLP

Telephone #: (803)771-8000

Post Office Box 11208

Fax #: (803)733-3534

Columbia, South Carolina 29211

Other:

E-mail: BRT@lewisbabcock.com

**COPY
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AUG 29 2006

**AIKEN COUNTY
CLERK OF COURT**

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for the use of the Clerk of Court for the purpose of docketing. It must be filled out completely, signed, and dated. A copy of this cover sheet must be served on the defendant(s) along with the Summons and Complaint.

DOCKETING INFORMATION (Check all that apply)

**If Action is Judgment/Settlement do not complete*

☒ JURY TRIAL demanded in complaint.

☐ NON-JURY TRIAL demanded in complaint.

☐ This case is subject to ARBITRATION pursuant to the Circuit Court Alternative Dispute Resolution Rules.

☒ This case is subject to MEDIATION pursuant to the Circuit Court Alternative Dispute Resolution Rules.

☐ This case is exempt from ADR (certificate attached).

NATURE OF ACTION (Check One Box Below)

Contracts

- ☐ Construction (100)
☐ Debt Collection (110)
☐ Employment (120)
☐ General (130)
☐ Wrongful Breach (140)
☐ Other (199)

Torts - Professional Malpractice

- ☐ Dental Malpractice (200)
☐ Legal Malpractice (210)
☐ Medical Malpractice (220)
☐ Other Malpractice (299)

Torts - Personal Injury

- ☐ Assault/Slander/Libel (300)
☐ Conversion (310)
☐ Motor Vehicle Accident (320)
☐ Premises Liability (330)
☐ Products Liability (340)
☐ Other (399)

Real Property

- ☐ Claim & Delivery (400)
☐ Condemnation (410)
☐ Foreclosure (420)
☐ Mechanic's Lien (430)
☐ Partition (440)
☐ Possession (450)
☐ Building Code Violation (460)
☐ Other (499)

Inmate Petitions

- ☐ PCR (500)
☐ Sexual Predator (510)
☐ Mandamus (520)
☐ Habeas Corpus (530)
☐ Other (599)

Judgments/Settlements

- ☐ Death Settlement (700)
☐ Foreign Judgment (710)
☐ Magistrate's Judgment (720)
☐ Minor Settlement (730)
☐ Transcript Judgment (740)
☐ Lis Pendens (750)
☐ Other (799)

Administrative Law/Relief

- ☐ Reinstate Driver License (800)
☐ Judicial Review (810)
☐ Relief (820)
☐ Permanent Injunction (830)
☐ Forfeiture (840)
☐ Other (899)

Appeals

- ☐ Arbitration (900)
☐ Magistrate-Civil (910)
☐ Magistrate-Criminal (920)
☐ Municipal (930)
☐ Probate Court (940)
☐ SCDOT (950)
☐ Worker's Comp (960)
☐ Zoning Board (970)
☐ Administrative Law Judge (980)
☐ Public Service Commission (990)
☐ Employment Security Comm (991)
☐ Other (999)

Special/Complex/Other

- ☐ Environmental (600)
☐ Automobile Arb (610)
☐ Federal (620)
☒ Other (699) *Declaratory Judgment*
☐ Pharmaceuticals (630)
☐ Unfair Trade Practices (640)
☐ Out-of-State Depositions (650)

Submitting Party Signature: Brady R. Thomas

Date: August 28, 2006

Note: Frivolous civil proceedings may be subject to sanctions pursuant to SCRPC, Rule 11, and the South Carolina Frivolous Civil Proceedings Sanctions Act, S.C. Code Ann. § 15-36-10 et seq.

***FOR MANDATED ADR COUNTIES ONLY**

Florence, Horry, Lexington, Richland, Greenville**, and Anderson**

** Contact Respective County Clerk of Court for modified ADR Program Rules

SUPREME COURT RULES REQUIRE THE SUBMISSION OF ALL CIVIL CASES TO AN ALTERNATIVE DISPUTE RESOLUTION PROCESS, UNLESS OTHERWISE EXEMPT.

You are required to take the following action(s):

- 1 The parties shall select a neutral within 210 days of filing of this action, and the Plaintiff shall file a "Stipulation of Neutral Selection" on or before the 224th day after the filing of the action. If the parties cannot agree upon the selection of the neutral within 210 days, the Plaintiff shall notify the Court by filing a written "Request for the Appointment of a Neutral" on or before the 224th day after the filing of this action. The Court shall then appoint a neutral from the Court-approved mediator/arbitrator list.
- 2 The initial ADR conference must be held within 300 days after the filing of the action
- 3 Cases are exempt from ADR only upon the following grounds:
 - a. Special proceeding, or actions seeking extraordinary relief such as mandamus, habeas corpus, or prohibition;
 - b. Cases which are appellate in nature such as appeals or writs of certiorari;
 - c. Post Conviction relief matters;
 - d. Contempt of Court proceedings;
 - e. Forfeiture proceedings brought by the State;
 - f. Cases involving mortgage foreclosures; and
 - g. Cases that have been submitted to mediation with a certified mediator prior to the filing of this action.
- 4 Motion of a party to be exempt from payment of neutral fees due to indigency should be filed with the Court within ten (10) days after the ADR conference had been concluded.

Please Note: You must comply with the Supreme Court Rules regarding ADR. Failure to do so may affect your case or may result in sanctions.

STATE OF SOUTH CAROLINA)

COUNTY OF AIKEN)

Heather Herron, Natalie Armstrong,)
Alison Dannert, Michael Ritz individually)
and for the benefit of all car buyers whom)
paid "administrative fees" as described)
below to Defendants.)

Plaintiffs,)

v.)

Defendant CarMax Auto Superstores, Inc.,)
Defendant Dick Dyer & Associates, Inc.,)
Defendant Dick Smith Motors, Inc.,)
Defendant Galeana Chrysler-Jeep, Inc.,)
Defendant Galeana Chrysler-Plymouth, Inc.,)
Defendant Pulliam Motor Co., Defendant)
Ben Satcher Motors, Inc., Defendant Dick)
Smith Infiniti, Inc., Defendant Dick Smith)
Nissan of Lexington, Inc., Defendant Dick)
Smith Nissan, Inc., Defendant Land Rover)
of Columbia, Defendant Toyota Center,)
LLC, Defendant Stokes Automotive, Inc.,)
Defendant Stokes Motors, Inc., Defendant)
Stokes-Craven Automotive, Inc.,)
Defendant Stokes Mazda, Inc., Defendant)
Palmetto Chevrolet Company, Inc.,)
Defendant Palmetto Nissan, Inc.,)
Defendant Palmetto Ford, Inc.,)
Defendant Jones Ford, Inc., Defendant)
Harold Arnold's SENTRY Buick, Inc.,)
Defendant J. L. Investments, LP,)
Defendant Rick Hendrick Chevrolet,)
LP, Defendant Oak Tree, Inc., Defendant)
Gene Reed Imports, Inc., Defendant)
Hoover Jeep Chrysler, Inc., Defendant)
Hoover Motors, Inc., Defendant)
Hoover Chrysler-Dodge, Inc., Defendant)
Strom Altman Dodge, Inc., Defendant)
Baker Motor Company of Charleston, Inc.,)

IN THE COURT OF COMMON PLEAS

Civil Action No.: 06-CP-02-1230

SUMMONS

(Jury Trial Demanded)

COPY
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AUG 29 2006
10:10 am
AIKEN COUNTY
CLERK OF COURT

Defendant Miller Cadillac, Inc., Defendant)
 Benson Chrysler-Plymouth, Inc. Defendant)
 Benson Ford Mercury, Inc., Defendant)
 Benson Cadillac-Nissan, Inc., Defendant)
 Big "O" Dodge of Greenville, Inc.,)
 Defendant Bradshaw Automotive Group, Inc.)
 , Defendant Bradshaw Ford, LLC, Defendant)
 Spartanburg Chrysler Jeep, Inc., Defendant)
 Kia of Anderson, LLC, Defendant Toyota)
 of Greenville, Inc., Defendant Toyota of)
 Easley, Inc., Defendant Woodruff Chevrolet,)
 Inc., Defendant Farrell Automotive, Inc.,)
 Defendant Fairway Ford, Inc., Defendant)
 Carlton Motorcars, Inc., Defendant Saturn)
 of Greenville, Inc., Defendant Steve White)
 Motors of South Carolina, Inc., Defendant)
 D&D Motors, Inc., Defendant Burns)
 Chrysler Dodge Jeep, LLC, Defendant)
 Burns Chevrolet-Cadillac, Inc.,)
 Defendant John Finger Motors, Inc.)
 and all motor vehicle dealers as defined in)
 S.C. Code Ann. §56-15-10(h))
)
 Defendants.)
)

TO: THE DEFENDANTS ABOVE-NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action,
 a copy of which is hereby served upon you, and to serve a copy of your Answer to said
 Complaint on the subscriber at their offices, 1513 Hampton Street, Post Office Box 11208,
 Columbia, South Carolina, 29211, within Thirty (30) days after the service hereof, exclusive of
 the date of such service; and if you fail to answer the Complaint within the time aforesaid,
 judgment by default will be rendered against you for the relief demanded in the Complaint.

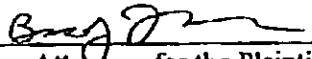
(Signature Block on Next Page)

MICHAEL SPEARS, PA
Michael E. Spears
Post Office 5806
Spartanburg, SC 29304
(864)583-3235

GEDNEY M. HOWE, III, PA
Gedney M. Howe, III
Post Office Box 1034
Charleston, SC 29402
(843)722-8048

RICHARD A. HARPOOTLIAN, PA
Richard A. Harpootlian
P.O. Box 1090
Columbia, SC 29202
(803)252-4848

LEWIS & BABCOCK, L.L.P.
A. Camden Lewis
Brady R. Thomas
1513 Hampton Street
Post Office Box 11208
Columbia, SC 29211
(803)771-8000

By: 
Attorneys for the Plaintiffs

August 28, 2006
Columbia, South Carolina

STATE OF SOUTH CAROLINA)

COUNTY OF AIKEN)

Heather Herron, Natalie Armstrong,)
Alison Dannert, Michael Ritz individually)
and for the benefit of all car buyers whom)
paid "administrative fees" as described)
below to Defendants.)

Plaintiffs,)

v.)

Defendant CarMax Auto Superstores, Inc.,)
Defendant Dick Dyer & Associates, Inc.,)
Defendant Dick Smith Motors, Inc.,)
Defendant Galeana Chrysler-Jeep, Inc.,)
Defendant Galeana Chrysler-Plymouth, Inc.,)
Defendant Pulliam Motor Co., Defendant)
Ben Satcher Motors, Inc., Defendant Dick)
Smith Infiniti, Inc., Defendant Dick Smith)
Nissan of Lexington, Inc., Defendant Dick)
Smith Nissan, Inc., Defendant Land Rover)
of Columbia, Defendant Toyota Center,)
LLC, Defendant Stokes Automotive, Inc.,)
Defendant Stokes Motors, Inc., Defendant)
Stokes-Craven Automotive, Inc.,)
Defendant Stokes Mazda, Inc., Defendant)
Palmetto Chevrolet Company, Inc.,)
Defendant Palmetto Nissan, Inc.,)
Defendant Palmetto Ford, Inc.,)
Defendant Jones Ford, Inc., Defendant)
Harold Arnold's Sentry Buick, Inc.,)
Defendant J. L. Investments, LP,)
Defendant Rick Hendrick Chevrolet,)
LP, Defendant Oak Tree, Inc., Defendant)
Gene Reed Imports, Inc., Defendant)
Hoover Jeep Chrysler, Inc., Defendant)
Hoover Motors, Inc., Defendant)
Hoover Chrysler-Dodge, Inc., Defendant)
Strom Altman Dodge, Inc., Defendant)
Baker Motor Company of Charleston, Inc.,)

IN THE COURT OF COMMON PLEAS

Civil Action No : 06-CP-02-1230

COMPLAINT

(Jury Trial Demanded)

COPY
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AUG 29 2006
10:10 AM
AIKEN COUNTY
CLERK OF COURT

Defendant Miller Cadillac, Inc., Defendant)
 Benson Chrysler-Plymouth, Inc. Defendant)
 Benson Ford Mercury, Inc., Defendant)
 Benson Cadillac-Nissan, Inc., Defendant)
 Big "O" Dodge of Greenville, Inc.,)
 Defendant Bradshaw Automotive Group, Inc.)
 , Defendant Bradshaw Ford, LLC, Defendant)
 Spartanburg Chrysler Jeep, Inc., Defendant)
 Kia of Anderson, LLC, Defendant Toyota)
 of Greenville, Inc., Defendant Toyota of)
 Easley, Inc., Defendant Woodruff Chevrolet,)
 Inc., Defendant Farrell Automotive, Inc.,)
 Defendant Fairway Ford, Inc., Defendant)
 Carlton Motorcars, Inc., Defendant Saturn)
 of Greenville, Inc., Defendant Steve White)
 Motors of South Carolina, Inc., Defendant)
 D&D Motors, Inc., Defendant Burns)
 Chrysler Dodge Jeep, LLC, Defendant)
 Burns Chevrolet-Cadillac, Inc.,)
 Defendant John Finger Motors, Inc.)
 and all motor vehicle dealers as defined in)
 S.C. Code Ann. §56-15-10(h))
)
 Defendants.)
)

Plaintiffs Heather Herron, Natalie Armstrong, Alison Dannert and Michael Ritz
 individually and pursuant to S.C. Code Ann. §56-5-110 for the benefit of all others whom paid
 "administrative fees" (often referred to as an "administrative fee," a "recording and processing
 fee," "closing fee," "dealer documentation and closing fee" (collectively "administrative fees"))
 to Defendants hereby complaining of Defendant CarMax Auto Superstores, Inc., Defendant Dick
 Dyer & Associates, Inc., Defendant Dick Smith Motors, Inc., Defendant Galeana Chrysler-Jeep,
 Inc., Defendant Galeana Chrysler-Plymouth, Inc., Defendant Pulliam Motor Co., Defendant Ben
 Satcher Motors, Inc., Defendant Dick Smith Infiniti, Inc., Defendant Dick Smith Nissan of
 Lexington, Inc., Defendant Dick Smith Nissan, Inc., Defendant Land Rover of Columbia,

Defendant Toyota Center, LLC, Defendant Stokes Automotive, Inc., Defendant Stokes Motors, Inc., Defendant Stokes-Craven Automotive, Inc., Defendant Stokes Mazda, Inc., Defendant Palmetto Chevrolet Company, Inc., Defendant Palmetto Nissan, Inc., Defendant Palmetto Ford, Inc., Defendant Jones Ford, Inc., Defendant Harold Arnold's Sentry Buick, Inc., Defendant J. L. Investments, LP, Defendant Rick Hendrick Chevrolet, LP, Defendant Oak Tree, Inc., Defendant Gene Reed Imports, Inc., Defendant Hoover Jeep Chrysler, Inc., Defendant Hoover Motors, Inc., Defendant Hoover Chrysler-Dodge, Inc., Defendant Strom Altman Dodge, Inc., Defendant Baker Motor Company of Charleston, Inc., Defendant Miller Cadillac, Inc. Defendant Benson Chrysler-Plymouth, Inc. Defendant Benson Ford Mercury, Inc., Defendant Benson Cadillac-Nissan, Inc., Defendant Big "O" Dodge of Greenville, Inc., Defendant Bradshaw Automotive Group, Inc., Defendant Bradshaw Ford, LLC, Defendant Spartanburg Chrysler Jeep, Inc., Defendant Kia of Anderson, LLC, Defendant Toyota of Greenville, Inc., Defendant Toyota of Easley, Inc., Defendant Woodruff Chevrolet, Inc., Defendant Farrell Automotive, Inc., Defendant Fairway Ford, Inc., Defendant Carlton Motorcars, Inc., Defendant Saturn of Greenville, Inc., Defendant Steve White Motors of South Carolina, Inc., Defendant D&D Motors, Inc., Defendant Burns Chrysler Dodge Jeep, LLC, Defendant Burns Chevrolet-Cadillac, Inc., Defendant John Finger Motors, Inc (collectively "Defendants"), would respectfully show that:

PARTIES

1. Plaintiff Heather Herron is a citizen and resident of Richland County, South Carolina.
2. Plaintiff Natalie Armstrong is a citizen and resident of Richland County, South Carolina.

3. Plaintiff Alison Dannert is a citizen and resident of Spartanburg County, South Carolina.

4. Plaintiff Michael Ritz is a citizen and resident of Aiken County, South Carolina

5. Defendant CarMax Auto Superstores, Inc. is a licensed motor vehicle dealer and corporation organized and existing under the laws of the State of Virginia with places of business in Richland County and Greenville County, South Carolina. Defendant CarMax Auto Superstores, Inc.

6. Defendant Dick Dyer & Associates, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

7. Defendant Dick Smith Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

8. Defendant Galeana Chrysler-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

9. Defendant Galeana Chrysler-Plymouth, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

10. Defendant Pulliam Motor Co. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

11. Defendant Ben Satcher Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

12. Defendant Dick Smith Infiniti, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

13. Defendant Dick Smith Nissan of Lexington, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

14. Defendant Dick Smith Nissan, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

15. Defendant Land Rover of Columbia is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

16. Defendant Toyota Center, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina. W. Columbia.

17. Defendant Stokes Automotive, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

18. Defendant Stokes Motors, Inc. is a licensed motor vehicle dealer and a

corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Clarendon County, South Carolina.

19. Defendant Stokes-Craven Automotive, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Clarendon County, South Carolina.

20. Defendant Stokes Mazda, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

21. Defendant Palmetto Chevrolet Company, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

22. Defendant Palmetto Nissan, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

23. Defendant Palmetto Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

24. Defendant Jones Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

25. Defendant Harold Arnold's Sentry Buick, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina

with its principal place of business in Charleston County, South Carolina.

26. Defendant J. L. Investments, LP of Charleston is a licensed motor vehicle dealer and a limited partnership organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

27. Defendant Rick Hendrick Chevrolet, LP is a licensed motor vehicle dealer and a limited partnership organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

28. Defendant Oak Tree, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

29. Defendant Gene Reed Imports, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

30. Defendant Hoover Jeep Chrysler, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

31. Defendant Hoover Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

32. Defendant Hoover Chrysler-Dodge, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

33. Defendant Strom Altman Dodge, Inc. is a licensed motor vehicle dealer and a

corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

34. Defendant Baker Motor Company of Charleston, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

35. Defendant Miller Cadillac, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

36. Defendant Taylor Investments, Inc. (d/b/a Taylor Toyota, Inc.) is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

37. Defendant Benson Chrysler-Plymouth, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

38. Defendant Benson Ford Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

39. Defendant Benson Cadillac-Nissan, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

40. Defendant Big "O" Dodge of Greenville, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

41. Defendant Bradshaw Automotive Group, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

42. Defendant Bradshaw Ford, LLC. is a licensed motor vehicle dealer and a limited liability company organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

43. Defendant Spartanburg Chrysler Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

44. Defendant Kia of Anderson, LLC is a licensed motor vehicle dealer and a limited liability company organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

45. Defendant Toyota of Greenville, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

46. Defendant Toyota of Easley, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

47. Defendant Woodruff Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

48. Defendant Farrell Automotive, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its

principal place of business in Spartanburg County, South Carolina.

49. Defendant Fairway Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

50. Defendant Carlton Motorcars, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

51. Defendant Saturn of Greenville, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

52. Defendant Steve White Motors of South Carolina, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

53. Defendant D&D Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

54. Defendant Burns Chrysler Dodge Jeep, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

55. Defendant Burns Chevrolet-Cadillac, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

56. Defendant John Finger Motors, Inc. is a licensed motor vehicle dealer and

a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

FACTS

57. Defendants have conspired together in a common scheme designed to deceive all car buyers (the term "car" as used herein includes new and used cars, trucks, sport utility vehicles and automobiles of all kinds). These actions amount to concerted consumer fraud.

58. Each individual Defendant's conduct vis-a-vis' all consumers was the product of unfair and unconscionable business practices.

59. The Defendants have resorted to deceptive practices in order to maintain the revenue streams of years past.

60. Defendants have all engaged in a common practice of presenting car prices in a manner designed to mislead. Defendants advertise and set a sticker price for cars but are deceptively adding a second fee (often referred to as an "administrative fee," a "recording and processing fee," "closing fee," "dealer documentation and closing fee" (collectively "administrative fees")) in an effort to mislead car buyers. This practice is a deceptive way to secretly artificially raise the sticker price.

61. Defendants conduct is not unlike that found to be an unfair trade practice by an Ohio Court in *Motzer Dodge Jeep Eagle, Inc. v. Ohio Attorney General*, 642 N.E.2d 20 (Oh.Ct.App. 1994).

62. Defendants' placement of the "administrative fee" is deceptive in that it implies that the fee is separate and distinct from the general overhead that car buyers expect to be included within the sticker price for a car and the set fee is mandatory

63. The "administrative fees" are not separate and distinct from Defendants' general

overhead expected to be included in the overhead and are tricky and deceptive add-ons.

64. The "administrative fees" are presented to car buyers in an effort designed to mislead car buyers into believing the administrative fees are mandatory fees required to be paid on every car such as taxes and license fees.

65. The "administrative fees" are also charged in addition to advertised and/or list prices for cars.

66. The "administrative fees" are deliberately placed as separate line items on Defendants' invoices along with mandatory fees such as taxes, tags, and title. This implies that the "administrative fees" like the payment of taxes, fees for tags and fees for obtaining title are separate set fees and that there is no option but to pay this fee with every car purchase.

67. Consequently, car buyers purchase cars based on the total sticker price and are misled into believing that any discount received is off the sticker price and that additional fees are a special mandatory fee.

68. If a customer inquires about the fee, Defendants' sales people say that the "administrative fee" is a standard fee that has to be included on every vehicle.

69. Plaintiff Heather Herron purchased a 2003 Land Rover SUV from Land Rover of Columbia.

70. Plaintiff Herron's sales invoice includes a separate line item for "Recording & Processing Fees." The "Recording & Processing Fees" line item is pre-printed and deceptively placed with fees for SC Sales Tax, Title, and License. This Recording & Processing Fees is an "administrative fee" as described above.

71. Plaintiff Alison Dannert purchased a Nissan Murano from Defendant CarMax Auto Superstores, Inc in Greenville, South Carolina

72. Plaintiff Alison Dannert's sales invoice includes a separate line item for Dealer Documentation/ Processing Fee. This fee is pre-printed and deceptively placed with fees for tax, title and license. This Dealer Documentation/ Processing Fee is an "administrative fee" as described above.

73. Plaintiff Natalie Armstrong purchased a 2002 Jeep Liberty from Galeana Chrysler-Jeep, Inc.

74. Defendant Galeana Chrysler-Jeep, Inc.'s sales invoice includes a separate line item for Admin. Fee. This Admin. Fee is an "administrative fee" as described above.

75. Plaintiff Michael Ritz purchased a Tacoma pickup truck from Defendant Taylor Investments, Inc. (d/b/a Taylor Toyota, Inc.).

76. Defendant Taylor Investments Inc.'s sales invoice includes a separate line item for Administrative Serves Fee. This Administrative Services Fee is an "administrative fee" as described above.

77. Upon information and belief, Defendants each annually illegally make several hundred thousand dollars off the deceptive use and placement of the "administrative fee" line item and said illegal fees should be disgorged.

FOR A FIRST CAUSE OF ACTION
(Violations of S.C. Code Ann §56-15-10 *et. seq.*)

78. The allegations set forth in the paragraphs above are incorporated herein as if set forth verbatim.

79. Defendants are motor vehicle dealers subject to Title 56 of the S.C. Code.

80. The Defendants deceptive use of "administrative fees" is arbitrary, in bad faith and unconscionable and in violation of S.C. Code Ann. §56-15-40

81. The Defendants use and presentation of the administrative fees is designed to deceive and/or mislead car buyers.

82. The Defendants conspired together to all apply similar administrative fees in an effort to cause damage to South Carolina car buyers.

83. This suit is brought pursuant to S.C. Code Ann. §56-15-110(2) for the benefit of the whole because the action is one of common or general interest to many persons and the parties are numerous and it is impracticable to bring them all before the Court

84. Accordingly, Plaintiffs are suing for the benefit of all South Carolina car buyers whom paid administrative fees to Defendants and against all motor vehicle dealers as defined in S.C. Code Ann. §56-15-10(h).

85. Plaintiffs and all South Carolina car buyers whom paid administrative fees to Defendants in the past four years have been injured by Defendants deceptive acts as described above.

86. As a result of the aforementioned conduct of Defendants, Plaintiffs are entitled to double actual damages, the cost of the suit and a reasonable attorney's fee pursuant to S.C. Code Ann. §56-15-110(1).

87. Furthermore, the aforementioned conduct of Defendants was malicious. Thus, Plaintiffs are entitled to punitive damages in the amount of three times the actual damages pursuant to S.C. Code Ann. §56-15-110(3).

FOR A SECOND CAUSE OF ACTION
(Declaratory Judgment)

88. The allegations set forth in the paragraphs above are incorporated herein as if set forth verbatim.

89. This cause of action seeks a declaratory judgment for the purposes of determining a question of actual controversy between all parties.

90. Plaintiffs seek a determination of their rights and legal relations with the Defendants under S.C. Code Ann. §56-15-10 *et seq*

91. Plaintiffs seek a determination of the following questions: Does Defendants charging of "administrative fees," and further acts as described above, violate S.C. Code Ann. §56-15-10 *et seq*.

92. Plaintiffs seek a declaratory judgment from this Court that:

- a. A permanent injunction issue preventing Defendants from deceptively charging future customers with the administrative fees;
- b. Defendants be ordered to disgorge all fees collected from Plaintiffs and all car buyers whom paid administrative fees to Defendants;

WHEREFORE, Plaintiffs prays for judgment against all of the Defendants for actual and compensatory damages, for two times actual damages pursuant to Plaintiffs' first cause of action, for three times actual damages for punitive damages pursuant to Plaintiffs' first cause of action, for disgorgement of all administrative fees collected by Defendants pursuant to Plaintiffs' second cause of action, for a permanent injunction pursuant to Plaintiffs' second cause of action, together with attorneys' fees, prejudgment interest and the costs of this action, and for such other and further relief as this Court may deem just and proper.

MICHAEL SPEARS, PA
Michael E. Spears
Post Office 5806
Spartanburg, SC 29304
(864)583-3235

GEDNEY M. HOWE, III, PA
Gedney M. Howe, III
Post Office Box 1034
Charleston, SC 29402
(843)722-8048

RICHARD A. HARPOOTLIAN, PA
Richard A. Harpootlian
P.O. Box 1090
Columbia, SC 29202
(803)252-4848

LEWIS & BABCOCK, L.L.P.
A. Camden Lewis
Brady R. Thomas
1513 Hampton Street
Post Office Box 11208
Columbia, SC 29211
(803)771-8000

By: Brady R. Thomas

Attorneys for the Plaintiffs

August 28, 2006

Columbia, South Carolina

STATE OF SOUTH CAROLINA)

IN THE COURT OF COMMON PLEAS

COUNTY OF AIKEN)

Civil Action No.: 2006-CP-02-1230

Heather Herron, Natalie Armstrong,)
Alison Dannert, Michael Ritz individually)
and for the benefit of all car buyers whom)
paid "administrative fees" as described)
below to Defendants.)

Plaintiffs,)

v.)

Defendant CarMax Auto Superstores, Inc.,)
Defendant Dick Dyer & Associates, Inc.,)
Defendant Dick Smith Motors, Inc.,)
Defendant Galeana Chrysler-Jeep, Inc.,)
Defendant Galeana Chrysler-Plymouth, Inc.,)
Defendant Pulliam Motor Co., Defendant)
Ben Satcher Motors, Inc., Defendant Dick)
Smith Infiniti, Inc., Defendant Dick Smith)
Nissan of Lexington, Inc., Defendant Dick)
Smith Nissan, Inc., Defendant Land Rover)
of Columbia, Defendant Toyota Center,)
LLC, Defendant Stokes Automotive, Inc.,)
Defendant Stokes Motors, Inc., Defendant)
Stokes-Craven Automotive, Inc.,)
Defendant Stokes Mazda, Inc., Defendant)
Palmetto Chevrolet Company, Inc.,)
Defendant Palmetto Nissan, Inc.,)
Defendant Palmetto Ford, Inc.,)
Defendant Jones Ford, Inc., Defendant)
Harold Arnold's Sentry Buick, Inc.,)
Defendant J. L. Investments, LP,)
Defendant Rick Hendrick Chevrolet,)
LP, Defendant Oak Tree, Inc., Defendant)
Gene Reed Imports, Inc, Defendant)
Hoover Jeep Chrysler, Inc, Defendant)
Hoover Motors, Inc., Defendant)
Hoover Chrysler-Dodge, Inc, Defendant)
Strom Altman Dodge, Inc., Defendant)
Baker Motor Company of Charleston, Inc.,)
Defendant Miller Cadillac, Inc., Defendant)
Benson Chrysler-Plymouth, Inc. Defendant)
Benson Ford Mercury, Inc., Defendant)

CERTIFICATE OF SERVICE

Benson Cadillac-Nissan, Inc., Defendant)
 Big "O" Dodge of Greenville, Inc.,)
 Defendant Bradshaw Automotive Group, Inc.)
 , Defendant Bradshaw Ford, LLC, Defendant)
 Spartanburg Chrysler Jeep, Inc., Defendant)
 Kia of Anderson, LLC, Defendant Toyota)
 of Greenville, Inc., Defendant Toyota of)
 Easley, Inc., Defendant Woodruff Chevrolet,)
 Inc., Defendant Farrell Automotive, Inc.,)
 Defendant Fairway Ford, Inc., Defendant)
 Carlton Motorcars, Inc., Defendant Saturn)
 of Greenville, Inc., Defendant Steve White)
 Motors of South Carolina, Inc., Defendant)
 D&D Motors, Inc., Defendant Burns)
 Chrysler Dodge Jeep, LLC, Defendant)
 Burns Chevrolet-Cadillac, Inc.,)
 Defendant John Finger Motors, Inc.)
 and all motor vehicle dealers as defined in)
 S.C. Code Ann. §56-15-10(h))
)
 Defendants.)
)

I, Lynda R. Carigan, legal assistant for the law firm of Lewis & Babcock, L.L.P., hereby
 certify that I have served a Summons and Complaint, including Civil Action Coversheet,
 Plaintiffs' First Set of Interrogatories to Defendants and Plaintiffs' First Set of Requests for
 Production to Defendants upon opposing counsel and/or their registered agents, by mailing a copy
 of same, postage prepaid and return address clearly indicated on said envelope, to said parties at the
 following address:

SERVICE ADDRESSES LISTED ON PAGES 3 - 5 ATTACHED HERETO

CarMax Auto Superstores, Inc.
Corporation Service Company
5000 Thurmond Mall Boulevard
Columbia, South Carolina 29201

Dick Dyer and Associates, Inc.
Richard S. Dyer, Sr.
5825 Two Notch Road
Columbia, South Carolina 29223

Dick Smith Motors, Inc.
Richard D. Smith, Jr.
4030 West Beltline Boulevard
Columbia, South Carolina 29203

Galeana Chrysler Jeep, Inc.
CT Corporation System
75 Beattie Place
Two Shelter Centre
Greenville, South Carolina 29601

Galeana Chrysler Plymouth, Inc.
CT Corporation System
75 Beattie Place
Two Shelter Centre
Greenville, South Carolina 29601

Pulliam Motor Company
Robert C. Pulliam
2800 Two Notch Road
Columbia, South Carolina 29202

Palmetto Ford, Inc.
Manly Eubank
1625 Savannah Highway
Charleston, South Carolina 29407

Jones Ford, Inc.
Cadwallader Jones
5757 Rivers Avenue
Charleston, South Carolina 29406

Ben Satcher Motors, Incorporated
Benjamin W. Satcher
1201 West Main Street
Lexington, South Carolina 29072

Dick Smith Infiniti, Inc.
Brian K. Smith
4030 Beltline Boulevard
Columbia, South Carolina 29205

Dick Smith Nissan of Lexington, Inc.
Brian K. Smith
5536 Sunset Boulevard
Lexington, South Carolina 29072

Dick Smith Nissan, Inc.
Brian K. Smith
3670 Fernandina Road
Columbia, South Carolina 29210

Toyota Center, LLC
Corporation Service Company
5000 Thurmond Mall Boulevard
Columbia, South Carolina 29201

Stokes Automotive, Inc.
W.E. Stokes
4045 Rivers Avenue
Charleston, South Carolina 29405

Stokes Motors, Inc.
Jerry A. Stokes
US Highway 21 North
Beaufort, South Carolina 29902

Stokes-Craven Automotive, Inc.
Dennis N. Craven
701 South Governor Williams Highway
Darlington, South Carolina 29532

Palmetto Nissan, Inc.

Bruce E. Richbourg
1500 West Lucas Street
Florence, South Carolina 29501

Harold Arnold's Sentry Buick, Inc.

Capers G. Barr, III
Barr, Barr & McIntosh
11 Broad Street
Charleston, South Carolina 29401

JLH Investments, L.P.

Corporation Service Company
5000 Thurmond Mall Boulevard
Columbia, South Carolina 29201

Miller Cadillac, Inc.

Walter J. Miller, Jr.
478 East Bay Street
Charleston, South Carolina 29403

Rick Hendrick Chevrolet Limited Partnership

CT Corporation System
75 Beattie Place
Two Shelter Centre
Greenville, South Carolina 29601

Oak Tree, Inc.

CT Corporation System
75 Beattie Place
Two Shelter Centre
Greenville, South Carolina 29601

Benson Ford Mercury, Inc.

James H. Benson, Jr.
504 East Wade Hampton Boulevard
Greer, South Carolina 29651

Benson Cadillac-Nissan, Inc.

James H. Benson, Jr.
1100 North Pine Street
Spartanburg, South Carolina 29303

Gene Reed Imports, Inc.

Gene Reed, Jr.
7501 Rivers Avenue
North Charleston, South Carolina 29406

Hoover Jeep Chrysler, Inc.

Ronald E. Hoover
195 Mary Meade Drive
Summerville, South Carolina 29483

Hoover Motors, Inc.

Ronald E. Hoover
2250 Savannah Highway
Charleston, South Carolina 29407

Hoover Dodge, Inc.

Ronald E. Hoover
200 Old Trolley Road
Summerville, South Carolina 29483

Strom Altman Dodge, Inc.

Strom W. Altman
2049 Remount Road
North Charleston, South Carolina 29406

Baker Motor Company of Charleston, Inc.

Tommy B. Baker
1081 Morrison Drive
Charleston, South Carolina 29403

Benson Chrysler-Plymouth, Inc.

James H. Benson, Jr.
502 East Wade Hampton Boulevard
Greer, South Carolina 29651

Big "O" Dodge of Greenville, Inc.

Michael Odom
2645 Laurens Road
Greenville, South Carolina 29607

Bradshaw Automotive Group, Inc.

William H. Bradshaw
1203 West Wade Hampton Boulevard
Greer, South Carolina 29650

Bradshaw Ford, LLC
William H. Bradshaw
2450 Laurens Road
Greenville, South Carolina 29607

Spartanburg Chrysler Jeep, Inc.
Charles J. Hodge
229 Magnolia Street
Spartanburg, South Carolina 29306

KIA of Anderson, LLC
Bobby H. Wood
3449 Blue Ridge Boulevard
West Union, SC 29656

Toyota of Greenville, Inc.
Terry F. Wall
2660 Laurens Road
Greenville, South Carolina 29607

Toyota of Easley, Inc.
Thomas R. Norris
1712 By-Pass 123
Easley, South Carolina 29640

Woodruff Chevrolet, Inc.
William C. Clinkscale, III
6007 Highway 101
Woodruff, South Carolina 29388

Farrell Automotive, Inc.
Harvey G. Sanders, Jr.
300 East McBee Avenue
Greenville, South Carolina 29601

Fairway Ford, Inc.
Elaine B. Patterson
2323 Laurens Road
Greenville, South Carolina 29607

Carlton Motorcars, Inc.
Philip J. Carlton
2446 Laurens Road
Greenville, South Carolina 29607

Saturn of Greenville, Inc.
William H. Bradshaw
1728 Devenger Road
Greer, South Carolina 29651

Steve White Motors of South Carolina, Inc.
Marc A. White
100 Duvall Drive
Greenville, South Carolina 29607

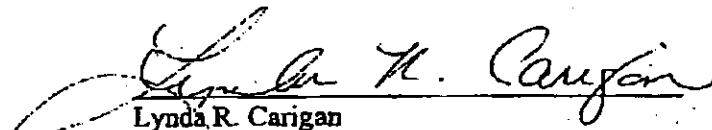
D&D Motors, Inc.
George W. Davenport
1000 Wade Hampton Boulevard
Greer, South Carolina 29651

Burns Chrysler Dodge Jeep, LLC
Charles Samuel Burns, Sr.
609 South Limestone Street
Gaffney, South Carolina 29340

Burns Chevrolet Cadillac, Inc.
Claude W. Burns, III
2515 North Cherry Road
Rock Hill, South Carolina 29732

John Finger Motors, Inc.
John C. Finger
2512 Laurens Road
Greenville, South Carolina 29607

[Signature Block on Next Page]


Lynda R. Carigan

Columbia, South Carolina

This 29 day of August, 2006.

STATE OF SOUTH CAROLINA)

IN THE COURT OF COMMON PLEAS

COUNTY OF AIKEN)

Heather Herron, Natalie Armstrong,
and Alison Dannert individually and for the
benefit of all car buyers whom paid
"administrative fees" as described below to
Defendants,)

CIVIL ACTION COVERSHEET

**COPY
ORIGINAL FILED**

OCT 31 2006

8:20 AM
AIKEN COUNTY
CLERK OF COURT

vs.)

2006-CP-02-1230

CarMax Auto Superstores, Inc., et al)

Defendant(s).)

(Please Print)

Submitted By: Brady R. Thomas

SC Bar #: 68304

Telephone #: (803)771-8000

Address: LEWIS & BABCOCK, LLP

Fax #: (803)733-3534

Post Office Box 11208

Other:

Columbia, South Carolina 29211

E-mail: BRT@lewisbabcock.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for the use of the Clerk of Court for the purpose of docketing. It must be filled out completely, signed, and dated. A copy of this cover sheet must be served on the defendant(s) along with the Summons and Complaint.

DOCKETING INFORMATION (Check all that apply)

**If Action is Judgment/Settlement do not complete*

☒ JURY TRIAL demanded in complaint.

☐ NON-JURY TRIAL demanded in complaint.

☐ This case is subject to ARBITRATION pursuant to the Circuit Court Alternative Dispute Resolution Rules.

☒ This case is subject to MEDIATION pursuant to the Circuit Court Alternative Dispute Resolution Rules.

☐ This case is exempt from ADR (certificate attached).

NATURE OF ACTION (Check One Box Below)

Contracts

- ☐ Construction (100)
- ☐ Debt Collection (110)
- ☐ Employment (120)
- ☐ General (130)
- ☐ Wrongful Breach (140)
- ☐ Other (199)

Torts - Professional Malpractice

- ☐ Dental Malpractice (200)
- ☐ Legal Malpractice (210)
- ☐ Medical Malpractice (220)
- ☐ Other Malpractice (299)

Torts - Personal Injury

- ☐ Assault/Slander/Libel (300)
- ☐ Conversion (310)
- ☐ Motor Vehicle Accident (320)
- ☐ Premises Liability (330)
- ☐ Products Liability (340)
- ☐ Other (399)

Real Property

- ☐ Claim & Delivery (400)
- ☐ Condemnation (410)
- ☐ Foreclosure (420)
- ☐ Mechanic's Lien (430)
- ☐ Partition (440)
- ☐ Possession (450)
- ☐ Building Code Violation (460)
- ☐ Other (499)

Inmate Petitions

- ☐ PCR (500)
- ☐ Sexual Predator (510)
- ☐ Mandamus (520)
- ☐ Habeas Corpus (530)
- ☐ Other (599)

Judgments/Settlements

- ☐ Death Settlement (700)
- ☐ Foreign Judgment (710)
- ☐ Magistrate's Judgment (720)
- ☐ Minor Settlement (730)
- ☐ Transcript Judgment (740)
- ☐ Lis Pendens (750)
- ☐ Other (799)

Administrative Law/Relief

- ☐ Reinstate Driver License (800)
- ☐ Judicial Review (810)
- ☐ Relief (820)
- ☐ Permanent Injunction (830)
- ☐ Forfeiture (840)
- ☐ Other (899)

Appeals

- ☐ Arbitration (900)
- ☐ Magistrate-Civil (910)
- ☐ Magistrate-Criminal (920)
- ☐ Municipal (930)
- ☐ Probate Court (940)
- ☐ SCDOT (950)
- ☐ Worker's Comp (960)
- ☐ Zoning Board (970)
- ☐ Administrative Law Judge (980)
- ☐ Public Service Commission (990)
- ☐ Employment Security Comm (991)
- ☐ Other (999)

Special/Complex/Other

- ☐ Environmental (600)
- ☐ Automobile Arb. (610)
- ☐ Medical (620)
- ☐ Other (699)
- ☐ Pharmaceuticals (630)
- ☐ Unfair Trade Practices (640)
- ☐ Out-of-State Depositions (650)

Submitting Party Signature: Brady R. Thomas

Date: 10/28/06

Note: Frivolous civil proceedings may be subject to sanctions pursuant to SCRCP, Rule 11, and the South Carolina Frivolous Civil Proceedings Sanctions Act, S.C. Code Ann. § 14-36-10 et. seq.

***FOR MANDATED ADR COUNTIES ONLY**

Florence, Horry, Lexington, Richland, Greenville, and Anderson****

**** Contact Respective County Clerk of Court for modified ADR Program Rules**

SUPREME COURT RULES REQUIRE THE SUBMISSION OF ALL CIVIL CASES TO AN ALTERNATIVE DISPUTE RESOLUTION PROCESS, UNLESS OTHERWISE EXEMPT.

You are required to take the following action(s):

1. The parties shall select a neutral within 210 days of filing of this action, and the Plaintiff shall file a "Stipulation of Neutral Selection" on or before the 224th day after the filing of the action. If the parties cannot agree upon the selection of the neutral within 210 days, the Plaintiff shall notify the Court by filing a written "Request for the Appointment of a Neutral" on or before the 224th day after the filing of this action. The Court shall then appoint a neutral from the Court-approved mediator/arbitrator list.
2. The initial ADR conference must be held within 300 days after the filing of the action.
3. Cases are exempt from ADR only upon the following grounds:
 - a. Special proceeding, or actions seeking extraordinary relief such as mandamus, habeas corpus, or prohibition;
 - b. Cases which are appellate in nature such as appeals or writs of certiorari;
 - c. Post Conviction relief matters;
 - d. Contempt of Court proceedings;
 - e. Forfeiture proceedings brought by the State;
 - f. Cases involving mortgage foreclosures; and
 - g. Cases that have been submitted to mediation with a certified mediator prior to the filing of this action.
4. Motion of a party to be exempt from payment of neutral fees due to indigency should be filed with the Court within ten (10) days after the ADR conference had been concluded.

Please Note: You must comply with the Supreme Court Rules regarding ADR. Failure to do so may affect your case or may result in sanctions.

IN THE COURT OF COMMON PLEAS

)

)

CIVIL ACTION NO.: 06-CP-02-1230

1

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2

(

COPY
ORIGINAL FILED
OCT 31 2006
8 30 Am
AIKEN COUNTY
CLERK OF COURT

REED IMPORTS, INC.; GENE REED)
 TOYOTA, INC., HOOVER JEEP)
 CHRYSLER, INC.; HOOVER MOTORS,)
 INC.; HOOVER CHRYSLER-DODGE, INC.;)
 STROM ALTMAN DODGE, INC.; BAKER)
 MOTOR COMPANY OF CHARLESTON,)
 INC.; MILLER CADILLAC, INC.; TAYLOR)
 INVESTMENTS, INC. D/B/A TAYLOR)
 TOYOTA; BENSON CHRYSLER-)
 PLYMOUTH, INC.; BENSON FORD)
 MERCURY, INC.; BENSON CADILLAC-)
 NISSAN, INC.; BIG "O" DODGE OF)
 GREENVILLE, INC.; BRADSHAW)
 AUTOMOTIVE GROUP, INC.;)
 SPARTANBURG CHRYSLER JEEP, INC.;)
 KIA OF ANDERSON, LLC; TOYOTA OF)
 GREENVILLE, INC., TOYOTA OF EASLEY,)
 INC., FARRELL AUTOMOTIVE, INC.;)
 FAIRWAY FORD, INC.; SATURN OF)
 GREENVILLE INC.; STEVE WHITE)
 MOTORS OF SOUTH CAROLINA,)
 INC.; D&D MOTORS, INC.; BURNS)
 CHRYSLER DODGE JEEP, LLC; JOHN)
 FINGER MOTORS, INC.; SONIC)
 AUTOMOTIVE, INC. D/B/A CENTURY)
 BMW; BOB RICHARDS NISSAN; DICK)
 SMITH CHRYSLER-JEEP; GOODMAN)
 CHEVROLET, INC.; HENNA)
 CHEVROLET-OLDS-CADILLAC, LLC;)
 HONDA CARS OF AIKEN; JOHNSON)
 MOTOR COMPANY OF SC; SATCHER)
 FORD-LINCOLN-MERCURY; SANDERS)
 TRUCK SALES; CAROLINA FORD;)
 CAROLINA INTERNATIONAL TRUCKS OF)
 ANDERSON; CLINKSCALES CHEVROLET)
 INC.; FAIRWAY FORD-MAZDA;)
 PIEDMONT CHRYSLER-JEEP; PIEDMONT)
 HONDA; PLANET FORD; RALPH HAYES)
 TOYOTA, INC. ; TOM HUNTER)
 PONTIAC-BUICK-GMC, LLC; UPSTATE)
 AUTOMOTIVE (CHEVROLET-CADILLAC);)
 UPSTATE AUTOMOTIVE (ISUZU-KIA);
 UPSTATE AUTOMOTIVE (MITSUBISHI);

UPSTATE AUTOMOTIVE (NISSAN);)
 GIBBES FORD, INC.; ZEIGLER)
 CHEVROLET, INC.; B & B FORD, INC.;)
 WHITTLE MOTOR COMPANY, INC.;)
 BUTLER CHRYSLER-DODGE-JEEP;)
 CAROLINA VOLVO; HILTON HEAD)
 AUTOMOTIVE LLC; HILTON HEAD)
 HONDA; LAND ROVER HILTON HEAD;)
 MODERN CLASSIC MOTORS; O. C.)
 WELCH FORD-LINCOLN-MERCURY;)
 PARKS AUTOMOTIVE GROUP; PARKS)
 CADILLAC; STOKES HONDA CARS OF)
 BEAUFORT, INC.; STOKES MITSUBISHI;)
 STOKES-BROWN TOYOTA; DICK SMITH)
 CHEVROLET, INC.; HOOVER)
 JEEP-CHRYSLER, INC.; HOOVER)
 MOTORS, INC.; MCELVEEN)
 PONTIAC-BUICK-GMC, INC.; ALTMAN)
 LINCOLN-MERCURY-HYUNDAI;)
 CAROLINA INTERNATIONAL)
 TRUCKS-CHARLESTON; CHARLESTON)
 MITSUBISHI; HENDRICK HONDA OF)
 CHARLESTON; HOOVER)
 CHRYSLER-JEEP, INC.; HUGHES)
 MOTORS, INC.; KIA COUNTRY; LEXUS OF)
 CHARLESTON; LOW COUNTRY MAZDA;)
 LOW COUNTRY VOLKSWAGEN;)
 MARATHON CHEVROLET OF N)
 CHARLESTON; MARCHANT)
 CHEVROLET, INC.; MCDANIELS ACURA)
 OF CHARLESTON ; MCELVEEN)
 CHEVROLET, LLC; MORRIS NISSAN;)
 NORTHSIDE NISSAN; RAVENEL FORD;)
 INC.; RICK HENDRICK DODGE; RICK)
 HENDRICK'S IMPORT SHOWPLACE;)
 SATURN OF CHARLESTON; STOKES)
 HONDA NORTH CHARLESTON; STOKES)
 ISUZU-KIA-SUBARU; STOKES)
 VOLKSWAGEN; VICTORY HYUNDAI OF)
 CHARLESTON; BURNS)
 CHEVROLET-CHRYSLER-DODGE-JEEP,)
 INC.; JOE GIBSON SUZUKI; ROGER)
 SHIFLETT FORD, INC.; WALLACE WHITE)

NOURSE CHESTER AUTOMOTIVE;)
 NOURSE MOTORS OF CHESTER LLC;)
 BENNETT MOTOR CO., INC.; JOHN)
 DONOGHUE FORD, INC.; LAWRENCE)
 CHEVROLET-PONTIAC; PROTHRO)
 CHEVROLET-BUICK-PONTIAC-GMC)
 TRUCK; STOKES-CRAVEN)
 CHRYSLER-JEEP-DODGE;)
 STOKES-CRAVEN FORD; PETERS)
 PONTIAC BUICK-GMC; RIZER)
 CHEVROLET CO., INC.; WALTERBORO)
 MOTOR SALES CO.; ACTION)
 FORD-MERCURY, INC.; JOHN NEWSOME,)
 INC.; RACEWAY)
 CHRYSLER-JEEP-DODGE, INC.;)
 RACEWAY FORD; CAROLINA)
 INTERNATIONAL TRUCKS LLC;)
 MARATHON CHEVROLET;)
 SUMMERVILLE FORD-MERCURY, INC.;)
 HERLONG PONTIAC-CHEVROLET-BUICK,)
 INC.; JIM SATCHEL, INC.; YONCE)
 FORD-MERCURY, INC.; WILSON)
 CHEVROLET-OLDSMOBILE, INC.;)
 WILSON CHRYSLER-DODGE-JEEP, INC.;)
 AUDDIE BROWN MITSUBISHI; CALE)
 YARBOROUGH HONDA, INC.; CAROLINA)
 INTERNATIONAL TRUCKS; EFIRD)
 CHRYSLER-JEEP-DODGE, INC.;)
 FLORENCE MACK, INC.; FLORENCE)
 TOYOTA; FLOYD MOTOR CO., INC.;)
 HORNE FORD, INC.; KIA OF FLORENCE;)
 KING CADILLAC-BUICK-PONTIAC-GMC)
 TRUCK, INC.; LAKE CITY)
 FORD-MERCURY, LLC; PETERBILT OF)
 FLORENCE; RACEWAY)
 CHEVROLET-PONTIAC-BUICK-GMC;)
 SATURN OF FLORENCE; SERVICE)
 MOTOR COMPANY, INC.; COASTAL)
 NISSAN-CHEVROLET-CADILLAC;)
 HEMINGWAY MOTOR CO., INC.;)
 PARRISH MOTOR CO., INC.; TIDELANDS)
 CHRYSLER DODGE; TIDELANDS)

FORD-LINCOLN-MERCURY; BMS, INC.)
 D/B/A BREAKAWAY HONDA;)
 BRADSHAW ACURA; BROCKMAN)
 AUTOMOTIVE; CAROLINA)
 INTERNATIONAL TRUCKS-GREENVILLE;)
 CHEROKEE KENWORTH, INC.;)
 CHRISTOPHER TRUCKS, INC.; CROWN)
 JEEP-CHRYSLER; CROWN NISSAN)
 GREENVILLE; DICK SMITH MITSUBISHI;)
 FAIRWAY FORD, INC.; FAIRWAY)
 MOTORCARS LLC; GEORGE COLEMAN)
 FORD, INC.; TRAVELERS REST;)
 HERITAGE LINCOLN-MERCURY; JOHN)
 FINGER MAZDA; KEVIN WHITAKER)
 CHEVROLET-CADILLAC; KEVIN)
 WHITAKER CHEVROLET, INC.;)
 SIMPSONVILLE CHEVROLET, INC.;)
 SITTON BUICK-PONTIAC-GMC TRUCK,)
 INC.; STEVE WHITE MOTORS OF SC, INC.;)
 STOKES-TRAINOR FORD; C. THOMPSON)
 AUTOMOTIVE; GARY RUSS)
 CHEVROLET-CADILLAC, INC.; GEORGE)
 BALLENTINE FORD-LINCOLN-)
 MERCURY; QUALITY CHRYSLER CITY;)
 BRUNSON AUTOMOBILE SALES, INC.;)
 TISON MOTOR CO., INC.; ADDY'S)
 HARBOR DODGE; ATLANTIC)
 CHRYSLER-JEEP-DODGE; ATLANTIC)
 FORD, INC.; BEACH)
 FORD-LINCOLN-MERCURY-VOLVO, INC.;)
 BELL & BELL PONTIAC-GMC, INC.;)
 CONWAY CHRYSLER-DODGE-JEEP, INC.;)
 CONWAY FORD, INC.; DIAMOND)
 AUTOMOTIVE GROUP, INC.; EAST)
 COAST HONDA; EAST COAST)
 VOLKSWAGEN; FOWLER MOTORS;)
 GRAND STRAND NISSAN, INC.;)
 HADWIN-WHITE)
 PONTIAC-BUICK-GMC-SUBARU; HYATT)
 BUICK-GMC TRUCKS; JUD KUHN)
 CHEVROLET; KIA OF MYRTLE BEACH;)
 LAY-FISHER CHEVROLET, INC.; MYRTLE)
 BEACH CHEVROLET, INC.; MYRTLE)
 BEACH CHRYSLER-JEEP, INC.; MYRTLE)

HYUNDAI-ISUZU; MYRTLE BEACH)
 SUZUKI; SPARKS TOYOTA, INC.; SUN)
 COAST MAZDA-MITSUBISHI; SUZUKI)
 OUTLET OF MYRTLE BEACH SC; HILTON)
 HEAD CHRYSLER JEEP DODGE; HILTON)
 HEAD HYUNDAI; KEY INFINITI LLC; KEY)
 MAZDA; KEY NISSAN, LLC; PORSCHE OF)
 HILTON HEAD; PRESTIGE MOTORCARS;)
 LLC DBA HILTON HEAD JAGUAR; DICK)
 SMITH)
 PONTIAC-CHRYSLER-DODGE-GMC-JEEP;)
 HERITAGE CHEVROLET-BUICK, INC.;)
 JAMES ERVIN TOYOTA; REDFEARN)
 MOTOR CO., INC.; BURNS)
 FORD-MERCURY, INC.; ELROD)
 PONTIAC-BUICK-GMC, INC.; H & H)
 CHEVROLET, INC.; LANCASTER)
 DODGE-CHRYSLER-JEEP; LANCASTER)
 MOTOR CO.; BALDWIN)
 PONTIAC-BUICK-GMC, INC.; COOPER)
 FORD, INC.; FIRMIN FORD, INC.; JOHN)
 FOSTER MOTORS, INC.; LYNN COOPER,)
 INC.; SMITH CHEVROLET-CADILLAC,)
 INC.; ADDY DODGE, INC.; CHEROKEE)
 KENWORTH; HAMPTON AUTOMOTIVE,)
 INC.; MIDLANDS HONDA; SATURN OF)
 COLUMBIA, INC.; STIVERS)
 CHRYSLER-JEEP, INC.; TWIN CITY)
 MOTOR CO., INC.; MULLINS MOTORS,)
 INC.; PEE DEE FORD LINCOLN MERCURY)
 INC.; GRIFFIN-FLYTHE CHEVROLET,)
 INC.; MEGGS)
 FORD-CHRYSLER-DODGE-JEEP;)
 CROMLEY'S INC.; JEFFREY DEAN)
 CHRYSLER DODGE JEEP GMC; KIRBY)
 SCHRADER; STOKES-TRAINOR)
 CHEVROLET-OLD-PONTIAC-CADILLAC-B)
 UICK; BOBBY WOOD)
 CHEVROLET-PONTIAC; EDWARDS AUTO)
 SALES, INC.; LAKE KEOWEE)
 ✓ CHRYSLER-DODGE LLC; LEADER FORD;)
 PERFORMANCE)
 CHEVROLET-BUICK-GMC; BOB)

RICHARDS AUTOMOTIVE, LLC; FAIREY)
 CHEVROLET-CADILLAC; ORANGEBURG)
 CHRYSLER-DODGE-NISSAN, INC.;)
 ORANGEBURG FORD; SUPERIOR)
 HONDA; SUPERIOR MOTORS, INC.;)
 BENSON FORD-MERCURY, INC.; CRANE)
 CHEVROLET-CADILLAC, INC.; EASLEY)
 MITSUBISHI; EASLEY)
 PONTIAC-BUICK-GMC TRUCK, INC.;)
 HENDRICK HONDA; NORRIS FORD, INC.;)
 TINSLEY CHEVROLET CO., INC.; BOB)
 BENNETT FORD, INC.; CAPITOL)
 CHEVROLET; CAPITOL HYUNDAI;)
 CAROLINA INTERNATIONAL)
 TRUCKS-COLA; COLUMBIA)
 FREIGHTLINER, LLC; DODGELAND OF)
 COLUMBIA; HANCOCK MOTOR CO.;)
 HANCOCK VOLKSWAGEN; HONDA CARS)
 OF COLUMBIA; JIM MOORE CADILLAC,)
 INC.; MCDANIELS ACURA-PORSCHE;)
 SHEALY'S TRUCK CENTER-COLA;)
 STIVERS LINCOLN-MERCURY; WRAY)
 AUTOMOTIVE, INC.; CROMLEY'S INC.;)
 SALUDA MOTOR SALES, INC.; DAVE)
 EDWARDS TOYOTA; DICK BROOKS)
 HONDA; FOOTHILLS FORD OF CHESNE;)
 JOE GIBSON MITSUBISHI; KIA OF GREER;)
 SATURN OF SPARTANBURG; SHEALY'S)
 TRUCK CENTER; SPARTANBURG)
 DODGE, INC.; VIC BAILEY FORD, INC.;)
 VIC BAILEY HONDA; VIC BAILEY)
 LINCOLN-MERCURY, INC.; VIC BAILEY)
 VOLKSWAGEN; WAKEFIELD)
 BUICK-PONTIAC-GMC, INC.; BOYLE)
 MOTOR COMPANY; BOYLE TOYOTA,)
 INC.; GOODWIN BUICK-JEEP; GOODWIN)
 HONDA-MITSUBISHI-VW; JONES)
 CHEVROLET CO.; JONES NISSAN, INC.;)
 JONES PONTIAC-GMC TRUCK, INC.;)
 MCLAUGHLIN MOTORS, INC.; SUMTER)
 CHRYSLER-PLYMOUTH-DODGE;)
)
)

UNION CHRYSLER-DODGE-JEEP, INC.;)
 BIG COUNTRY CHEVROLET, INC.;)
 HASELDEN BROTHERS, INC.;)
 LONGSTREET)
 CHEVROLET-BUICK-CADILLAC-GMC;)
 CAROLINA MAZDA; CLINTON FAMILY)
 FORD-LINCOLN-MERCURY; DICKERSON)
 MOTOR CO., INC.; DUNLAP-JOHNSON)
 CHEVROLET CO., INC.; FORT MILL FORD,)
 INC.; FRED CALDWELL'S CLOVER)
 CHEVROLET; GOOD MOTOR COMPANY;)
 GRIFFIN MITSUBISHI; GRIFFIN)
 PONTIAC-BUICK-GMC; HARRELSON)
 NISSAN; HARRELSON TOYOTA; HONDA)
 CARS OF ROCK HILL; RICK FORD, INC.;)
 STATELINE CHRYSLER JEEP DODGE)
 INC.; AND AGAINST ALL MOTOR)
 VEHICLE DEALERS OWNED OR)
 CONTROLLED BY DEFENDANTS AS)
 DEFINED IN S.C. CODE ANN. §56-15-10(H).)

TO: THE NEW NAMED DEFENDANTS NAMED ABOVE:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action,
 a copy of which is hereby served upon you, and to serve a copy of your Answer to said
 Complaint on the subscriber at their offices, 1513 Hampton Street, Post Office Box 11208,
 Columbia, South Carolina, 29211, within Thirty (30) days after the service hereof, exclusive of
 the date of such service; and if you fail to answer the Complaint within the time aforesaid,
 judgment by default will be rendered against you for the relief demanded in the Complaint.

(Signature Block on Next Page)

MICHAEL SPEARS, PA
Michael E. Spears
Post Office 5806
Spartanburg, SC 29304
(864)583-3235

GEDNEY M. HOWE, III, PA
Gedney M. Howe, III
Post Office Box 1034
Charleston, SC 29402
(843)722-8048

RICHARD A. HARPOOTLIAN, PA
Richard A. Harpootlian
P.O. Box 1090
Columbia, SC 29202
(803)252-4848

LEWIS & BABCOCK, L.L.P.
A. Camden Lewis
Brady R. Thomas
1513 Hampton Street
Post Office Box 11208
Columbia, SC 29211
(803)771-8000

By: Brady R. Thomas
Attorneys for the Plaintiffs

October 28, 2006
Columbia, South Carolina

IN THE COURT OF COMMON PLEAS

)

1

CIVIL ACTION NO.: 06-CP-02-1230

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2

FIRST AMENDED COMPLAINT

(Jury Trial Demanded)

COPY
ORIGINAL FILED
OCT 31 2006
8:30 Am
AIKEN COUNTY
CLERK OF COURT

REED IMPORTS, INC.; GENE REED)
 TOYOTA, INC., HOOVER JEEP)
 CHRYSLER, INC.; HOOVER MOTORS,)
 INC.; HOOVER CHRYSLER-DODGE, INC.;)
 STROM ALTMAN DODGE, INC.; BAKER)
 MOTOR COMPANY OF CHARLESTON,)
 INC.; MILLER CADILLAC, INC.; TAYLOR)
 INVESTMENTS, INC. D/B/A TAYLOR)
 TOYOTA; BENSON CHRYSLER-)
 PLYMOUTH, INC.; BENSON FORD)
 MERCURY, INC.; BENSON CADILLAC-)
 NISSAN, INC.; BIG "O" DODGE OF)
 GREENVILLE, INC.; BRADSHAW)
 AUTOMOTIVE GROUP, INC.;)
 SPARTANBURG CHRYSLER JEEP, INC.;)
 KIA OF ANDERSON, LLC; TOYOTA OF)
 GREENVILLE, INC., TOYOTA OF EASLEY,)
 INC., FARRELL AUTOMOTIVE, INC.;)
 FAIRWAY FORD, INC.; SATURN OF)
 GREENVILLE INC.; STEVE WHITE)
 MOTORS OF SOUTH CAROLINA,)
 INC.; D&D MOTORS, INC.; BURNS)
 CHRYSLER DODGE JEEP, LLC; JOHN)
 FINGER MOTORS, INC.; SONIC)
 AUTOMOTIVE, INC. D/B/A CENTURY)
 BMW; BOB RICHARDS NISSAN; DICK)
 SMITH CHRYSLER-JEEP; GOODMAN)
 CHEVROLET, INC.; HENNA)
 CHEVROLET-OLDS-CADILLAC, LLC;)
 HONDA CARS OF AIKEN; JOHNSON)
 MOTOR COMPANY OF SC; SANDERS)
 TRUCK SALES; CAROLINA FORD;)
 CAROLINA INTERNATIONAL TRUCKS OF)
 ANDERSON; CLINKSCALES CHEVROLET)
 INC.; FAIRWAY FORD-MAZDA;)
 PIEDMONT CHRYSLER-JEEP; PIEDMONT)
 HONDA; PLANET FORD; RALPH HAYES)
 TOYOTA, INC. ; TOM HUNTER)
 PONTIAC-BUICK-GMC, LLC; UPSTATE)
 AUTOMOTIVE (CHEVROLET-CADILLAC);)
 UPSTATE AUTOMOTIVE (ISUZU-KIA);)
 UPSTATE AUTOMOTIVE (MITSUBISHI);)

FORD-LINCOLN-MERCURY; BMS, INC.)
 D/B/A BREAKAWAY HONDA;)
 BRADSHAW ACURA; BROCKMAN)
 AUTOMOTIVE; CAROLINA)
 INTERNATIONAL TRUCKS-GREENVILLE;)
 CHEROKEE KENWORTH, INC.;)
 CHRISTOPHER TRUCKS, INC.; CROWN)
 JEEP-CHRYSLER; CROWN NISSAN)
 GREENVILLE; DICK SMITH MITSUBISHI;)
 FAIRWAY FORD, INC.; FAIRWAY)
 MOTORCARS LLC; GEORGE COLEMAN)
 FORD, INC.; HERITAGE)
 LINCOLN-MERCURY; JOHN FINGER)
 MAZDA; KEVIN WHITAKER)
 CHEVROLET-CADILLAC; KEVIN)
 WHITAKER CHEVROLET, INC.;)
 SIMPSONVILLE CHEVROLET, INC.;)
 SITTON BUICK-PONTIAC-GMC TRUCK,)
 INC.; STOKES-TRAINOR FORD; C.)
 THOMPSON AUTOMOTIVE; GARY RUSS)
 CHEVROLET-CADILLAC, INC.; GEORGE)
 BALLENTINE FORD-LINCOLN-)
 MERCURY; QUALITY CHRYSLER CITY;)
 BRUNSON AUTOMOBILE SALES, INC.;)
 TISON MOTOR CO., INC.; ADDY'S)
 HARBOR DODGE; ATLANTIC)
 CHRYSLER-JEEP-DODGE; ATLANTIC)
 FORD, INC.; BEACH)
 FORD-LINCOLN-MERCURY-VOLVO, INC.;)
 BELL & BELL PONTIAC-GMC, INC.;)
 CONWAY CHRYSLER-DODGE-JEEP, INC.;)
 CONWAY FORD, INC.; DIAMOND)
 AUTOMOTIVE GROUP, INC.; EAST)
 COAST HONDA; EAST COAST)
 VOLKSWAGEN; FOWLER MOTORS;)
 GRAND STRAND NISSAN, INC.;)
 HADWIN-WHITE)
 PONTIAC-BUICK-GMC-SUBARU; HYATT)
 BUICK-GMC TRUCKS; JUD KUHN)
 CHEVROLET; KIA OF MYRTLE BEACH;)
 LAY-FISHER CHEVROLET, INC.; MYRTLE)
 BEACH CHEVROLET, INC.; MYRTLE)
 BEACH CHRYSLER-JEEP, INC.; MYRTLE)
 BEACH)

HYUNDAI-ISUZU; MYRTLE BEACH)
 SUZUKI; SPARKS TOYOTA, INC.; SUN)
 COAST MAZDA-MITSUBISHI; SUZUKI)
 OUTLET OF MYRTLE BEACH SC; HILTON)
 HEAD CHRYSLER JEEP DODGE; HILTON)
 HEAD HYUNDAI; KEY INFINITI LLC; KEY)
 MAZDA; KEY NISSAN, LLC; PORSCHE OF)
 HILTON HEAD; PRESTIGE MOTORCARS;)
 LLC DBA HILTON HEAD JAGUAR; DICK)
 SMITH)
 PONTIAC-CHRYSLER-DODGE-GMC-JEEP;)
 HERITAGE CHEVROLET-BUICK, INC.;)
 JAMES ERVIN TOYOTA; REDFEARN)
 MOTOR CO., INC.; BURNS)
 FORD-MERCURY, INC.; ELROD)
 PONTIAC-BUICK-GMC, INC.; H & H)
 CHEVROLET, INC.; LANCASTER)
 DODGE-CHRYSLER-JEEP; LANCASTER)
 MOTOR CO.; BALDWIN)
 PONTIAC-BUICK-GMC, INC.; COOPER)
 FORD, INC.; FIRMIN FORD, INC.; JOHN)
 FOSTER MOTORS, INC.; LYNN COOPER,)
 INC.; SMITH CHEVROLET-CADILLAC,)
 INC.; ADDY DODGE, INC.; CHEROKEE)
 KENWORTH; HAMPTON AUTOMOTIVE,)
 INC.; MIDLANDS HONDA; SATURN OF)
 COLUMBIA, INC.; STIVERS)
 CHRYSLER-JEEP, INC.; TWIN CITY)
 MOTOR CO., INC.; MULLINS MOTORS,)
 INC.; PEE DEE FORD LINCOLN MERCURY)
 INC.; GRIFFIN-FLYTHE CHEVROLET,)
 INC.; MEGGS)
 FORD-CHRYSLER-DODGE-JEEP;)
 CROMLEY'S INC.; JEFFREY DEAN)
 CHRYSLER DODGE JEEP GMC; KIRBY)
 SCHRADER; STOKES-TRAINOR)
 CHEVROLET-OLD-PONTIAC-CADILLAC-B)
 UICK; BOBBY WOOD)
 CHEVROLET-PONTIAC; EDWARDS AUTO)
 SALES, INC.; LAKE KEOWEE)
 CHRYSLER-DODGE LLC; LEADER FORD;)
 PERFORMANCE)
 CHEVROLET-BUICK-GMC; BOB)

RICHARDS AUTOMOTIVE, LLC; FAIREY)
 CHEVROLET-CADILLAC; ORANGEBURG)
 CHRYSLER-DODGE-NISSAN, INC.;)
 ORANGEBURG FORD; SUPERIOR)
 HONDA; SUPERIOR MOTORS, INC.;)
 BENSON FORD-MERCURY, INC.; CRANE)
 CHEVROLET-CADILLAC, INC.; EASLEY)
 MITSUBISHI; EASLEY)
 PONTIAC-BUICK-GMC TRUCK, INC.;)
 HENDRICK HONDA; NORRIS FORD, INC.;)
 TINSLEY CHEVROLET CO., INC.; BOB)
 BENNETT FORD, INC.; CAPITOL)
 CHEVROLET; CAPITOL HYUNDAI;)
 CAROLINA INTERNATIONAL)
 TRUCKS-COLA; COLUMBIA)
 FREIGHTLINER, LLC; DODGELAND OF)
 COLUMBIA; HANCOCK MOTOR CO.;)
 HANCOCK VOLKSWAGEN; HONDA CARS)
 OF COLUMBIA; JIM MOORE CADILLAC,)
 INC.; MCDANIELS ACURA-PORSCHE;)
 SHEALY'S TRUCK CENTER-COLA;)
 STIVERS LINCOLN-MERCURY; WRAY)
 AUTOMOTIVE, INC.; CROMLEY'S INC.;)
 SALUDA MOTOR SALES, INC.; DAVE)
 EDWARDS TOYOTA; DICK BROOKS)
 HONDA; FOOTHILLS FORD OF CHESNE;)
 JOE GIBSON MITSUBISHI; KIA OF GREER;)
 SATURN OF SPARTANBURG; SHEALY'S)
 TRUCK CENTER; SPARTANBURG)
 DODGE, INC.; VIC BAILEY FORD, INC.;)
 VIC BAILEY HONDA; VIC BAILEY)
 LINCOLN-MERCURY, INC.; VIC BAILEY)
 VOLKSWAGEN; WAKEFIELD)
 BUICK-PONTIAC-GMC, INC.; BOYLE)
 MOTOR COMPANY; BOYLE TOYOTA,)
 INC.; GOODWIN BUICK-JEEP; GOODWIN)
 HONDA-MITSUBISHI-VW; JONES)
 CHEVROLET CO.; JONES NISSAN, INC.;)
 JONES PONTIAC-GMC TRUCK, INC.;)
 MCLAUGHLIN MOTORS, INC.; SUMTER)
 CHRYSLER-PLYMOUTH-DODGE;)
)
)
)

UNION CHRYSLER-DODGE-JEEP, INC.;)
 BIG COUNTRY CHEVROLET, INC.;)
 HASELDEN BROTHERS, INC.;)
 LONGSTREET)
 CHEVROLET-BUICK-CADILLAC-GMC;)
 CAROLINA MAZDA; CLINTON FAMILY)
 FORD-LINCOLN-MERCURY; DICKERSON)
 MOTOR CO., INC.; DUNLAP-JOHNSON)
 CHEVROLET CO., INC.; FORT MILL FORD,)
 INC.; FRED CALDWELL'S CLOVER)
 CHEVROLET; GOOD MOTOR COMPANY;)
 GRIFFIN MITSUBISHI; GRIFFIN)
 PONTIAC-BUICK-GMC; HARRELSON)
 NISSAN; HARRELSON TOYOTA; HONDA)
 CARS OF ROCK HILL; RICK FORD, INC.;)
 STATELINE CHRYSLER JEEP DODGE)
 INC.; AND AGAINST ALL MOTOR)
 VEHICLE DEALERS OWNED OR)
 CONTROLLED BY DEFENDANTS AS)
 DEFINED IN S.C. CODE ANN. §56-15-10(H).)

Plaintiffs Heather Herron, Natalie Armstrong, Alison Dannert, Michael Ritz, Julie
 Freeman, Christine Watts, Michael Blease, and Micheal Watts individually and pursuant to S.C.
 Code Ann. §56-5-110 for the benefit of all others whom paid "administrative fees" (often
 referred to as an "administrative fee," a "recording and processing fee," "closing fee," "dealer
 documentation and closing fee" (collectively "administrative fees")) to Defendants hereby
 complaining of CarMax Auto Superstores, Inc., Defendant Dick Dyer & Associates, Inc., Dick
 Smith Motors, Inc., Galeana Chrysler-Jeep, Inc., Pulliam Motor Co., Dick Smith Infiniti, Inc.,
 Dick Smith Nissan of Lexington, Inc., Dick Smith Nissan, Inc., Overland, Inc. d/b/a Land Rover
 of Columbia, Toyota Center, LLC, Stokes Automotive, Inc., Stokes Motors, Inc., Stokes-Craven
 Automotive, Inc., Stokes Mazda, Inc., Palmetto Chevrolet Company, Inc., Palmetto Nissan, Inc.,
 Palmetto Ford, Inc., Jones Ford, Inc., Harold Arnold's Sentry Buick, Inc., J. L. Investments, LP,

Rick Hendrick Chevrolet, LP, Rick Hendrick Honda Cars Co., Rick Hendrick Jeep Eagle, L.P.,
 Oak Tree, Inc. d/b/a West Ashley Toyota, Inc., Gene Reed Imports, Inc, Gene Reed Toyota, Inc.,
 Hoover Jeep Chrysler, Inc., Hoover Motors, Inc., Hoover Chrysler-Dodge, Inc., Strom Altman
 Dodge, Inc., Baker Motor Company of Charleston, Inc., Miller Cadillac, Inc., Taylor
 Investments, Inc. d/b/a Taylor To Defendant Benson Chrysler-Plymouth, Inc. Defendant Benson
 Ford Mercury, Inc., Benson Cadillac-Nissan, Inc., Big "O" Dodge of Greenville, Inc., Bradshaw
 Automotive Group, Inc., Spartanburg Chrysler Jeep, Inc., Kia of Anderson, LLC, Toyota of
 Greenville, Inc., Toyota of Easley, Inc., Farrell Automotive, Inc., Fairway Ford, Inc., Saturn of
 Greenville, Inc., Steve White Motors of South Carolina, Inc., D&D Motors, Inc., Burns Chrysler
 Dodge Jeep, LLC, John Finger Motors, Inc., Sonic Automotive, Inc. d/b/a Century BMW, Bob
 Richards Nissan, Dick Smith Chrysler-Jeep, Goodman Chevrolet, Inc., Henna
 Chevrolet-Olds-Cadillac, LLC, Honda Cars of Aiken, Johnson Motor Company of SC, Sanders
 Truck Sales, Carolina Ford, Carolina International Trucks of Anderson, Clinkscales Chevrolet,
 Inc., Fairway Ford-Mazda, Piedmont Chrysler-Jeep, Piedmont Honda, Planet Ford, Ralph Hayes
 Toyota, Inc. , Tom Hunter Pontiac-Buick-GMC, LLC, Upstate Automotive (Chevrolet-Cadillac),
 Upstate Automotive (Isuzu-Kia), Upstate Automotive (Mitsubishi), Upstate Automotive
 (Nissan), Gibbes Ford, Inc., Zeigler Chevrolet, Inc., B & B Ford, Inc., Whittle Motor Company,
 Inc., Butler Chrysler-Dodge-Jeep, Carolina Volvo, Hilton Head Automotive LLC, Hilton Head
 Honda, Land Rover Hilton Head, Modern Classic Motors, O. C. Welch Ford-Lincoln-Mercury,
 Parks Automotive Group, Parks Cadillac, Stokes Honda Cars of Beaufort, Inc., Stokes
 Mitsubishi, Stokes-Brown Toyota, Dick Smith Chevrolet, Inc. Hoover Jeep-Chrysler, Inc.,
 Hoover Motors, Inc., McElveen Pontiac-Buick-GMC, Inc., Altman Lincoln-Mercury-Hyundai,
 Carolina International Trucks-Charleston, Charleston Mitsubishi, Hendrick Honda of Charleston,

Hoover Chrysler-Jeep, Inc., Hughes Motors, Inc., Kia Country, Lexus of Charleston, Low
 Country Mazda, Low Country Volkswagen, Marathon Chevrolet of N Charleston, Marchant
 Chevrolet, Inc., McDaniels Acura of Charleston, McElveen Chevrolet, LLC, Morris Nissan,
 Northside Nissan, Ravenel Ford, Inc., Rick Hendrick Dodge, Rick Hendrick's Import Showplace,
 Saturn of Charleston, Stokes Honda North Charleston, Stokes Isuzu-Kia-Subaru, Stokes
 Volkswagen, Victory Hyundai of Charleston, Burns Chevrolet-Chrysler-Dodge-Jeep, Inc., Burns
 Chevrolet Cadillac, Inc., Joe Gibson Suzuki, Roger Shiflett Ford, Inc., Wallace White
 Pontiac-Buick-GMC, Nourse Chester Automotive, Nourse Motors of Chester LLC, Bennett
 Motor Co., Inc., John Donoghue Ford, Inc., Lawrence Chevrolet-Pontiac, Prothro
 Chevrolet-Buick-Pontiac-GMC Truck, Stokes-Craven Chrysler-Jeep-Dodge, Stokes-Craven
 Ford, Peters Pontiac Buick-GMC, Rizer Chevrolet Co., Inc., Walterboro Motor Sales Co., Action
 Ford-Mercury, Inc., John Newsome, Inc., Raceway Chrysler-Jeep-Dodge, Inc., Raceway Ford,
 Carolina International Trucks LLC, Marathon Chevrolet, Summerville Ford-Mercury, Inc.,
 Herlong Pontiac-Chevrolet-Buick, Inc., Jim Satcher, Inc., Yonce Ford-Mercury, Inc., Wilson
 Chevrolet-Oldsmobile, Inc., Wilson Chrysler-Dodge-Jeep, Inc., Auddie Brown Mitsubishi, Cale
 Yarborough Honda, Inc., Carolina International Trucks, Efrid Chrysler-Jeep-Dodge, Inc.,
 Florence Mack, Inc., Florence Toyota, Floyd Motor Co., Inc., Horne Ford, Inc., Kia of Florence,
 King Cadillac-Buick-Pontiac-GMC Truck, Inc., Lake City Ford-Mercury, LLC, Peterbilt of
 Florence, Raceway Chevrolet-Pontiac-Buick-GMC, Saturn of Florence, Service Motor Company,
 Inc., Coastal Nissan-Chevrolet-Cadillac, Hemingway Motor Co., Inc., Parrish Motor Co., Inc.,
 Tideland's Chrysler Dodge, Tideland's Ford-Lincoln-Mercury, BMS, Inc. d/b/a Breakaway Honda,
 Bradshaw Acura, Brockman Automotive, Carolina International Trucks-Greenville, Cherokee
 Kenworth, Inc., Christopher Trucks, Inc., Crown Jeep-Chrysler, Crown Nissan Greenville, Dick

Smith Mitsubishi, Fairway Ford, Inc., Fairway Motorcars LLC, George Coleman Ford, Inc.,
 Heritage Lincoln-Mercury, John Finger Mazda, Kevin Whitaker Chevrolet-Cadillac, Kevin
 Whitaker Chevrolet, Inc., Simpsonville Chevrolet, Inc., Sittou Buick-Pontiac-GMC Truck, Inc.,
 Steve White Motors of SC, Inc., Stokes-Trainor Ford, C. Thompson Automotive, Gary Russ
 Chevrolet-Cadillac, Inc., George Ballentine Ford-Lincoln-Mercury, Quality Chrysler City,
 Brunson Automobile Sales, Inc., Tison Motor Co., Inc., Addy's Harbor Dodge, Atlantic
 Chrysler-Jeep-Dodge, Atlantic Ford, Inc., Beach Ford-Lincoln-Mercury-Volvo, Inc., Bell & Bell
 Pontiac-GMC, Inc., Conway Chrysler-Dodge-Jeep, Inc., Conway Ford, Inc., Diamond
 Automotive Group, Inc., East Coast Honda, East Coast Volkswagen, Fowler Motors, Grand
 Strand Nissan, Inc., Hadwin-White Pontiac-Buick-GMC-Subaru, Hyatt Buick-GMC Trucks, Jud
 Kuhn Chevrolet, Kia of Myrtle Beach, Lay-Fisher Chevrolet, Inc., Myrtle Beach Chevrolet, Inc.,
 Myrtle Beach Chrysler-Jeep, Inc., Myrtle Beach Hyundai-Isuzu, Myrtle Beach Suzuki, Sparks
 Toyota, Inc., Sun Coast Mazda-Mitsubishi, Suzuki Outlet of Myrtle Beach SC, Hilton Head
 Chrysler Jeep Dodge, Hilton Head Hyundai, Key Infiniti LLC, Key Mazda, Key Nissan, LLC,
 Porsche of Hilton Head, Prestige Motorcars, LLC dba Hilton Head Jaguar, Dick Smith
 Pontiac-Chrysler-Dodge-GMC-Jeep, Heritage Chevrolet-Buick, Inc., James Ervin Toyota,
 Redfearn Motor Co., Inc., Burns Ford-Mercury, Inc., Elrod Pontiac-Buick-GMC, Inc., H & H
 Chevrolet, Inc., Lancaster Dodge-Chrysler-Jeep, Lancaster Motor Co., Baldwin
 Pontiac-Buick-GMC, Inc., Cooper Ford, Inc., Firmin Ford, Inc., John Foster Motors, Inc., Lynn
 Cooper, Inc., Smith Chevrolet-Cadillac, Inc., Addy Dodge, Inc., Cherokee Kenworth, Hampton
 Automotive, Inc., Midlands Honda, Saturn of Columbia, Inc., Stivers Chrysler-Jeep, Inc., Twin
 City Motor Co., Inc., Mullins Motors, Inc., Pec Dee Ford Lincoln Mercury Inc., Griffin-Flythe
 Chevrolet, Inc., Meggs Ford-Chrysler-Dodge-Jeep, Cromley's Inc., Jeffrey Dean Chrysler Dodge

Jeep GMC, Kirby Schrader, Stokes-Trainor Chevrolet-Old-Pontiac-Cadillac-Buick, Bobby Wood
 Chevrolet-Pontiac, Edwards Auto Sales, Inc., Lake Keowee Chrysler-Dodge LLC, Leader Ford,
 Performance Chevrolet-Buick-GMC, Bob Richards Automotive, LLC, Fairey
 Chevrolet-Cadillac, Orangeburg Chrysler-Dodge-Nissan, Inc., Orangeburg Ford, Superior Honda,
 Superior Motors, Inc., Benson Ford-Mercury, Inc., Crane Chevrolet-Cadillac, Inc., Easley
 Mitsubishi, Easley Pontiac-Buick-GMC Truck, Inc., Hendrick Honda, Norris Ford, Inc., Tinsley
 Chevrolet Co., Inc., Bob Bennett Ford, Inc., Capitol Chevrolet, Capitol Hyundai, Carolina
 International Trucks-Cola, Columbia Freightliner, LLC, Dodgeland of Columbia, Hancock
 Motor Co., Hancock Volkswagen, Honda Cars of Columbia, Jim Moore Cadillac, Inc.,
 McDaniels Acura-Porsche, Shealy's Truck Center-Cola, Stivers Lincoln-Mercury, Wray
 Automotive, Inc., Cromley's Inc., Saluda Motor Sales, Inc., Dave Edwards Toyota, Dick Brooks
 Honda, Foothills Ford of Chesne, Joe Gibson Mitsubishi, Kia of Greer, Saturn of Spartanburg,
 Shealy's Truck Center, Spartanburg Dodge, Inc., Vic Bailey Ford, Inc., Vic Bailey Honda, Vic
 Bailey Lincoln-Mercury, Inc., Vic Bailey Volkswagen, Wakefield Buick-Pontiac-GMC, Inc.,
 Boyle Motor Company, Boyle Toyota, Inc., Goodwin Buick-Jeep, Goodwin
 Honda-Mitsubishi-VW, Jones Chevrolet Co., Jones Nissan, Inc., Jones Pontiac-GMC Truck,
 Inc., McLaughlin Motors, Inc., Sumter Chrysler-Plymouth-Dodge, Union Chrysler-Dodge-Jeep,
 Inc., Big Country Chevrolet, Inc., Haselden Brothers, Inc., Longstreet
 Chevrolet-Buick-Cadillac-GMC, Carolina Mazda, Clinton Family Ford-Lincoln-Mercury,
 Dickerson Motor Co., Inc., Dunlap-Johnson Chevrolet Co., Inc., Fort Mill Ford, Inc., Fred
 Caldwell's Clover Chevrolet, Good Motor Company, Griffin Mitsubishi, Griffin
 Pontiac-Buick-GMC, Harrelson Nissan, Harrelson Toyota, Honda Cars of Rock Hill, Rick Ford,
 Inc., Stateline Chrysler Jeep Dodge Inc. (collectively "Defendants"), would respectfully show

that:

PARTIES

1. Plaintiff Heather Herron is a citizen and resident of Richland County, South Carolina.
2. Plaintiff Natalie Armstrong is a citizen and resident of Richland County, South Carolina.
3. Plaintiff Alison Dannert is a citizen and resident of Spartanburg County, South Carolina.
4. Plaintiff Michael Ritz is a citizen and resident of Aiken County, South Carolina.
5. Plaintiff Julie Freeman is a citizen and resident of Greenville County, South Carolina.
6. Plaintiff Christine Watts is a citizen and resident of Greenville County, South Carolina.
7. Plaintiff Michael Watts is a citizen and resident of Greenville County, South Carolina.
8. Plaintiff Michael Blease is a citizen and resident of Horry County, South Carolina.
9. Defendant CarMax Auto Superstores, Inc. is a licensed motor vehicle dealer and corporation organized and existing under the laws of the State of Virginia with places of business in Richland County and Greenville County, South Carolina.
10. Defendant Dick Dyer & Associates, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.
11. Defendant Dick Smith Motors, Inc. is a licensed motor vehicle dealer and a

corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

12. Defendant Galeana Chrysler-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

13. Defendant Pulliam Motor Co. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

14. Defendant Dick Smith Infiniti, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

15. Defendant Dick Smith Nissan of Lexington, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

16. Defendant Dick Smith Nissan, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

17. Defendant Overland, Inc. doing business as Land Rover of Columbia is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

18. Defendant Toyota Center, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina. W. Columbia.

19. Defendant Stokes Automotive, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

20. Defendant Stokes Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Clarendon County, South Carolina.

21. Defendant Stokes-Craven Automotive, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Clarendon County, South Carolina.

22. Defendant Stokes Mazda, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

23. Defendant Palmetto Chevrolet Company, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

24. Defendant Palmetto Nissan, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

25. Defendant Palmetto Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

26. Defendant Jones Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its

principal place of business in Charleston County, South Carolina.

27. Defendant Harold Arnold's Sentry Buick, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

28. Defendant J. L. Investments, LP of Charleston is a licensed motor vehicle dealer and a limited partnership organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

29. Defendant Rick Hendrick Chevrolet, LP is a licensed motor vehicle dealer and a limited partnership organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

30. Defendant Rick Hendrick Honda Cars, Co. is a licensed motor vehicle dealer and a limited partnership organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

31. Defendant Rick Hendrick Jeep Eagle, L.P. is a licensed motor vehicle dealer and a limited partnership organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

32. Defendant Oak Tree, Inc. d/b/a West Ashley Toyota, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

33. Defendant Gene Reed Imports, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

34. Defendant Gene Reed Toyota, Inc. is a licensed motor vehicle dealer and a

corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

35. Defendant Hoover Jeep Chrysler, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

36. Defendant Hoover Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

37. Defendant Hoover Chrysler-Dodge, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

38. Defendant Strom Altman Dodge, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

39. Defendant Baker Motor Company of Charleston, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

40. Defendant Miller Cadillac, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

41. Defendant Taylor Investments, Inc. (d/b/a Taylor Toyota, Inc.) is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

42. Defendant Benson Chrysler-Plymouth, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

43. Defendant Benson Ford Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

44. Defendant Benson Cadillac-Nissan, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

45. Defendant Big "O" Dodge of Greenville, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

46. Defendant Bradshaw Automotive Group, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

47. Defendant Spartanburg Chrysler Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

48. Defendant Kia of Anderson, LLC is a licensed motor vehicle dealer and a limited liability company organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

49. Defendant Toyota of Greenville, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its

principal place of business in Greenville County, South Carolina.

50. Defendant Toyota of Easley, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

51. Defendant Farrell Automotive, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

52. Defendant Fairway Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina..

53. Defendant Saturn of Greenville, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

54. Defendant Steve White Motors of South Carolina, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

55. Defendant D&D Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

56. Defendant Burns Chrysler Dodge Jeep, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

57. Defendant John Finger Motors, Inc. is a licensed motor vehicle dealer and

a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

58. Defendant Sonic Automotive, Inc. d/b/a Century BMW is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

59. Bob Richards Nissan is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

60. Dick Smith Chrysler-Jeep is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

61. Goodman Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

62. Henna Chevrolet-Olds-Cadillac, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

63. Honda Cars of Aiken is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

64. Johnson Motor Company of SC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

65. Sanders Truck Sales is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Allendale County, South Carolina.

67. Carolina Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

68. Carolina International Trucks of Anderson is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

69. Clinkscates Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

70. Fairway Ford-Mazda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

71. Piedmont Chrysler-Jeep is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

72. Piedmont Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

73. Planet Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in

Anderson County, South Carolina.

74. Ralph Hayes Toyota, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

75. Tom Hunter Pontiac-Buick-GMC, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

76. Upstate Automotive (Chevrolet-Cadillac) is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

77. Upstate Automotive (Isuzu-Kia) is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

78. Upstate Automotive (Mitsubishi) is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

79. Upstate Automotive (Nissan) is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

80. Gibbes Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Bamberg County, South Carolina.

81. Zeigler Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation

organized and existing under the laws of the State of South Carolina with its principal place of business in Bamberg County, South Carolina.

82. B & B Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Barnwell County, South Carolina.

83. Whittle Motor Company, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Barnwell County, South Carolina.

84. Butler Chrysler-Dodge-Jeep is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

85. Carolina Volvo is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

86. Hilton Head Automotive LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

87. Hilton Head Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

88. Land Rover Hilton Head is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

89. Modern Classic Motors is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

90. O. C. Welch Ford-Lincoln-Mercury is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

91. Parks Automotive Group is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

92. Parks Cadillac is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

93. Stokes Honda Cars of Beaufort, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

94. Stokes Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

95. Stokes-Brown Toyota is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

96. Dick Smith Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of

business in Berkley County, South Carolina.

97. Hoover Jeep-Chrysler, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Berkley County, South Carolina.

98. Hoover Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Berkley County, South Carolina.

99. McElveen Pontiac-Buick-GMC, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Berkley County, South Carolina.

100. Altman Lincoln-Mercury-Hyundai is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

101. Carolina International Trucks-Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

102. Charleston Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

103. Hendrick Honda of Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

104. Hoover Chrysler-Jeep, Inc. is a licensed motor vehicle dealer and a corporation

organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

105. Hughes Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

106. Kia Country is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

107. Lexus of Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

108. Low Country Mazda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

109. Low Country Volkswagen is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

110. Marathon Chevrolet of N Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

111. Marchant Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

112. McDaniels Acura of Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

113. McElveen Chevrolet, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

114. Morris Nissan is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

115. Northside Nissan is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

116. Ravenel Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

117. Rick Hendrick Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

118. Rick Hendrick's Import Showplace is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

119. Saturn of Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of

business in Charleston County, South Carolina.

120. Stokes Honda North Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

121. Stokes Isuzu-Kia-Subaru is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

122. Stokes Volkswagen is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

123. Victory Hyundai of Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

124. Burns Chevrolet-Chrysler-Dodge-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

125. Burns Chevrolet Cadillac, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

126. Joe Gibson Suzuki is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

127. Roger Shiflett Ford, Inc. is a licensed motor vehicle dealer and a corporation

organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

128. Wallace White Pontiac-Buick-GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

129. Nourse Chester Automotive is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Chester County, South Carolina.

130. Nourse Motors of Chester LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Chester County, South Carolina.

131. Bennett Motor Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Chesterterfield County, South Carolina.

132. John Donoghue Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Chesterterfield County, South Carolina.

133. Lawrence Chevrolet-Pontiac is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Chesterterfield County, South Carolina.

134. Prothro Chevrolet-Buick-Pontiac-GMC Truck is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Clarendon County, South Carolina.

135. Stokes-Craven Chrysler-Jeep-Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Clarendon County, South Carolina.

136. Stokes-Craven Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Clarendon County, South Carolina.

137. Peters Pontiac Buick-GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Colleton County, South Carolina.

138. Rizer Chevrolet Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Colleton County, South Carolina.

139. Walterboro Motor Sales Co. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Colleton County, South Carolina.

140. Action Ford-Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Darlington County, South Carolina.

141. John Newsome, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Darlington County, South Carolina.

142. Raceway Chrysler-Jeep-Dodge, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its

principal place of business in Darlington County, South Carolina.

143. Raceway Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Darlington County, South Carolina.

144. Carolina International Trucks LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

145. Marathon Chevrolet is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

146. Summerville Ford-Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

147. Herlong Pontiac-Chevrolet-Buick, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Edgefield County, South Carolina.

148. Jim Satcher, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Edgefield County, South Carolina.

149. Yonce Ford-Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Edgefield County, South Carolina.

150. Wilson Chevrolet-Oldsmobile, Inc. is a licensed motor vehicle dealer and a

corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Fairfield County, South Carolina.

151. Wilson Chrysler-Dodge-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Fairfield County, South Carolina.

152. Auddie Brown Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

153. Cale Yarborough Honda, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

154. Carolina International Trucks is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

155. Efird Chrysler-Jeep-Dodge, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

156. Florence Mack, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

157. Florence Toyota is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

158. Floyd Motor Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

159. Home Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

160. Kia of Florence is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

161. King Cadillac-Buick-Pontiac-GMC Truck, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

162. Lake City Ford-Mercury, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

163. Peterbilt of Florence is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

164. Raceway Chevrolet-Pontiac-Buick-GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

165. Saturn of Florence is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in

Florence County, South Carolina.

166. Service Motor Company, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

167. Coastal Nissan-Chevrolet-Cadillac is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Georgetown County, South Carolina.

168. Hemingway Motor Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Georgetown County, South Carolina.

169. Parrish Motor Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Georgetown County, South Carolina.

169. Tideland's Chrysler Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Georgetown County, South Carolina.

170. Tideland's Ford-Lincoln-Mercury is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Georgetown County, South Carolina.

171. BMS, Inc. d/b/a Breakaway Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

172. Bradshaw Acura is a licensed motor vehicle dealer and a corporation organized

and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

173. Brockman Automotive is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

174. Carolina International Trucks-Greenville is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

175. Cherokee Kenworth, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

176. Christopher Trucks, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

177. Crown Jeep-Chrysler is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

178. Crown Nissan Greenville is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

179. Dick Smith Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

180. Fairway Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

181. Fairway Motorcars LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

182. George Coleman Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

183. Heritage Lincoln-Mercury is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

184. John Finger Mazda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

185. Kevin Whitaker Chevrolet-Cadillac is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

186. Kevin Whitaker Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

187. Simpsonville Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of

business in Greenville County, South Carolina.

188. Sitton Buick-Pontiac-GMC Truck, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

189. Stokes-Trainor Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

190. C. Thompson Automotive is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenwood County, South Carolina.

191. Gary Russ Chevrolet-Cadillac, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenwood County, South Carolina.

192. George Ballentine Ford-Lincoln-Mercury is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenwood County, South Carolina.

193. Quality Chrysler City is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenwood County, South Carolina.

194. Brunson Automobile Sales, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Hampton County, South Carolina.

195. Tison Motor Co., Inc. is a licensed motor vehicle dealer and a corporation

organized and existing under the laws of the State of South Carolina with its principal place of business in Hampton County, South Carolina.

196. Addy's Harbor Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

197. Atlantic Chrysler-Jeep-Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

198. Atlantic Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

199. Beach Ford-Lincoln-Mercury-Volvo, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

200. Bell & Bell Pontiac-GMC, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

201. Conway Chrysler-Dodge-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

202. Conway Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

203. Diamond Automotive Group, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

204. East Coast Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

205. East Coast Volkswagen is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

206. Fowler Motors is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

207. Grand Strand Nissan, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

208. Hadwin-White Pontiac-Buick-GMC-Subaru is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

209. Hyatt Buick-GMC Trucks is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

210. Jud Kuhn Chevrolet is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of

business in Horry County, South Carolina.

211. Kia of Myrtle Beach is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

212. Lay-Fisher Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

213. Myrtle Beach Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

214. Myrtle Beach Chrysler-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

215. Myrtle Beach Hyundai-Isuzu is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

216. Myrtle Beach Suzuki is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

217. Sparks Toyota, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

218. Sun Coast Mazda-Mitsubishi is a licensed motor vehicle dealer and a corporation

organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

219. Suzuki Outlet of Myrtle Beach SC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

220. Hilton Head Chrysler Jeep Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Jasper County, South Carolina.

221. Hilton Head Hyundai is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Jasper County, South Carolina.

222. Key Infiniti LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Jasper County, South Carolina.

223. Key Mazda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Jasper County, South Carolina.

224. Key Nissan, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Jasper County, South Carolina.

225. Porsche of Hilton Head is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Jasper County, South Carolina.

corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Laurens County, South Carolina.

242. Addy Dodge, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

243. Cherokee Kenworth is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

244. Hampton Automotive, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

245. Midlands Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

246. Saturn of Columbia, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

247. Stivers Chrysler-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

248. Twin City Motor Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

249. Mullins Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Marion County, South Carolina.

250. Pee Dee Ford Lincoln Mercury Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Marion County, South Carolina.

251. Griffin-Flythe Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Marlboro County, South Carolina.

252. Meggs Ford-Chrysler-Dodge-Jeep is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Marlboro County, South Carolina.

253. Cromley's Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Newberry County, South Carolina.

254. Jeffrey Dean Chrysler Dodge Jeep GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Newberry County, South Carolina.

255. Kirby Schrader is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Newberry County, South Carolina.

256. Stokes-Trainor Chevrolet-Old-Pontiac-Cadillac-Buick is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina

with its principal place of business in Newberry County, South Carolina.

257. Bobby Wood Chevrolet-Pontiac is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Oconee County, South Carolina.

258. Edwards Auto Sales, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Oconee County, South Carolina.

259. Lake Keowee Chrysler-Dodge LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Oconee County, South Carolina.

260. Leader Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Oconee County, South Carolina.

261. Performance Chevrolet-Buick-GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Oconee County, South Carolina.

262. Bob Richards Automotive, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Orangeburg County, South Carolina.

263. Fairey Chevrolet-Cadillac is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Orangeburg County, South Carolina.

264. Orangeburg Chrysler-Dodge-Nissan, Inc. is a licensed motor vehicle dealer and a

corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Orangeburg County, South Carolina.

265. Orangeburg Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Orangeburg County, South Carolina.

266 Superior Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Orangeburg County, South Carolina.

267. Superior Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Orangeburg County, South Carolina.

268. Benson Ford-Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

269. Crane Chevrolet-Cadillac, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

270. Easley Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

271. Easley Pontiac-Buick-GMC Truck, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

272. Hendrick Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

273. Norris Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

274. Tinsley Chevrolet Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

275. Bob Bennett Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

276. Capitol Chevrolet is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

277. Capitol Hyundai is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

278. Carolina International Trucks-Cola is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

279. Columbia Freightliner, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of

business in Richland County, South Carolina.

280. DodgeLand of Columbia is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

281. Hancock Motor Co. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

282. Hancock Volkswagen is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

283. Honda Cars of Columbia is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

284. Jim Moore Cadillac, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

285. McDaniels Acura-Porsche is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

286. Shealy's Truck Center-Cola is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

287. Stivers Lincoln-Mercury is a licensed motor vehicle dealer and a corporation

organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

288. Wray Automotive, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

289. Cromley's Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Saluda County, South Carolina.

290. Saluda Motor Sales, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Saluda County, South Carolina.

291. Dave Edwards Toyota is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

292. Dick Brooks Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

293. Foothills Ford of Chesne is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

294. Joe Gibson Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

295. Kia of Greer is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

296. Saturn of Spartanburg is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

297. Shealy's Truck Center is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

298. Spartanburg Dodge, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

299. Toyota of Greer is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

300. Vic Bailey Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

301. Vic Bailey Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

302. Vic Bailey Lincoln-Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its

principal place of business in Spartanburg County, South Carolina.

303. Vic Bailey Volkswagen is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

304. Wakefield Buick-Pontiac-GMC, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

305. Boyle Motor Company is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

306. Boyle Toyota, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

307. Goodwin Buick-Jeep is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

308. Goodwin Honda-Mitsubishi-VW is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

309. Jones Chevrolet Co. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

310. Jones Nissan, Inc. is a licensed motor vehicle dealer and a corporation organized

and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

311. Jones Pontiac-GMC Truck, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

312. McLaughlin Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

313. Sumter Chrysler-Plymouth-Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

314. Union Chrysler-Dodge-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Union County, South Carolina.

315. Big Country Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Williamsburg County, South Carolina.

316. Haselden Brothers, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Williamsburg County, South Carolina.

317. Longstreet Chevrolet-Buick-Cadillac-GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Williamsburg County, South Carolina.

318. Carolina Mazda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

319. Clinton Family Ford-Lincoln-Mercury is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

320. Dickerson Motor Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

321. Dunlap-Johnson Chevrolet Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

322. Fort Mill Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

323. Fred Caldwell's Clover Chevrolet is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

324. Good Motor Company is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

325. Griffin Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in

York County, South Carolina.

326. Griffin Pontiac-Buick-GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

327. Harrelson Nissan is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

328. Harrelson Toyota is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

329. Honda Cars of Rock Hill is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

330. Rick Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

331. Stateline Chrysler Jeep Dodge Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

VENUE

332. Venue is proper in Aiken County because Defendant Taylor Investments, Inc. d/b/a Taylor Toyota maintains an office and agent for the transaction of business in Aiken County and/or maintains its principal place of business in Aiken County.

FACTS

333. Defendants have conspired together in a common scheme designed to deceive all car buyers (the term "car" as used herein includes new and used cars, trucks, sport utility vehicles and automobiles of all kinds). These actions amount to concerted consumer fraud.

334. Each individual Defendant's conduct vis-a-vis all consumers was the product of unfair, misleading and/or unconscionable business practices.

335. Defendants have all engaged in a common practice of presenting/advertising car prices in a misleading manner. Defendants set and advertise a sticker price for cars and then in addition charge a second fee often referred to as an "administrative fee," a "recording and processing fee," "closing fee," "dealer documentation and closing fee" (collectively "administrative fees"). Defendants present and advertise the "administrative fees" in a misleading manner and/or in an effort to mislead car buyers. This practice is a deceptive way to secretly artificially raise the sticker price.

336. Defendants conduct is not unlike that found to be an unfair trade practice by an Ohio Court in *Motzer Dodge Jeep Eagle, Inc. v. Ohio Attorney General*, 642 N.E.2d 20 (Oh.Ct.App. 1994).

337. Defendants' advertising is misleading because it fails to include / adequately disclose the fact that Defendants will be charging "administrative fees" that are in addition to the advertised price of the car.

338. Defendants' placement of the "administrative fee" on the dealer invoice is deceptive in that it implies that the fee is separate and distinct from the general overhead that car buyers expect to be included within the sticker price for a car and that the set fee is mandatory.

339. The "administrative fees" are not separate and distinct from Defendants' general

overhead expected to be included in the overhead and advertised price." Instead, the "administrative fees" are tricky and deceptive add-ons.

340. The "administrative fees" are presented to car buyers in a misleading manner because car buyers are misled into believing that administrative fees are mandatory fees required to be paid on every car such as taxes and license fees.

341. The "administrative fees" are charged in addition to advertised and/or list prices for cars.

342. The "administrative fees" are deliberately placed as separate line items on Defendants' invoices along with mandatory fees such as taxes, tags, and title. This implies that the "administrative fees" like the payment of taxes, fees for tags and fees for obtaining title are separate set fees and that there is no option but to pay this fee with every car purchase.

343. Consequently, car buyers purchase cars based on the total sticker price and are misled into believing that any discount received is off the sticker price and that additional fees are a special mandatory fee.

344. If a customer inquires about the fee, Defendants' sales people say that the "administrative fee" is a standard fee that has to be included on every vehicle.

345. In 2000, the General Assembly enacted a very narrow exception for charging these illegal "administrative fees."

346. S.C. Code Ann. §37-2-307 allows a dealership to do what would otherwise be illegal, charge "administrative fees," only if the dealership follows strict rules.

347. S.C. Code Ann. §37-2-307 requires that "administrative fees" be included in the advertised price, disclosed on the sales contract, and conspicuously displayed at the dealership.

348. In order to charge administrative fees, Defendants are also required to annually

register with the Department of Consumer Affairs.

349. Defendants have not availed themselves of the limited exception in S.C. Code Ann. §37-2-307.

350. Even if Defendants had complied with S.C. Code Ann. §37-2-307, Defendants actions are in violation of S.C. Code Ann. §56-15-10 *et. seq.*

351. In 2004, Defendant CarMax Auto Superstores, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

352. In 2003, 2004, 2005, and 2006, Defendant CarMax Auto Superstores, Inc. charged "administrative fees" and failed to separately register for each location in the State with the Department of Consumer Affairs Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

353. In 2005, Defendant Dick Smith Motors, Inc. charged "administrative fees" and failed to register for each location in the State with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

354. In 2003, 2004, 2005, and 2006, Defendant Dick Smith Motors, Inc. charged "administrative fees" and failed to register for each location in the State with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

355. In 2003 and 2004, Defendant Pulliam Motor Co. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

356. In 2003, 2004, 2005, and 2006, Defendant Dick Smith Infiniti, Inc. charged "administrative fees." In 2005, Defendant Dick Smith Infiniti, Inc. failed to register with the

Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307 and failed to file a registration specific to this entity in the years 2003, 2004 and 2006.

357. In 2003, 2004, 2005, and 2006, Defendant Dick Smith Nissan of Lexington, Inc. charged "administrative fees." In 2005, Defendant Dick Smith Nissan of Lexington, Inc. failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307 and failed to file a registration specific to this entity in the years 2003, 2004 and 2006.

358. In 2003, 2004, 2005, and 2006, Dick Smith Nissan, Inc. charged "administrative fees." In 2005, Dick Smith Nissan, Inc. failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307 and failed to file a registration specific to this entity in the years 2003, 2004 and 2006.

359. In 2003 and 2004, Defendant Overland Inc. d/b/a Land Rover of Columbia charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

360. In 2003, 2004, 2005 and 2006, Defendant Toyota Center, LLC charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

361. In 2003, 2004, 2005 and 2006, Defendant Stokes Motors, Inc. charged "administrative fees" and failed to file a registration specific to this entity with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

362. In 2003, 2004, 2005 and 2006, Defendant Stokes-Craven Automotive Group, Inc. charged "administrative fees" and failed to file a registration with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

363. In 2003, 2004, 2005 and 2006, Defendant Stokes Mazda, Inc. charged

"administrative fees" and failed to file a registration specific to this entity with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

364. In 2003, 2004, 2005, and 2006, Defendant Palmetto Chevrolet Company, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

365. In 2003, Defendant Palmetto Ford, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

366. In 2003, 2004, 2005, and 2006, Defendant Jones Ford, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

367. In 2006, Defendant Rick Hendrick Chevrolet, LP charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

368. In 2003, 2004, 2005, and 2006, Defendant Hoover Chrysler-Dodge, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

369. In 2003, 2004, 2005, and 2006, Defendant Baker Motor Company of Charleston charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

370. In 2003, 2004, and 2005, Defendant Big "O" Dodge of Greenville, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

371. In 2003, 2004, 2005, and 2006, Defendant Spartanburg Chrysler Jeep, Inc.

charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

372. In 2003, 2004, and 2005, Defendant Kia of Anderson, LLC charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

373. In 2003, Defendant Farrell Automotive, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

374. Plaintiff Heather Herron purchased a 2003 Land Rover SUV from Land Rover of Columbia.

375. Plaintiff Herron's sales invoice includes a separate line item for "Recording & Processing Fees." The "Recording & Processing Fees" line item is pre-printed and deceptively placed with fees for SC Sales Tax, Title, and License. This Recording & Processing Fees is an "administrative fee" as described above.

376. Plaintiff Alison Dannert purchased a Nissan Murano from Defendant CarMax Auto Superstores, Inc. in Greenville, South Carolina

377. Plaintiff Alison Dannert's sales invoice includes a separate line item for Dealer Documentation/ Processing Fee. This fee is pre-printed and deceptively placed with fees for tax, title and license. This Dealer Documentation/ Processing Fee is an "administrative fee" as described above.

378. Plaintiff Natalie Armstrong purchased a 2002 Jeep Liberty from Galeana Chrysler-Jeep, Inc.

379. Defendant Galeana Chrysler-Jeep, Inc.'s sales invoice includes a separate line

item for Admin. Fee. This Admin. Fee is an "administrative fee" as described above.

380. Plaintiff Michael Ritz purchased a Tacoma pickup truck from Defendant Taylor Investments, Inc. (d/b/a Taylor Toyota, Inc.).

381. Defendant Taylor Investments Inc.'s sales invoice includes a separate line item for Administrative Serves Fee. This Administrative Services Fee is an "administrative fee" as described above.

382. Plaintiff Julie Freeman purchased a 1999 Mazda from Defendant Rick Hendrick Honda Cars Co.

383. Defendant Rick Hendrick Honda Cars Co.'s sales invoice includes a separate line item for Procurement Fee. This Procurement Fee is an "administrative fee" as described above.

384. Plaintiff Christine Watts purchases a 2004 BMW from Defendant Sonic Automotive, Inc. d/b/a Century BMW.

385. Defendant Sonic Automotive, Inc. d/b/a Century BMW's Retail Buyer's Order includes a separate line item for Recording & Processing Fees. This Recording & Processing Fee is an "administrative fee" as described above.

386. Plaintiff Michael Blease purchased a 2002 Volvo from Defendant Dick Dyer & Associates, Inc.

387. Defendant Dick Dyer & Associates, Inc.'s Buyer's Order and Invoice includes a separate line item for Processing Fee. This Processing Fee is an "administrative fee" as described above.

388. Plaintiff Michael Watts purchased a Toyota from Defendant Toyota of Greenville, Inc.

389. Defendant Toyota of Greenville, Inc.'s purchase order includes a separate line

item for a Procurement Fee. This Procurement Fee is an "administrative fee" as described above.

390. Upon information and belief, Defendants each annually illegally make several hundred thousand dollars off the deceptive use and placement of the "administrative fee" line item and said illegal fees should be disgorged.

FOR A FIRST CAUSE OF ACTION
(Violations of S.C. Code Ann. §56-15-10 *et. seq.*)

391. The allegations set forth in the paragraphs above are incorporated herein as if set forth verbatim.

392. Defendants are motor vehicle dealers subject to Title 56 of the S.C. Code.

393. Defendants deceptive use of "administrative fees" is arbitrary, in bad faith and unconscionable and in violation of statute.

394. Defendants' use and presentation of the administrative fees is designed to deceive and/or mislead car buyers and is thus is arbitrary, in bad faith and unconscionable and in violation of statute.

395. Defendants failure to adequately disclose and/or include "administrative fees" in the advertised price of cars constitutes misleading advertising in violation of statute.

396. Defendants conspired together to all apply similar administrative fees in an effort to cause damage to South Carolina car buyers. This conspiracy in and of itself is a violation of statute.

397. This suit is brought pursuant to S.C. Code Ann. §56-15-110(2) for the benefit of the whole because the action is one of common or general interest to many persons and the parties are numerous and it is impracticable to bring them all before the Court

398. Accordingly, Plaintiffs are suing for the benefit of all South Carolina car buyers

whom paid administrative fees to Defendants and against all motor vehicle dealers owned or controlled by Defendants as defined in S.C. Code Ann. §56-15-10(h).

399. Plaintiffs and all South Carolina car buyers whom paid administrative fees to Defendants in the past four years have been injured by Defendants deceptive acts as described above.

400. As a result of the aforementioned conduct of Defendants, Plaintiffs are entitled to double actual damages, the cost of the suit and a reasonable attorney's fee pursuant to S.C. Code Ann. §56-15-110(1).

401. Furthermore, the aforementioned conduct of Defendants was malicious. Thus, Plaintiffs are entitled to punitive damages in the amount of three times the actual damages pursuant to S.C. Code Ann. §56-15-110(3).

FOR A SECOND CAUSE OF ACTION

(Civil Conspiracy as to Defendants Dick Smith Motors, Inc., Pulliam Motor Co., Dick Smith Infiniti, Inc., Dick Smith Nissan of Lexington, Inc., Dick Smith Nissan, Inc., Overland, Inc. d/b/a Land Rover of Columbia, Toyota Center, LLC, Stokes Automotive, Inc., Stokes Motors, Inc., Stokes-Craven Automotive, Inc., Stokes Mazda, Inc., Palmetto Chevrolet Company, Inc., Palmetto Nissan, Inc., Palmetto Ford, Inc., Jones Ford, Inc., Harold Arnold's Sentry Buick, Inc., J. L. Investments, LP, Rick Hendrick Chevrolet, LP, Rick Hendrick Jeep Eagle, L.P., Oak Tree, Inc. d/b/a West Ashley Toyota, Inc., Gene Reed Imports, Inc., Hoover Jeep Chrysler, Inc., Hoover Motors, Inc., Hoover Chrysler-Dodge, Inc., Strom Altman Dodge, Inc., Baker Motor Company of Charleston, Inc., Miller Cadillac, Inc., Benson Chrysler-Plymouth, Inc., Benson Ford Mercury, Inc., Big "O" Dodge of Greenville, Inc., Bradshaw Automotive Group, Inc., Spartanburg Chrysler Jeep, Inc., Kia of Anderson, LLC, Toyota of Easley, Inc., Farrell Automotive, Inc., Fairway Ford, Inc., Saturn of Greenville, Inc., Steve White Motors of South Carolina, Inc., D&D Motors, Inc., Burns Chrysler Dodge Jeep, LLC, John Finger Motors, Inc., Bob Richards Nissan, Dick Smith Chrysler-Jeep, Goodman Chevrolet, Inc., Henna Chevrolet-Olds-Cadillac, LLC, Honda Cars of Aiken, Johnson Motor Company of SC, Sanders Truck Sales, Carolina Ford, Carolina International Trucks of Anderson, Clinkscales Chevrolet, Inc., Fairway Ford-Mazda, Piedmont Chrysler-Jeep, Piedmont Honda, Planet Ford, Ralph Hayes Toyota, Inc., Tom Hunter Pontiac-Buick-GMC, LLC, Upstate Automotive (Chevrolet-Cadillac), Upstate Automotive (Isuzu-Kia), Upstate Automotive (Mitsubishi), Upstate Automotive (Nissan), Gibbes Ford, Inc., Zeigler Chevrolet, Inc., B & B Ford, Inc., Whittle Motor Company, Inc., Butler Chrysler-Dodge-Jeep, Carolina Volvo, Hilton Head Automotive LLC, Hilton Head Honda, Land Rover Hilton Head, Modern Classic Motors, O. C. Welch Ford-Lincoln-Mercury,

Parks Automotive Group, Parks Cadillac, Stokes Honda Cars of Beaufort, Inc., Stokes Mitsubishi, Stokes-Brown Toyota, Dick Smith Chevrolet, Inc. Hoover Jeep-Chrysler, Inc., Hoover Motors, Inc., McElveen Pontiac-Buick-GMC, Inc., Altman Lincoln-Mercury-Hyundai, Carolina International Trucks-Charleston, Charleston Mitsubishi, Hendrick Honda of Charleston, Hoover Chrysler-Jeep, Inc., Hughes Motors, Inc., Kia Country, Lexus of Charleston, Low Country Mazda, Low Country Volkswagen, Marathon Chevrolet of N Charleston, Marchant Chevrolet, Inc., McDaniels Acura of Charleston, McElveen Chevrolet, LLC, Morris Nissan, Northside Nissan, Ravenel Ford, Inc., Rick Hendrick Dodge, Rick Hendrick's Import Showplace, Saturn of Charleston, Stokes Honda North Charleston, Stokes Isuzu-Kia-Subaru, Stokes Volkswagen, Victory Hyundai of Charleston, Burns Chevrolet-Chrysler-Dodge-Jeep, Inc., Joe Gibson Suzuki, Roger Shiflett Ford, Inc., Wallace White Pontiac-Buick-GMC, Nourse Chester Automotive, Nourse Motors of Chester LLC, Bennett Motor Co., Inc., John Donoghue Ford, Inc., Lawrence Chevrolet-Pontiac, Prothro Chevrolet-Buick-Pontiac-GMC Truck, Stokes-Craven Chrysler-Jeep-Dodge, Stokes-Craven Ford, Peters Pontiac Buick-GMC, Rizer Chevrolet Co., Inc., Walterboro Motor Sales Co., Action Ford-Mercury, Inc., John Newsome, Inc., Raceway Chrysler-Jeep-Dodge, Inc., Raceway Ford, Carolina International Trucks LLC, Marathon Chevrolet, Summerville Ford-Mercury, Inc., Herlong Pontiac-Chevrolet-Buick, Inc., Jim Satcher, Inc., Yonce Ford-Mercury, Inc., Wilson Chevrolet-Oldsmobile, Inc., Wilson Chrysler-Dodge-Jeep, Inc., Auddie Brown Mitsubishi, Cale Yarborough Honda, Inc., Carolina International Trucks, Efird Chrysler-Jeep-Dodge, Inc., Florence Mack, Inc., Florence Toyota, Floyd Motor Co., Inc., Home Ford, Inc., Kia of Florence, King Cadillac-Buick-Pontiac-GMC Truck, Inc., Lake City Ford-Mercury, LLC, Peterbilt of Florence, Raceway Chevrolet-Pontiac-Buick-GMC, Saturn of Florence, Service Motor Company, Inc., Coastal Nissan-Chevrolet-Cadillac, Hemingway Motor Co., Inc., Parrish Motor Co., Inc., Tideland Chrysler Dodge, Tideland Ford-Lincoln-Mercury, BMS, Inc. d/b/a Breakaway Honda, Bradshaw Acura, Brockman Automotive, Carolina International Trucks-Greenville, Cherokee Kenworth, Inc., Christopher Trucks, Inc., Crown Jeep-Chrysler, Crown Nissan Greenville, Dick Smith Mitsubishi, Fairway Ford, Inc., Fairway Motorcars LLC, George Coleman Ford, Inc., Heritage Lincoln-Mercury, John Finger Mazda, Kevin Whitaker Chevrolet-Cadillac, Kevin Whitaker Chevrolet, Inc., Simpsonville Chevrolet, Inc., Sitton Buick-Pontiac-GMC Truck, Inc., Steve White Motors of SC, Inc., Stokes-Trainor Ford, C. Thompson Automotive, Gary Russ Chevrolet-Cadillac, Inc., George Ballentine Ford-Lincoln-Mercury, Quality Chrysler City, Brunson Automobile Sales, Inc., Tison Motor Co., Inc., Addy's Harbor Dodge, Atlantic Chrysler-Jeep-Dodge, Atlantic Ford, Inc., Beach Ford-Lincoln-Mercury-Volvo, Inc., Bell & Bell Pontiac-GMC, Inc., Conway Chrysler-Dodge-Jeep, Inc., Conway Ford, Inc., Diamond Automotive Group, Inc., East Coast Honda, East Coast Volkswagen, Fowler Motors, Grand Strand Nissan, Inc., Hadwin-White Pontiac-Buick-GMC-Subaru, Hyatt Buick-GMC Trucks, Jud Kuhn Chevrolet, Kia of Myrtle Beach, Lay-Fisher Chevrolet, Inc., Myrtle Beach Chevrolet, Inc., Myrtle Beach Chrysler-Jeep, Inc., Myrtle Beach Hyundai-Isuzu, Myrtle Beach Suzuki, Sparks Toyota, Inc., Sun Coast Mazda-Mitsubishi, Suzuki Outlet of Myrtle Beach SC, Hilton Head Chrysler Jeep Dodge, Hilton Head Hyundai, Key Infiniti LLC, Key Mazda, Key Nissan, LLC, Porsche of Hilton Head, Prestige Motorcars, LLC dba Hilton Head Jaguar, Dick Smith Pontiac-Chrysler-Dodge-GMC-Jeep, Heritage Chevrolet-Buick, Inc., James Ervin Toyota, Redfearn Motor Co., Inc., Burns Ford-Mercury, Inc., Elrod Pontiac-Buick-GMC, Inc., H & H Chevrolet, Inc., Lancaster Dodge-Chrysler-Jeep, Lancaster Motor Co., Baldwin

Pontiac-Buick-GMC, Inc., Cooper Ford, Inc., Firmin Ford, Inc., John Foster Motors, Inc., Lynn Cooper, Inc., Smith Chevrolet-Cadillac, Inc., Addy Dodge, Inc., Cherokee Kenworth, Hampton Automotive, Inc., Midlands Honda, Saturn of Columbia, Inc., Stivers Chrysler-Jeep, Inc., Twin City Motor Co., Inc., Mullins Motors, Inc., Pee Dee Ford Lincoln Mercury Inc., Griffin-Flythe Chevrolet, Inc., Meggs Ford-Chrysler-Dodge-Jeep, Cromley's Inc., Jeffrey Dean Chrysler Dodge Jeep GMC, Kirby Schrader, Stokes-Trainor Chevrolet-Old-Pontiac-Cadillac-Buick, Bobby Wood Chevrolet-Pontiac, Edwards Auto Sales, Inc., Lake Keowee Chrysler-Dodge LLC, Leader Ford, Performance Chevrolet-Buick-GMC, Bob Richards Automotive, LLC, Fairey Chevrolet-Cadillac, Orangeburg Chrysler-Dodge-Nissan, Inc., Orangeburg Ford, Superior Honda, Superior Motors, Inc., Benson Ford-Mercury, Inc., Crane Chevrolet-Cadillac, Inc., Easley Mitsubishi, Easley Pontiac-Buick-GMC Truck, Inc., Hendrick Honda, Norris Ford, Inc., Tinsley Chevrolet Co., Inc., Bob Bennett Ford, Inc., Capitol Chevrolet, Capitol Hyundai, Carolina International Trucks-Cola, Columbia Freightliner, LLC, Dodgeland of Columbia, Hancock Motor Co., Hancock Volkswagen, Honda Cars of Columbia, Jim Moore Cadillac, Inc., McDaniels Acura-Porsche, Shealy's Truck Center-Cola, Stivers Lincoln-Mercury, Wray Automotive, Inc., Cromley's Inc., Saluda Motor Sales, Inc., Dave Edwards Toyota, Dick Brooks Honda, Foothills Ford of Chesne, Joe Gibson Mitsubishi, Kia of Greer, Saturn of Spartanburg, Shealy's Truck Center, Spartanburg Dodge, Inc., Vic Bailey Ford, Inc., Vic Bailey Honda, Vic Bailey Lincoln-Mercury, Inc., Vic Bailey Volkswagen, Wakefield Buick-Pontiac-GMC, Inc., Boyle Motor Company, Boyle Toyota, Inc., Goodwin Buick-Jeep, Goodwin Honda-Mitsubishi-VW, Jones Chevrolet Co., Jones Nissan, Inc., Jones Pontiac-GMC Truck, Inc., McLaughlin Motors, Inc., Sumter Chrysler-Plymouth-Dodge, Union Chrysler-Dodge-Jeep, Inc., Big Country Chevrolet, Inc., Haselden Brothers, Inc., Longstreet Chevrolet-Buick-Cadillac-GMC, Carolina Mazda, Clinton Family Ford-Lincoln-Mercury, Dickerson Motor Co., Inc., Dunlap-Johnson Chevrolet Co., Inc., Fort Mill Ford, Inc., Fred Caldwell's Clover Chevrolet, Good Motor Company, Griffin Mitsubishi, Griffin Pontiac-Buick-GMC, Harrelson Nissan, Harrelson Toyota, Honda Cars of Rock Hill, Rick Ford, Inc., Stateline Chrysler Jeep Dodge Inc.)

402. The allegations set forth in the paragraphs above are incorporated herein as if set forth verbatim.

403. Defendants Dick Smith Motors, Inc., Pulliam Motor Co., Dick Smith Infiniti, Inc., Dick Smith Nissan of Lexington, Inc., Dick Smith Nissan, Inc., Overland, Inc. d/b/a Land Rover of Columbia, Toyota Center, LLC, Stokes Automotive, Inc., Stokes Motors, Inc., Stokes-Craven Automotive, Inc., Stokes Mazda, Inc., Palmetto Chevrolet Company, Inc., Palmetto Nissan, Inc., Palmetto Ford, Inc., Jones Ford, Inc., Harold Arnold's Sentry Buick, Inc., J. L. Investments, LP, Rick Hendrick Chevrolet, LP, Rick Hendrick Jeep Eagle, L.P., Oak Tree, Inc. d/b/a West Ashely

Toyota, Inc., Gene Reed Imports, Inc., Hoover Jeep Chrysler, Inc., Hoover Motors, Inc., Hoover
 Chrysler-Dodge, Inc., Strom Altman Dodge, Inc., Baker Motor Company of Charleston, Inc.,
 Miller Cadillac, Inc., Benson Chrysler-Plymouth, Inc., Benson Ford Mercury, Inc., Big "O"
 Dodge of Greenville, Inc., Bradshaw Automotive Group, Inc., Spartanburg Chrysler Jeep, Inc.,
 Kia of Anderson, LLC, Toyota of Easley, Inc., Farrell Automotive, Inc., Fairway Ford, Inc.,
 Saturn of Greenville, Inc., Steve White Motors of South Carolina, Inc., D&D Motors, Inc., Burns
 Chrysler Dodge Jeep, LLC, John Finger Motors, Inc., Bob Richards Nissan, Dick Smith
 Chrysler-Jeep, Goodman Chevrolet, Inc., Henna Chevrolet-Olds-Cadillac, LLC, Honda Cars of
 Aiken, Johnson Motor Company of SC, Sanders Truck Sales, Carolina Ford, Carolina
 International Trucks of Anderson, Clinkscales Chevrolet, Inc., Fairway Ford-Mazda, Piedmont
 Chrysler-Jeep, Piedmont Honda, Planet Ford, Ralph Hayes Toyota, Inc., Tom Hunter
 Pontiac-Buick-GMC, LLC, Upstate Automotive (Chevrolet-Cadillac), Upstate Automotive
 (Isuzu-Kia), Upstate Automotive (Mitsubishi), Upstate Automotive (Nissan), Gibbes Ford, Inc.,
 Zeigler Chevrolet, Inc., B & B Ford, Inc., Whittle Motor Company, Inc., Butler
 Chrysler-Dodge-Jeep, Carolina Volvo, Hilton Head Automotive LLC, Hilton Head Honda, Land
 Rover Hilton Head, Modern Classic Motors, O. C. Welch Ford-Lincoln-Mercury, Parks
 Automotive Group, Parks Cadillac, Stokes Honda Cars of Beaufort, Inc., Stokes Mitsubishi,
 Stokes-Brown Toyota, Dick Smith Chevrolet, Inc. Hoover Jeep-Chrysler, Inc., Hoover Motors,
 Inc., McElveen Pontiac-Buick-GMC, Inc., Altman Lincoln-Mercury-Hyundai, Carolina
 International Trucks-Charleston, Charleston Mitsubishi, Hendrick Honda of Charleston, Hoover
 Chrysler-Jeep, Inc., Hughes Motors, Inc., Kia Country, Lexus of Charleston, Low Country
 Mazda, Low Country Volkswagen, Marathon Chevrolet of N Charleston, Marchant Chevrolet,
 Inc., McDaniels Acura of Charleston, McElveen Chevrolet, LLC, Morris Nissan, Northside

Nissan, Ravenel Ford, Inc., Rick Hendrick Dodge, Rick Hendrick's Import Showplace, Saturn of
 Charleston, Stokes Honda North Charleston, Stokes Isuzu-Kia-Subaru, Stokes Volkswagen,
 Victory Hyundai of Charleston, Burns Chevrolet-Chrysler-Dodge-Jeep, Inc., Joe Gibson Suzuki,
 Roger Shiflett Ford, Inc., Wallace White Pontiac-Buick-GMC, Nourse Chester Automotive,
 Nourse Motors of Chester LLC, Bennett Motor Co., Inc., John Donoghue Ford, Inc., Lawrence
 Chevrolet-Pontiac, Prothro Chevrolet-Buick-Pontiac-GMC Truck, Stokes-Craven
 Chrysler-Jeep-Dodge, Stokes-Craven Ford, Peters Pontiac Buick-GMC, Rizer Chevrolet Co.,
 Inc., Walterboro Motor Sales Co., Action Ford-Mercury, Inc., John Newsome, Inc., Raceway
 Chrysler-Jeep-Dodge, Inc., Raceway Ford, Carolina International Trucks LLC, Marathon
 Chevrolet, Summerville Ford-Mercury, Inc., Herlong Pontiac-Chevrolet-Buick, Inc., Jim Satcher,
 Inc., Yonce Ford-Mercury, Inc., Wilson Chevrolet-Oldsmobile, Inc., Wilson
 Chrysler-Dodge-Jeep, Inc., Auddie Brown Mitsubishi, Cale Yarborough Honda, Inc., Carolina
 International Trucks Florence, Efird Chrysler-Jeep-Dodge, Inc., Florence Mack, Inc., Florence
 Toyota, Floyd Motor Co., Inc., Horne Ford, Inc., Kia of Florence, King
 Cadillac-Buick-Pontiac-GMC Truck, Inc., Lake City Ford-Mercury, LLC, Peterbilt of Florence,
 Raceway Chevrolet-Pontiac-Buick-GMC, Saturn of Florence, Service Motor Company, Inc.,
 Coastal Nissan-Chevrolet-Cadillac, Hemingway Motor Co., Inc., Parrish Motor Co., Inc.,
 Tideland's Chrysler Dodge, Tideland's Ford-Lincoln-Mercury, BMS, Inc. d/b/a Breakaway Honda,
 Bradshaw Acura, Brockman Automotive, Carolina International Trucks-Greenville, Cherokee
 Kenworth, Inc., Christopher Trucks, Inc., Crown Jeep-Chrysler, Crown Nissan Greenville, Dick
 Smith Mitsubishi, Fairway Ford, Inc., Fairway Motorcars LLC, George Coleman Ford, Inc.,
 Heritage Lincoln-Mercury, John Finger Mazda, Kevin Whitaker Chevrolet-Cadillac, Kevin
 Whitaker Chevrolet, Inc., Simpsonville Chevrolet, Inc., Sitton Buick-Pontiac-GMC Truck, Inc.,

Stokes-Trainor Ford, C. Thompson Automotive, Gary Russ Chevrolet-Cadillac, Inc., George
 Ballentine Ford-Lincoln-Mercury, Quality Chrysler City, Brunson Automobile Sales, Inc., Tison
 Motor Co., Inc., Addy's Harbor Dodge, Atlantic Chrysler-Jeep-Dodge, Atlantic Ford, Inc., Beach
 Ford-Lincoln-Mercury-Volvo, Inc., Bell & Bell Pontiac-GMC, Inc., Conway
 Chrysler-Dodge-Jeep, Inc., Conway Ford, Inc., Diamond Automotive Group, Inc., East Coast
 Honda, East Coast Volkswagen, Fowler Motors, Grand Strand Nissan, Inc., Hadwin-White
 Pontiac-Buick-GMC-Subaru, Hyatt Buick-GMC Trucks, Jud Kuhn Chevrolet, Kia of Myrtle
 Beach, Lay-Fisher Chevrolet, Inc., Myrtle Beach Chevrolet, Inc., Myrtle Beach Chrysler-Jeep,
 Inc., Myrtle Beach Hyundai-Isuzu, Myrtle Beach Suzuki, Sparks Toyota, Inc., Sun Coast
 Mazda-Mitsubishi, Suzuki Outlet of Myrtle Beach SC, Hilton Head Chrysler Jeep Dodge, Hilton
 Head Hyundai, Key Infiniti LLC, Key Mazda, Key Nissan, LLC, Porsche of Hilton Head,
 Prestige Motorcars, LLC dba Hilton Head Jaguar, Dick Smith
 Pontiac-Chrysler-Dodge-GMC-Jeep, Heritage Chevrolet-Buick, Inc., James Ervin Toyota,
 Redfearn Motor Co., Inc., Burns Ford-Mercury, Inc., Elrod Pontiac-Buick-GMC, Inc., H & H
 Chevrolet, Inc., Lancaster Dodge-Chrysler-Jeep, Lancaster Motor Co., Baldwin
 Pontiac-Buick-GMC, Inc., Cooper Ford, Inc., Firmin Ford, Inc., John Foster Motors, Inc., Lynn
 Cooper, Inc., Smith Chevrolet-Cadillac, Inc., Addy Dodge, Inc., Cherokee Kenworth, Hampton
 Automotive, Inc., Midlands Honda, Saturn of Columbia, Inc., Stivers Chrysler-Jeep, Inc., Twin
 City Motor Co., Inc., Mullins Motors, Inc., Pee Dee Ford Lincoln Mercury Inc., Griffin-Flythe
 Chevrolet, Inc., Meggs Ford-Chrysler-Dodge-Jeep, Cromley's Inc., Jeffrey Dean Chrysler Dodge
 Jeep GMC, Kirby Schrader, Stokes-Trainor Chevrolet-Old-Pontiac-Cadillac-Buick, Bobby Wood
 Chevrolet-Pontiac, Edwards Auto Sales, Inc., Lake Keowee Chrysler-Dodge LLC, Leader Ford,
 Performance Chevrolet-Buick-GMC, Bob Richards Automotive, LLC, Fairey

Chevrolet-Cadillac, Orangeburg Chrysler-Dodge-Nissan, Inc., Orangeburg Ford, Superior Honda, Superior Motors, Inc., Benson Ford-Mercury, Inc., Crane Chevrolet-Cadillac, Inc., Easley Mitsubishi, Easley Pontiac-Buick-GMC Truck, Inc., Hendrick Honda, Norris Ford, Inc., Tinsley Chevrolet Co., Inc., Bob Bennett Ford, Inc., Capitol Chevrolet, Capitol Hyundai, Carolina International Trucks-Cola, Columbia Freightliner, LLC, DodgeLand of Columbia, Hancock Motor Co., Hancock Volkswagen, Honda Cars of Columbia, Jim Moore Cadillac, Inc., McDaniels Acura-Porsche, Shealy's Truck Center-Cola, Stivers Lincoln-Mercury, Wray Automotive, Inc., Cromley's Inc., Saluda Motor Sales, Inc., Dave Edwards Toyota, Dick Brooks Honda, Foothills Ford of Chesne, Joe Gibson Mitsubishi, Kia of Greer, Saturn of Spartanburg, Shealy's Truck Center, Spartanburg Dodge, Inc., Vic Bailey Ford, Inc., Vic Bailey Honda, Vic Bailey Lincoln-Mercury, Inc., Vic Bailey Volkswagen, Wakefield Buick-Pontiac-GMC, Inc., Boyle Motor Company, Boyle Toyota, Inc., Goodwin Buick-Jeep, Goodwin Honda-Mitsubishi-VW, Jones Chevrolet Co., Jones Nissan, Inc., Jones Pontiac-GMC Truck, Inc., McLaughlin Motors, Inc., Sumter Chrysler-Plymouth-Dodge, Union Chrysler-Dodge-Jeep, Inc., Big Country Chevrolet, Inc., Haselden Brothers, Inc., Longstreet Chevrolet-Buick-Cadillac-GMC, Carolina Mazda, Clinton Family Ford-Lincoln-Mercury, Dickerson Motor Co., Inc., Dunlap-Johnson Chevrolet Co., Inc., Fort Mill Ford, Inc., Fred Caldwell's Clover Chevrolet, Good Motor Company, Griffin Mitsubishi, Griffin Pontiac-Buick-GMC, Harrelson Nissan, Harrelson Toyota, Honda Cars of Rock Hill, Rick Ford, Inc., Stateline Chrysler Jeep Dodge Inc., and the South Carolina Automobile Dealers Association have combined together for the purposes of injuring Plaintiffs and all South Carolina car buyers whom paid administrative fees to Defendants.

404. Defendants have conspired together in a common scheme designed to deceive all

car buyers by all engaging in a common practice of presenting/advertising car prices in a misleading manner by charging "administrative fees."

405. Plaintiffs have suffered special damages as a result of Defendants conspiracy.

FOR A THIRD CAUSE OF ACTION
(Declaratory Judgment)

406. The allegations set forth in the paragraphs above are incorporated herein as if set forth verbatim.

407. This cause of action seeks a declaratory judgment for the purposes of determining a question of actual controversy between all parties.

408. Plaintiffs seek a determination of their rights and legal relations with the Defendants under S.C. Code Ann. §56-15-10 *et. seq.* and/or §37-2-307.

409. The issues raised by Defendants' common practice of charging administrative fees are of such wide concern and public interest that this declaratory judgment action should be decided for future guidance to insure that the public is protected.

410. Plaintiffs seek a determination of the following questions:

- a. Does Defendants charging of "administrative fees," and further acts as described above, violate S.C. Code Ann. §56-15-10 *et. seq.*
- b. Does Defendants charging of "administrative fees" and further acts as described above, violate S.C. Code Ann. §37-2-307.
- c. Are Defendants actions as described above outside the scope of S.C. Code Ann. §37-2-307.

411. Plaintiffs seek a declaratory judgment from this Court that:

- a. A permanent injunction issue preventing Defendants from advertising/charging future customers with administrative fees in a manner which violates S.C. Code Ann. §56-15-10 *et. seq.*;
- b. A permanent injunction issue preventing Defendants from advertising/

charging future customers with administrative fees in a manner which violates S.C. Code Ann. §37-2-307;

- c. Defendants be ordered to disgorge all fees collected from Plaintiffs and all car buyers whom paid administrative fees to Defendants;

WHEREFORE, Plaintiffs prays for judgment against all of the Defendants for actual and compensatory damages, for two times actual damages pursuant to Plaintiffs' first cause of action, for three times actual damages for punitive damages pursuant to Plaintiffs' first cause of action, for disgorgement of all administrative fees collected by Defendants pursuant to Plaintiffs' second cause of action, for a permanent injunction pursuant to Plaintiffs' second cause of action, together with attorneys' fees, prejudgment interest and the costs of this action, and for such other and further relief as this Court may deem just and proper.

MICHAEL SPEARS, PA
Michael E. Spears
Post Office 5806
Spartanburg, SC 29304
(864)583-3235

GEDNEY M. HOWE, III, PA
Gedney M. Howe, III
Post Office Box 1034
Charleston, SC 29402
(843)722-8048

RICHARD A. HARPOOTLIAN, PA
Richard A. Harpootlian
P.O. Box 1090
Columbia, SC 29202
(803)252-4848

LEWIS & BABCOCK, L.L.P.
A. Camden Lewis
Brady R. Thomas
1513 Hampton Street

Post Office Box 11208
Columbia, SC 29211
(803)771-8000

By: Braz D.

Attorneys for the Plaintiffs

October 28, 2006

Columbia, South Carolina

CERTIFICATE OF SERVICE

I, Melanie B. Blease, Paralegal for the law firm of Lewis & Babcock, L.L.P., hereby certify that I have served a copy of Plaintiffs' Amended Complaint upon opposing counsel and/or their registered agents, by mailing a copy of same, postage prepaid and return address clearly indicated on said envelope, to said parties at the following address:

**ATTORNEY FOR BAKER MOTOR COMPANY OF CHARLESTON, INC., AND
HAROLD ARNOLDS SENTRY BUICK, INC.**

Capers G. Barr, III, Esquire
William S. Barr, Esquire
Barr, Unger & McIntosh, L.L.C.
11 Broad Street
Charleston, South Carolina 29401

ATTORNEY FOR JONES FORD, INC.

James D. Myrick, Esquire
Buist Moore Smythe McGee, P.A.
5 Exchange Street
Charleston, South Carolina 29401-2593

John T. Lay, Jr., Esquire
Ellis, Lawhorne & Sims, PA
PO Box 2285
Columbia, South Carolina 29202

**ATTORNEY FOR DEFENDANTS BURNS CHYRSLER-DODGE-JEEP, LLC AND
BURNS CHEVROLET CADILLAC, INC.**

Tracy T. Vann, Esquire
Hamilton Martens Ballour & Sipe, LLC
130 East Main Street, Suite 201
Post Office Box 10940
Rock Hill South Carolina 29731

**ATTORNEY FOR DICK SMITH MOTORS, INC., DICK DYER & ASSOCIATES, INC.,
DICK SMITH INFINITI, INC., DICK SMITH NISSAN, INC., AND DICK SMITH
NISSAN OF LEXINGTON**

J. Gregory Studemeyer, Esquire
Post Office Box 12201
Columbia, South Carolina 29211

ATTORNEY FOR SPARTANBURG CHRYSLER JEEP, INC.

Charles J. Hodge, Esquire
Hodge Law, P.C.
P.O. Box 2765
Spartanburg, South Carolina 29304

ATTORNEY FOR GENE REED IMPORTS, INC.

Susan Rosen, Esquire
Rosen Law Firm
18 Broad Street, Suite 201
Charleston, South Carolina 29401

ATTORNEY FOR CARMAX AUTO SUPERSTORE, INC.

Ronald J. Tyron, Esquire
Parker Poe Admams & Bernstein, L.L.P.
1201 Main Street, Suite 1450
Columbia, South Carolina 29202

ATTORNEY FOR GALEANA CHRYSLER-JEEP, INC.; GALEANA CHRYSLER-PLYMOUTH, INC.; J.L.H INVESTMENTS D/B/A HENDRICK'S HONDA; AND RICK HENDRICK CHEVROLET, LP

James Y. Becker, Esquire
Haynesworth Sinkler Boyd, P.A.
1201 Main Street, 22nd Floor
Columbia, South Carolina 29201

ATTORNEY FOR FAIRWAY FORD, INC. AND TOYOTA OF GREENVILLE

Harvey G. Sanders, Jr., Esquire
Leatherwood Walker Todd & Mann, PC
The Leatherwood Plaza
300 East McBee Avenue, Suite 500
Greenville, South Carolina 29601

ATTORNEY FOR BENSON CADILLAC NISSAN, INC.; BENSON CHRYSLER PLYMOUTH, INC.; BENSON FORD MERCURY; BRADSHAW AUTOMOTIVE GROUP; BRADSHAW FORD; D&D MOTORS; FARRELL AUTOMOTIVE; SATURN OF GREENVILLE; STEVE WHITE MOTORS; BAKER MOTOR COMPANY OF CHARLESTON; BEN SATCHER MOTORS; BURNS CHEVROLET CADILLAC; BURNS CHRYSLER DODGE JEEP; HOOVER DODGE; HOOVER JEEP CHRYSLER; HOOVER MOTORS; PULLIAM MOTOR COMPANY; STOKES MOTORS, INC.; AND JOHN FINGER MOTORS

Bradford Martin, Esquire
Bradford, Neal, Martin & Associates
75 Beattie Place, Suite 910
Greenville, South Carolina 29601

ATTORNEY FOR PALMETTO NISSAN

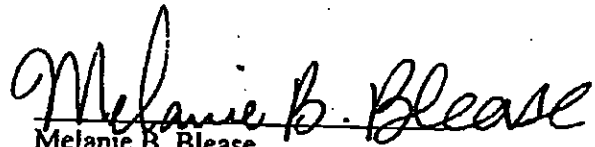
Matthew N. Tyler, Esquire
Aiken, Bridges, Nunn, Elliott & Tyler, P.A.
Post Office Drawer 1931
Florence, South Carolina 29503

**ATTORNEY FOR STROM ALTMAN DODGE; TOYOTA OF EASLEY; BIG "O" DODGE
OF GREENVILLE, INC., PALMETTO FORD, INC.; AND KIA OF ANDERSON**

Steve W. Hamm, Esquire
C. Jo Anne Wessinger Hill, Esquire
Richardson, Plowden, Carpenter & Robinson, P.A.
P.O. Drawer 7788
Columbia, South Carolina 29202

REGISTERED AGENT

CT Corporation System
c/o West Ashley Toyota
75 Beattie Place
Two Shelter Centre
Greenville, South Carolina 29601


Melanie B. Blease

October 28, 2006
Columbia, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF AIKEN

HEATHER HERRON ET AL

☐ Plaintiff

v.

Carmax Et Al,

☒ Defendant.

IN THE COURT OF COMMON PLEAS

CASE NO.
2006-CP-02-1230

MOTION AND ORDER INFORMATION
FORM AND COVER SHEET

Plaintiff's Attorney:

A. Camden Lewis; Brady R. Thomas, Bar No.

Address:

PO Box 11208, Columbia, SC 29211

phone: fax:

e-mail: other:

Defendant's Attorney:

Steven W. Hamm ; C. Jo Anne Wessinger Hill; David

A. Anderson, Bar No. 2634; etc

Address:

PO Drawer 7788, Columbia, SC 29202

phone: 803 771 4400

fax: 803 779 0016

e-mail: shamm@rpclaw.com; jwessingerhill@rpclaw.com; danderson@rpclaw.com other:

- ☒ MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III)
☐ FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III)
☐ PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)

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DEC 28 2006

AIKEN COUNTY
CLERK OF COURT

SECTION I: Hearing Information

Nature of Motion: NOTICE OF MOTION AND MOTION OF DEFENDANT CENTURY BMW, WHOSE TRUE NAME IS SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC. D/B/A CENTURY BMW TO DISMISS THE AMENDED COMPLAINT AND THIS ACTION, FOR CHANGE OF VENUE, TO SEVER, TO STRIKE, TO COMPEL ARBITRATION, FOR A PROTECTIVE ORDER, AND FOR COSTS AND FEES

Estimated Time Needed: 30 minutes Court Reporter Needed: ☒ YES / ☐ NO

SECTION II: Motion/Order Type

☒ Written motion attached

☐ Form Motion/Order

I hereby move for relief or action by the court as set forth in the attached proposed order.

Signature of Attorney for ☐ Plaintiff / ☒ Defendant

December 29, 2006

Date submitted

SECTION III: Motion Fee

☒ PAID - AMOUNT: 25.00

☐ EXEMPT: ☐ Rule to Show Cause in Child or Spousal Support

(check reason) ☐ Domestic Abuse or Abuse and Neglect

☐ Indigent Status ☐ State Agency v. Indigent Party

☐ Sexually Violent Predator Act ☐ Post-Conviction Relief

☐ Motion for Stay in Bankruptcy

☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRCP)

☐ Proposed order submitted at request of the court; or,
reduced to writing from motion made in open court per judge's instructions

Name of Court Reporter:

☐ Other:

JUDGE'S SECTION

☐ Motion Fee to be paid upon filing of the attached order.

☐ Other:

JUDGE

CODE: Date:

CLERK'S VERIFICATION

Date Filed:

Collected by: _____

☐ MOTION FEE COLLECTED: _____

☐ CONTESTED - AMOUNT DUE: _____

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DEC 29 2006

AND COUNTY
CLERK OF COURT

1025

STATE OF SOUTH CAROLINA

COUNTY OF AIKEN

Heather Herron, Natalie Armstrong, Alison
Dannert, Michael Ritz individually and for
the benefit of all car buyers whom paid
"administrative fees" as described below to
Defendants,

PLAINTIFFS,

v.

CarMax Auto Superstores, Inc., et. al.

DEFENDANTS.

) IN THE COURT OF COMMON PLEAS

) CIVIL ACTION NO.: 06-CP-02-1230

) **NOTICE OF MOTION AND MOTION OF**
) **DEFENDANT CENTURY BMW, WHOSE**
) **TRUE NAME IS SONIC AUTOMOTIVE**
) **2752 LAURENS RD., GREENVILLE, INC.**
) **D/B/A CENTURY BMW TO DISMISS THE**
) **AMENDED COMPLAINT AND THIS**
) **ACTION, FOR CHANGE OF VENUE, TO**
) **SEVER, TO STRIKE, TO COMPEL**
) **ARBITRATION, FOR A PROTECTIVE**
) **ORDER, AND FOR COSTS AND FEES**

PLEASE TAKE NOTICE that Defendant Century BMW, whose true name is Sonic Automotive 2752 Laurens Rd., Greenville, Inc. d/b/a Century BMW ("Century BMW"), will ten (10) days from the service of this motion, or as soon thereafter as counsel may be heard, move before the presiding judge of the Court of Common Pleas for the Second Judicial Circuit to dismiss, to change venue, to compel arbitration, and for a protective order pursuant to Rules 12(b)(2), 12(b)(3), 12(b)(4), 12(b)(5), 12(b)(6), 12(f), 18, 20, 21, 23, and 26(c), SCRCP. Further, Defendant Century BMW respectfully moves this Honorable Court to award costs and attorney fees in responding to this action pursuant to S.C. Code Ann. § 15-36-10, *et seq.* (2005). The Defendant Century BMW hereby moves as follows:

1) Pursuant to Rule 12(b)(6), SCRCP, Defendant Century BMW moves to have this action dismissed because it fails to state facts that would support any cause of action against the Defendant. Plaintiffs' First Amended Complaint and Complaint (including Corrigenda) are predicated on Defendant's use of closing fees on motor vehicle sales contracts, which is

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specifically authorized under S.C. Code Ann. § 37-2-307 (2005) and regulated by the South Carolina Department of Consumer Affairs. Because Defendant's allegedly offending conduct is authorized by the State of South Carolina, Plaintiffs fail to state facts sufficient to constitute a cause of action upon which relief may be granted.

2) Pursuant to Rules 18, 20, and 21, SCRC, Defendant Century BMW moves to dismiss this action on the ground that Defendant has been improperly joined in this case. Because Plaintiffs' claims and causes of action against the various Defendants do not arise out of the same transaction, occurrence or series of transactions or occurrences, and do not involve common questions of law or fact, the Defendants are improperly joined. In the alternative, Defendant Century BMW moves for an order to sever this matter into separate actions due to Plaintiffs' improper joinder. The Defendant requests severance so that the parties and claims may proceed separately in the county where venue is proper pursuant to S.C. Code Ann. § 15-7-30 (2005).

3) Pursuant to Rule 12(b)(3), SCRC, Defendant Century BMW moves to dismiss for improper venue because the allegations do not establish venue in Aiken County with respect to Defendant Century BMW. In the alternative, Defendant moves for a change of venue pursuant to S.C. Code Ann. §§ 15-7-30 & 15-7-100(A)(1) (2005), on the ground that the action must be tried in the county where the allegedly improper transaction occurred or where Defendant Century BMW has its principal place of business, or a change of venue pursuant to S.C. Code Ann. § 15-7-100(A)(3) (2005), from Aiken County to Greenville County, on the grounds that the convenience of witnesses and the ends of justice would be promoted by the change.

4) Pursuant to Rule 12(b)(6), SCRC, Defendant Century BMW moves to dismiss the second cause of action (Civil Conspiracy), to the extent alleged against it, because "all car

buyers" are not proper parties to this action (First Amended Complaint ¶ 404), the allegedly conspiratorial conduct (charging closing fees) is authorized under state law, and it fails to state facts sufficient to constitute a cause of action upon which relief may be granted.

5) Pursuant to Rules 12(b)(6) and 12(f), SCRPC, Defendant Century BMW further moves to dismiss or, in the alternative strike, the third cause of action in the Plaintiffs' First Amended Complaint (declaratory relief), to the extent alleged against it, on the grounds that it calls for an advisory opinion, fails to state facts sufficient to constitute a cause of action upon which relief may be granted, and ignores adequate and/or other more appropriate remedies under South Carolina law.

6) Pursuant to Rule 12(b)(6), SCRPC, Defendant Century BMW moves to dismiss this action on behalf of all unnamed Plaintiffs on the grounds that this action fails to allege that Plaintiffs have met the requirements of S.C. Code Ann. § 56-15-110(2) (2005) and of Rule 23, SCRPC. The Plaintiffs may not rely solely on S.C. Code Ann. § 56-15-110 in bringing a purported class action; instead, they are required to allege and meet the requirements of Rule 23. Since Plaintiffs have not alleged that they meet the requirements, Plaintiffs' First Amended Complaint fails to state facts sufficient to constitute a cause of action upon which relief may be granted for unnamed Plaintiffs. In the alternative, the Defendant moves for an order from the Court requiring that Plaintiffs allege and meet the requirements of Rule 23, SCRPC.

7) Pursuant to Rules 12(b)(2), 12(b)(4) and 12(b)(5), SCRPC, Defendant Century BMW moves to dismiss this action against the defendants referred to as "all motor vehicle dealers as defined in S.C. Code Ann. §56-15-10(h) owned or controlled by the named Defendants," on the grounds that the Plaintiffs' process and service of process are insufficient and, as a result, the Court lacks personal jurisdiction over such defendants.

8) Pursuant to Rule 12(f), SCRCP, Defendant Century BMW moves to strike the language in the Plaintiffs' First Amended Complaint, Complaint, and Corrigenda referring to "all motor dealers as defined in S.C. Code Ann. §56-15-10(h)" on the ground that the Plaintiffs' process and service of process are insufficient and, additionally, that this is an improper method of joinder.

9) Pursuant to the Administrative Order of the South Carolina Supreme Court, dated July 26, 2006, Defendant Century BMW joins in the Motion to Establish Complex Case Designation for Pretrial Purposes Only filed by Defendants Galeana Chrysler-Jeep, Inc. and Galeana Chrysler-Plymouth, Inc., which seeks an order designating this case as complex. The Defendant further reserves the right to move in the future for an order requiring separate trials pursuant to Rule 42, SCRCP.

10) Pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.*, the South Carolina Uniform Arbitration Act, S.C. Code Ann. § 15-48-10, *et seq.*, and the Arbitration Agreement signed by Plaintiffs Christine Watts and Michael Watts, Defendant Century BMW respectfully moves this Court to compel arbitration of Plaintiffs' claims and to stay this action until the completion of arbitration.

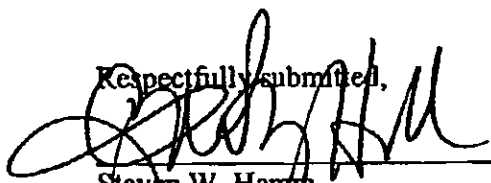
11) Pursuant to Rule 26(c), SCRCP, Defendant Century BMW further moves for a protective order that the discovery propounded by the Plaintiffs be held in abeyance and stayed until the Court rules upon the above-referenced motions. This motion for a protective order is also made on the grounds that the Plaintiffs' discovery requests are unduly burdensome, overly broad, expensive, not reasonably calculated to lead to the discovery of admissible evidence, and seek the discovery of confidential consumer information.

12) Defendant Century BMW believes that a reasonable person once advised of the Consumer Protection Statute specifically authorizing the charging of closing fees would not continue the present action and would find that the allegations as pleaded are not warranted under existing South Carolina law. Therefore, Defendant Century BMW respectfully seeks reimbursement of reasonable costs and attorney fees in responding to the First Amended Complaint and this action pursuant to S.C. Code Ann. § 15-36-10, *et seq.*

These Motions are based on this Notice of Motion and Motion, the filed pleadings, Memorandum of Law to be filed under separate cover, and the law of this jurisdiction.

In accordance with the South Carolina Rules of Civil Procedure, there is no duty to consult with opposing counsel before filing a Motion to Dismiss. SCRCR Rule 11(a). Furthermore, with regard to the other motions herein, the undersigned certifies that consultation with opposing counsel regarding this motion would serve no useful purpose or could not be timely held.

Respectfully submitted,



Steven W. Hamm
David A. Anderson
C. Jo Anne Wessinger Hill
RICHARDSON, PLOWDEN, CARPENTER
& ROBINSON, P.A.
1900 Barnwell Street
Post Office Drawer 7788
Columbia, South Carolina 29202
(803) 771-4400
(803) 779-0016 facsimile

ATTORNEYS FOR DEFENDANT CENTURY BMW,
WHOSE TRUE NAME IS SONIC AUTOMOTIVE 2752
LAURENS RD., GREENVILLE, INC. D/B/A CENTURY
BMW

December 29, 2006
Columbia, South Carolina

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF AIKEN	)	CIVIL ACTION NO.: 06-CP-02-1230
	)	
Heather Herron et al	)	
	)	CERTIFICATE OF SERVICE
PLAINTIFFS,	)	
	)	
v.	)	
	)	
CarMax Auto Superstores, Inc., et al,	)	
	)	
DEFENDANTS.	)	

I, the undersigned, an attorney at the firm of Richardson, Plowden, Carpenter and Robinson, P. A., attorneys for DEFENDANT CENTURY BMW, WHOSE TRUE NAME IS SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC. D/B/A CENTURY BMW ("Century BMW"), do hereby certify that I have served the foregoing NOTICE OF MOTION AND MOTION OF CENTURY BMW TO DISMISS THE AMENDED COMPLAINT AND THIS ACTION, FOR CHANGE OF VENUE, TO COMPEL ARBITRATION, TO SEVER, TO STRIKE, FOR A PROTECTIVE ORDER, AND FOR COSTS AND FEES on Plaintiffs by causing it to be deposited in a United States Postal Service mailbox a copy of the same, postage prepaid, return address clearly indicated, addressed to the following:

ATTORNEYS FOR THE PLAINTIFF:

Michael E. Spears, Esq.
MICHAEL E. SPEARS, P.A.
PO Box 5806
Spartanburg, SC 29304

Gedney M. Howe, III, Esq.
GEDNEY M. HOWE, III, PA
PO Box 1034
Charleston, SC 29402

Richard A. Harpootlian, Esq.
RICHARD A. HARPOOTLIAN, P.A.
PO Box 1090
Columbia, SC 29202

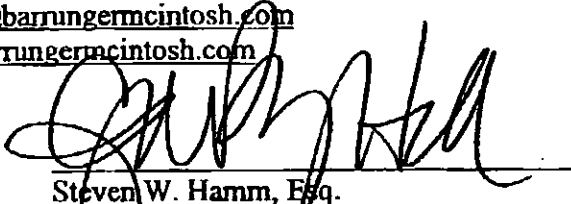
A. Camden Lewis, Esq.

Brady R. Thomas, Esq.
LEWIS & BABCOCK, LLP
PO Box 11208
Columbia, SC 29211

Also served via email to: brt@lewisbabcock.com

And served on co-defendants' counsel by e-mail as follows:

Susan Corner Rosen, Esq. -- srosen@rosen-lawfirm.com
Bradford N. Martin, Esq. - bmartin@bnmlaw.com
Laura Teer, Esq. - lteer@bnmlaw.com
Herbert Hamilton, Esq. - hhamilton@hmbsslaw.com
Tracey Vann, Esq. -- tvann@hmbsslaw.com
Greg Studemeyer, Esq. -- gesquire@sc.rr.com
Harvey Sanders, Jr., Esq. -- hsanders@lwtm.com
Frank M. Cisa, Esq. - frank@cisadodds.com
Ronald J. Tryon, Esq. - rontryon@parkerpoe.com
Kevin A. Dunlap, Esq. - kevindunlap@parkerpoe.com
J.W. Nelson Chandler, Esq. - jwnclsonchandler@parkerpoe.com
James Y. Becker, Esq. - jbecker@hsblawfirm.com
R. David Proffitt, Esq. - dproffitt@hsblawfirm.com
Matthew Tyler, Esq. - mmt@aikenbridges.com
J. Rutledge Young, Jr. Esq. - ryoung@ycrlaw.com
Capers G. Barr, III, Esq. - cgb@barrungermcintosh.com
William S. Barr, Esq. - wsb@barrungermcintosh.com



Steven W. Hamm, Esq.
C. JoAnne Wessinger Hill, Esq.
David A. Anderson, Esq.
Richardson Plowden Carpenter & Robinson, P.A.
1900 Barnwell Street
PO Drawer 7788
Columbia, SC 29202
(803) 771-4400

ATTORNEYS FOR DEFENDANT CENTURY BMW, WHOSE
TRUE NAME IS SONIC AUTOMOTIVE 2752 LAURENS RD.,
GREENVILLE, INC. D/B/A CENTURY BMW

December 29, 2006
Columbia, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF AIKEN

Heather Herron, et al.,

Plaintiffs,

vs.

CarMax Auto Superstores, Inc., et al.,

Defendants.

IN THE COURT OF COMMON PLEAS
SECOND JUDICIAL CIRCUIT

C.A. No.: 06 CP 02-1230

MEMORANDUM IN SUPPORT OF
DEFENDANT CENTURY BMW'S
MOTION TO COMPEL ARBITRATION

COPY
ORIGINAL FILED

FEB 16 2007

8:30 AM
AIKEN COUNTY
CLERK OF COURT

MEMORANDUM IN SUPPORT OF CENTURY BMW'S
MOTION TO COMPEL ARBITRATION AND TO DISMISS CLAIMS

Pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 et seq., and the Arbitration Agreement that Plaintiff Christine Watts executed, Defendant Sonic Automotive 2752 Laurens Rd., Greenville, Inc. d/b/a Century BMW ("Century BMW") respectfully moves this Court to compel arbitration of Plaintiff Christine Watts's claims and to dismiss this action. The Arbitration Agreement is plainly enforceable, and Ms. Watts's claims fall squarely within its scope. Ms. Watts is the only named Plaintiff who alleges he or she purchased a vehicle from Century BMW. See Amended Complaint ¶¶ 374-88. As a result, no other named Plaintiff has standing to sue Century BMW based on his or her purchase from a separate dealership¹ and Century BMW joins the other Defendants in the joint motion and memorandum filed separately moving to dismiss all claims of other named Plaintiffs.

¹ Plaintiff Michael Watts does not allege he purchased a vehicle from Century BMW, see Amended Complaint ¶ 388 (alleging only a purchase from Toyota of Greenville), and lacks standing to assert any claims from that purchase against Century BMW. Mr. Watts co-signed for Ms. Watts's purchase from Century BMW and also signed the same Arbitration Agreement as Ms. Watts in connection with that purchase. See Exhibit A (Arbitration Agreement signed by Christine and Michael Watts). To the extent Mr. Watts seeks to pursue any claims against Century BMW for Ms. Watts's purchase, Century BMW also moves to compel arbitration of his claims.

BACKGROUND

Ms. Watts alleges that in connection with her purchase of a vehicle, Century BMW charged her an administrative fee. See Amended Complaint ¶¶ 384-85.² She acknowledges that S.C. Code Ann. § 37-2-307 authorizes dealerships to charge such a fee, see Amended Complaint ¶¶ 345-48, but alleges that Century BMW did not follow certain statutory requirements without identifying what requirements were not followed, see id. ¶¶ 337-44, 349. She further alleges that even if Century BMW fully complied with § 37-2-307, its charging of a closing fee still violates S.C. Code Ann. § 56-15-10 et. seq. See id. ¶ 350. Based on these allegations, Ms. Watts brings one count for violation of S.C. Code Ann. § 56-15-10 and another count for a declaratory judgment with respect to S.C. Code Ann. § 56-15-10 et. seq. and/or § 37-2-307.³

In connection with her purchase of a vehicle from Century BMW, Ms. Watts and Century BMW entered into an "Arbitration Agreement." See Exhibit A. This Agreement provides that at the request of a party, "any and all Claim(s) shall be decided in binding

² Century BMW references the allegations in the Complaint because they are relevant to this Court's determination of the arbitrability of Ms. Watts's claims. See Vestry & Church Wardens of Church of Holy Cross v. Orkin Exterminating Co., Inc., ___ S.C. ___, 588 S.E.2d 136, 141 (Ct. App. 2003) (deciding motion to compel arbitration by comparing allegations in complaint with subject matter of contract containing contract-specific arbitration clause). Reference to these allegations should not be taken as agreement with them—indeed Defendants dispute many of Plaintiff's allegations and deny liability.

³ Ms. Watts also brings a count for civil conspiracy against other defendants but did not name Century BMW in this count. See Amended Complaint ¶ 403. Even had Ms. Watts named Century BMW, she has failed to state any claim for civil conspiracy, as demonstrated in Defendants' joint motion to dismiss; moreover such a claim would plainly be arbitrable as it is a claim "relating to the vehicle," with respect to the "terms of and enforceability of the sale, lease or financing of the Vehicle," "fraud, or unfair and deceptive trade practices," or "a violation of [a] state or federal statute or regulation." See Exhibit A.

arbitration before the American Arbitration Association.” Id. The Agreement defines the “Claim(s)” that the parties agreed to arbitrate as including:

any and all disputes, claims or controversies between the Parties relating to the Vehicle or arising out of or relating to: (a) the application for and the terms of and enforceability of the sale, lease, or financing of the Vehicle, (b) the purchase or terms of any warranty, service agreement, maintenance plan, paint/undercarriage/interior protection product, anti-theft etching product and warranty, GAP protection, deficiency waiver addendum, or any or other product or insurance, (c) any claims of breach of contract, negligence, misrepresentation, conversion, fraud, or unfair and deceptive trade practices, (d) any claim of a violation of any state or federal statute or regulation, or (e) the Vehicle’s condition, warranty, workmanship, servicing, maintenance or repair.

Id. The Agreement also provides that “once one of the Parties has elected to arbitrate, binding arbitration is the exclusive method for resolving any and all Claims. By entering into this Agreement the Parties are waiving their right to a jury trial and their right to bring or participate in any class action or multi-plaintiff or claimant action in court or through arbitration.” Id.

ARGUMENT

I. PURSUANT TO THE FEDERAL ARBITRATION ACT THIS COURT SHOULD COMPEL ARBITRATION OF PLAINTIFF’S CLAIMS.

Ms. Watts’s claims fall squarely within the scope of the Arbitration Agreement. This Agreement is unremarkable and of the type that numerous courts have upheld time and again. Accordingly, pursuant to the Federal Arbitration Act and applicable federal and South Carolina law, this Court should dismiss Plaintiff’s claims and compel arbitration.

A. The Federal Arbitration Act Applies Here.

The Federal Arbitration Act (“FAA”), 9 U.S.C. § 1 et seq., applies to “contract[s] evidencing a transaction involving commerce,” 9 U.S.C. § 2. A contract to purchase a vehicle clearly is a contract evidencing a transaction involving commerce. Thornton v. Trident Med.

Ctr., L.L.C., 592 S.E.2d 50, 52 (S.C. Ct. App. 2003); see also MS Dealer Service Corp. v. Franklin, 177 F.3d 942 (11th Cir. 1999) (FAA applies to consumer's purchase of automobile); Stout v. Byrider, 50 F. Supp. 2d 733, 735 (N.D. Ohio 1999) (FAA governs in action by used car buyers against seller because "case concerns arbitration agreements involving transactions in interstate commerce"), aff'd, 228 F.3d 709 (6th Cir. 2000); Wolff Motor Co. v. White, 869 So.2d 1129, 1134 (Ala. 2003) ("[m]otor vehicles are 'the quintessential instrumentalities of modern interstate commerce'" and "a transaction involving the sale of an instrumentality of commerce . . . satisfies the FAA's 'involving commerce' test" (quoting United States v. Bishop, 66 F.3d 569, 588-90 (3d Cir. 1995))). Accordingly, The FAA governs the enforceability of the Arbitration Agreement and all questions concerning its scope.

The FAA embodies "the strong federal policy in favor of enforcing arbitration agreements." Dean Witter Reynolds, Inc. v. Byrd, 470 U.S. 213, 217 (1985). Keeping with this "liberal federal policy favoring arbitration agreements," the Supreme Court has mandated that "any doubts concerning the scope of arbitrable issues should be resolved in favor of arbitration." Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp., 460 U.S. 1, 24-25 (1983). Indeed, "the parties' intentions 'are generously construed as to issues of arbitrability,' and any 'ambiguities as to the scope of the arbitration clause itself' must be 'resolved in favor of arbitration.'" Washington Square Secs., Inc. v. Aune, 385 F.3d 432, 436 (4th Cir. 2004) (quoting Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth, 473 U.S. 614, 626 (1985) and Volt Info. Scis., Inc. v. Bd. of Trs. of Leland Stanford Jr. Univ., 489 U.S. 468, 476 (1989)).⁴

⁴ Like the FAA, South Carolina law strongly favors arbitration, and "unless the court can say with positive assurance that the arbitration clause is not susceptible to an interpretation that covers the dispute, arbitration should be ordered." Zabinski v. Bright Acres Assocs., 553 S.E.2d 110, 118 (S.C. 2001) (citing S.C. Pub. Serv. Auth. v. Great W. Coal, 437 S.E.2d 22, 25 (S.C. 1993)); see also South Carolina Uniform Arbitration Act, S.C. Code Ann. § 15-48-10, et seq.

B. Ms. Watts's Allegations Fall Within the Scope of the Arbitration Agreement.

"To decide whether an arbitration agreement covers a particular dispute, the court must determine whether the factual allegations underlying the claim fall within the scope of the agreement, irrespective of the label given to the cause of action." Vestry & Church Wardens of Church of Holy Cross v. Orkin Exterminating Co., Inc., 588 S.E.2d 136, 207 (S.C. Ct. App. 2003) (citing Zabinski, 553 S.E.2d at 597). Applying these principles, all of Ms. Watts's claims fall within the scope of the Arbitration Agreement.

Ms. Watts alleges that Century BMW engaged in the "practice of presenting / advertising car prices in a misleading manner" because it allegedly "fails to include / adequately disclose the fact that [it] will be charging 'administrative fees' that are in addition to the advertised price of the car" and misleads buyers "into believing that administrative fees are mandatory fees required to be paid on every car such as taxes and license fees." Amended Complaint ¶¶ 335, 337, 340. Ms. Watts acknowledges that such fees are specifically authorized by S.C. Code Ann. § 37-2-307, see Amended Complaint ¶¶ 345-48, but she alleges that Century BMW did not comply with the statute, although she does not say how, see id. ¶¶ 337-34, 349. She further alleges that even if Century BMW did fully comply with the South Carolina statute authorizing such fees, it would still be in violation of S.C. Code Ann. § 56-15-10 et seq. See id. ¶ 350.

Each of these allegations clearly falls under the claims that Ms. Watts and Century BMW agreed to arbitrate. The Arbitration Agreement provides that "any and all disputes, claims or controversies between the Parties relating to the Vehicle," including the "terms of and enforceability of the sale, lease or financing of the Vehicle," "breach of contract, negligence, misrepresentation, conversion, fraud, or unfair and deceptive trade practices," and "a violation of any state or federal statute or regulation" are covered under the Agreement. See

Exhibit A. The Agreement expressly encompasses all subjects relating to Ms. Watts's allegations.

C. The Arbitration Clauses are Unremarkable and Not Subject to Challenge.

The Arbitration Agreement signed by Ms. Watts and Century BMW is unremarkable and of a type countless courts have upheld.

1. Allegations Against Other Defendants Do Not Prevent Arbitration.

Ms. Watts cannot avoid arbitration by naming other dealerships, with whom she has no connection, as defendants. As is fully briefed in Defendants' joint motion to dismiss, Ms. Watts lacks standing to bring claims against other defendants with whom she never transacted. Even if Ms. Watts had standing against other Defendants, which she does not, she must arbitrate her dispute with Century BMW pursuant to the Arbitration Agreement. See S.C. Pub. Serv. Auth. v. Great W. Coal (Kentucky), Inc., ___ S.C. ___, 437 S.E.2d 22, 24 (1993) ("[A] party should not be allowed to avoid an arbitration agreement by naming nonsignatory parties in his complaint . . . because this would nullify the rule requiring arbitration.").

2. Putative Class Claims Are Not Subject to Arbitration.

Although Ms. Watts does not allege that she brings her case as a class action pursuant to Rule 23, SCRPC, she purports to represent a class of consumers under S.C. Code Ann. § 56-15-110(2). See, e.g., Amended Complaint ¶¶ 397-99. As shown above, Ms. Watts's individual claims are subject to arbitration. Pursuant to the terms of the Arbitration Agreement, she may not litigate supposed "class" claims because the Arbitration Agreement unequivocally prohibits class arbitrations. It states: "By entering into this Agreement the Parties are waiving their right to a jury trial and their right to bring or participate in any class action or multi-plaintiff

or claimant action in court or through arbitration." See Exhibit A (emphasis added).⁵ Under the plain text of this provision, Ms. Watts cannot arbitrate her claims on behalf of a class and cannot arbitrate the claims of any purported class. Thus, the Order compelling arbitration of Plaintiff's individual claim should specify that the arbitration should proceed on an individual, and not a class, basis.⁶

Many courts have found that class arbitration waivers contribute to the "simplicity, informality, and expedition" of arbitration, helping make it "an attractive vehicle for the resolution of low-value claims."⁷ Iberia Credit Bureau v. Cingular Wireless LLC, 379 F.3d 159, 174 (5th Cir. 2004); accord Caley v. Gulfstream Aerospace Corp., 428 F.3d 1359, 1378 (11th Cir. 2005) (holding that a ban on class arbitrations is "consistent" with the goals of

⁵ The Arbitration Agreement further states: "If a dispute is arbitrated, you will give up your right to participate as a class representative or a class member on any claim you may have against us, including any right to class arbitration or any consolidation of individual arbitrations." See Exhibit A.

⁶ In Green Tree Fin. Corp. v. Bazzle, 539 U.S. 444, 452-53 (2003) (plurality op.), the Supreme Court held that where a contract is silent as to whether class action arbitration is permitted, it is for the arbitrator rather than a court to decide whether it is permissible. But "where a particular statutory or procedural right is clearly prohibited by an arbitration agreement, the Court need not send the case to arbitration for an arbitrator to determine that question." In re Cotton Yarn Antitrust Litig., 406 F. Supp. 2d 585, 594 (M.D.N.C. 2005). This case is similar to Gipson v. Cross Country Bank, 354 F. Supp. 2d 1278, 1286 (M.D. Ala. 2005), where the court confronted a clear prohibition on class arbitrations. The court held that the "arbitrator need not interpret the contract's class action waiver clause, because the contract expressly prohibits class arbitration." The court explained that "[t]here is no need for anyone to decide whether the contract[] forbid[s] class arbitration. It expressly and unequivocally does." Id. Likewise, here, there is no need to refer the issue of class arbitrations to an arbitrator.

⁷ Despite the modest value of her claim, Ms. Watts and her counsel still have ample ability and incentive to pursue the action in arbitration because should Ms. Watts prevail on her claims she could recover "double actual damages, the cost of the suit and a reasonable attorney's fee pursuant to S.C. Code Ann. §56-15-110." Am. Compl. ¶ 400; see also Exhibit A (The Arbitration Agreement provides that the "arbitrator deciding the Claim(s) shall have the authority to award fees, costs, injunctive or equitable relief in accordance with this Agreement and applicable law.").

arbitration as articulated in Gilmer, cert. denied 126 S. Ct. 2020 (2006). Courts have expressly rejected the notion that class arbitration waivers somehow prevent plaintiffs from enforcing statutory rights. See, e.g., Snowden v. Checkpoint Check Cashing, 290 F.3d 631, 638 (4th Cir. 2002) (rejecting the argument that the class arbitration waiver would render the plaintiff “unable to maintain her legal representation” given statutory availability of attorneys’ fees).⁸

II. THE COURT SHOULD DISMISS ALL JUDICIAL PROCEEDINGS AGAINST CENTURY BMW.

Pursuant to Section 3 of the FAA, any court of the United States must, at a minimum, stay judicial proceedings involving claims, like those here, that fall within the arbitration provisions of written agreements. See 9 U.S.C. § 3; see also Moses H. Cone, 460 U.S. at 26 (“[S]tate courts, as much as federal courts, are obliged to grant stays of litigation under § 3 of the Arbitration Act.”). “Notwithstanding the terms of § 3, however, dismissal is a proper remedy when all of the issues presented in a lawsuit are arbitrable.” Choice Hotels Int’l, Inc. v. BSR Tropicana Resort, 252 F.3d 707, 709-710 (4th Cir. 2001); see also Alford v. Dean Witter Reynolds, 975 F.2d 1161, 1164 (5th Cir. 1992) (“The weight of authority clearly supports dismissal of the case when all of the issues raised in the district court must be submitted to

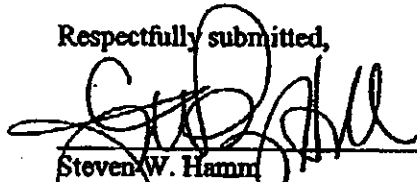
⁸ Indeed, a litany of appellate courts nationwide have upheld class arbitration waivers. See, e.g., Tillman v. Commercial Credit Loans, Inc., 629 S.E.2d 865, 873 (N.C. App. 2006) (holding that the “great majority of federal and state courts that have examined and ruled upon” class action waivers have found them enforceable); Jenkins v. First American Cash Advance of Georgia, LLC, 400 F.3d 868, 878 (11th Cir. 2005), cert. denied 126 S. Ct. 1457 (2006), (holding that an arbitration agreement containing a class waiver “permit[s] [the plaintiff] and other consumers to vindicate all of their substantive rights in arbitration”); Iberia Credit Bureau, 379 F.3d at 175 (5th Cir.) (noting that a class arbitration waiver “does not leave the plaintiffs without remedies”); Johnson v. W. Suburban Bank, 225 F.3d 366, 374 (3d Cir. 2000) (plaintiff cannot argue that a class action waiver prevented “vindication” of his statutory rights “in the arbitral forum”); Champ v. Siegel Trading Co., 55 F.3d 269, 277 (7th Cir. 1995) (“We are thus obliged to enforce the type of arbitration to which these parties agreed, which does not include arbitration on a class basis.”); Rains v. Found. Health Sys. Life & Health, 23 P.3d 1249, 1253 (Colo. Ct. App. 2001) (“[A]rbitration clauses are not unenforceable simply because they might render a class action unavailable.”).

arbitration."); Payton v. Nordstrom, Inc., 462 F.Supp.2d 706, 708 (M.D.N.C. 2006) ("[T]he Fourth Circuit has held that, despite the language of the FAA regarding a stay of arbitration, when all of the claims in a lawsuit are required to be arbitrated, dismissal, rather than a stay, is a proper remedy."). Because all of Plaintiff's claims against Century BMW must be resolved through arbitration, the Court should dismiss her action against Century BMW in this Court.

CONCLUSION

For the reasons set forth above, Century BMW respectfully requests that this Court compel arbitration of Ms. Watts's claims against it and, accordingly, dismiss those claims currently pending in this Court.

Respectfully submitted,



Steven W. Hamm

David A. Anderson

C. Jo Anne Wessinger Hill

RICHARDSON, PLOWDEN, CARPENTER
& ROBINSON, P.A.

1900 Barnwell Street

Post Office Drawer 7788

Columbia, South Carolina 29202

(803) 771-4400

(803) 779-0016 facsimile

Dennis M. Black (*pro hac vice*)

Nathan P. Sutton (*pro hac vice*)

Ryan L. VanGrack (*pro hac vice*)

WILLIAMS & CONNOLLY LLP

725 Twelfth St., N.W.

Washington, DC 20005

(202) 434-5000

(202) 434-5029 (facsimile)

FEBRUARY __, 2007
COLUMBIA, SOUTH CAROLINA.

ATTORNEYS FOR CENTURY BMW, WHOSE TRUE
NAME IS SONIC AUTOMOTIVE 2752 LAURENS
RD., GREENVILLE, INC. D/B/A CENTURY BMW

Exhibit A

ARBITRATION AGREEMENT
(All States Except CA)

DATE: 6.25.05

VIN: 4H58T93554LS42769

In this Arbitration Agreement ("Agreement"), "you" and "your" refers to the customer(s) who sign(s) below. "We", "us", and Dealer refer to the Dealer signing below, and includes the Dealer's employees, agents, and parent and affiliated companies (including, but not limited to, Consumer Acceptance Corporation) and their employees and agents. "Parties" refers to you and us. "Vehicle" refers to the automobile identified by the VIN set forth above. "Claim(s)" includes any and all disputes, claims or controversies between the Parties relating to the Vehicle or arising out of or relating to: (a) the application for and the terms of and enforceability of the sale, lease, or financing of the Vehicle, (b) the purchase or terms of any warranty, service agreement, maintenance plan, paint/undercarriage/interior protection product, anti-theft tracking product and warranty, GAP protection, deficiency waiver addendum, or any of other product or insurance, (c) any claims of breach of contract, negligence, misrepresentation, conversion, fraud, or unfair and deceptive trade practices, (d) any claim of a violation of any state or federal statute or regulation, or (e) the Vehicle's condition, warranty, workmanship, servicing, maintenance or repair. All Claims must be brought within the time allowed by the applicable statute(s) of limitation. "Contract(s)" refers to any agreement(s) between you and us regarding the sale, lease, financing, service or maintenance of the Vehicle.

Upon the request of a Party, any and all Claim(s) shall be decided in binding arbitration before the American Arbitration Association (1-800-778-7879/www.adr.org) ("AAA"). The Parties may mutually agree to use another arbitration forum and/or qualified arbitrator. Unless mutually agreed otherwise between the Parties, any arbitration under this Agreement shall be conducted under the commercial arbitration rules of the AAA. To the extent that any Claim is deemed a "consumer dispute", the Parties agree that the fee schedule provided in the rules for consumer disputes of the AAA, if any, will apply. You can get a copy of the rules from the AAA. The arbitration hearing shall be conducted, at your option, in the federal district in which you reside or in which the Vehicle was purchased or leased.

The Parties waive the right to request arbitration for a Claim filed and maintained individually (as opposed to a class action) in your state's small claims court, if any. However, if such a Claim originally brought in small claims court is transferred or removed to a higher state or federal trial court, the Parties reserve their right to request arbitration under this Agreement.

The Parties agree that once one of the Parties has elected to arbitrate, binding arbitration is the exclusive method for resolving any and all Claims. By entering into this Agreement the Parties are waiving their right to a jury trial and their right to bring or participate in any class action or multi-plaintiff or claimant action in court or through arbitration. Until a Party entitled to do so requests arbitration under this Agreement, any party to this Agreement may proceed with all other rights and remedies they may have. Neither you nor we waive our right to request arbitration under this Agreement, even after all Parties have elected to litigate a Claim in court, in the event new Claims are asserted after the initial filing of such litigation in court.

The arbitrator shall be an attorney or retired judge. The arbitrator shall apply and be bound by governing local, state or federal law when making an award, and shall award only those damages or other relief allowed by such governing law. Issues regarding whether a matter is arbitrable shall be made by the arbitrator. The arbitrator shall prepare a written decision stating reasoned findings of fact and conclusions of law. A party may seek entry of a judgment on the award in any court of competent jurisdiction.

If you initiate a Claim for Arbitration under this Agreement, we agree to pay that portion of the AAA's initial filing fee which exceeds the lesser of the court filing fee for the state or federal court located in the jurisdiction in which you reside. If we initiate a Claim for arbitration we will pay the entire initial filing fee. We also agree to pay up to \$1500 of the arbitrator's fees, unless applicable law or the rules of the AAA require otherwise. Unless applicable law or the rules of the AAA require otherwise, the Parties agree to share equally all other costs and fees, including the arbitrator's fees in excess of \$1500. Notwithstanding any other provision of this Agreement, we will also pay any amount of fees or costs that a court or the arbitrator decides we must pay in accordance with applicable law for this Agreement to be enforceable. The arbitrator deciding the Claim(s) shall have the authority to award fees, costs, injunctive or equitable relief in accordance with this Agreement and applicable law. Unless otherwise ordered by the arbitrator in accordance with applicable law or provided otherwise by applicable law, the Parties shall be responsible for the payment of their own attorney's ("") fees.

This Agreement evidences a transaction involving interstate commerce. The Parties acknowledge and agree that the Federal Arbitration Act (9 U.S.C. § 1 et seq.) ("FAA") shall govern any arbitration under this Agreement. The arbitrator's decision shall be final and binding, except for any right of appeal provided by the FAA or the rules of the AAA.

If any part of this Agreement shall be deemed or found unenforceable for any reason, the remainder of the Agreement shall remain enforceable. In the event this Agreement is found void you and we waive our respective rights to a trial by jury, if such waiver is permitted by applicable law.

This Agreement shall survive the repayment of all amounts owed by you with respect to the Vehicle. This Agreement is incorporated into and made a part of all Contract(s) as defined in this Agreement. If there is a separate arbitration agreement in any other Contract, then to the extent this Agreement is inconsistent with any such arbitration agreement this Agreement shall supersede such other arbitration agreement with respect to Claims between you and us, unless otherwise provided by law.

- EITHER YOU OR WE MAY CHOOSE TO HAVE ANY DISPUTE BETWEEN US DECIDED BY ARBITRATION AND NOT IN COURT.
- IF A DISPUTE IS ARBITRATED, YOU AND WE WILL EACH GIVE UP OUR RIGHT TO A TRIAL BY THE COURT OR BY A JURY.
- IF A DISPUTE IS ARBITRATED, YOU WILL GIVE UP YOUR RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR A CLASS MEMBER ON ANY CLASS CLAIM YOU MAY HAVE AGAINST US, INCLUDING ANY RIGHT TO CLASS ARBITRATION OR ANY CONSOLIDATION OF INDIVIDUAL ARBITRATIONS.
- THE INFORMATION YOU AND WE MAY OBTAIN IN DISCOVERY FROM EACH OTHER IN ARBITRATION IS GENERALLY MORE LIMITED THAN IN A LAWSUIT.
- OTHER RIGHTS THAT YOU AND WE WOULD HAVE IN COURT MAY NOT BE AVAILABLE IN ARBITRATION.
- YOUR AND OUR RIGHTS TO APPEAL OR CHANGE AN ARBITRATION AWARD IN COURT ARE VERY LIMITED.

BY SIGNING BELOW, THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND AGREE TO THE TERMS OF THIS ARBITRATION AGREEMENT

Customer: [Signature]

Dealer: [Signature]

Customer: [Signature]

Dr: _____

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
COUNTY OF AIKEN	)	CIVIL ACTION NO.: 06-CP-02-1230
Heather Herron, et al	)	
	)	
PLAINTIFFS,	)	CERTIFICATE OF SERVICE
	)	
v.	)	
	)	
CarMax Auto Superstores, Inc., et al	)	
	)	
DEFENDANTS.	)	

I, the undersigned, an attorney at the firm of Richardson, Plowden, Carpenter and Robinson, P. A., who are attorneys for Gene Reed Imports, Inc. along with the Rosen Law Firm, do hereby certify that I have served the foregoing **MEMORANDUM IN SUPPORT OF DEFENDANT CENTURY BMW'S MOTION TO COMPEL ARBITRATION** on Plaintiffs by causing it to be deposited in a United States Postal Service mailbox a copy of the same, postage prepaid, return address clearly indicated, addressed to the following on February 12, 2007:

ATTORNEYS FOR THE PLAINTIFF

Michael E. Spears, Esq.
MICHAEL E. SPEARS, P.A.
PO Box 5806
Spartanburg, SC 29304

Gedney M. Howe, III, Esq.
GEDNEY M. HOWE, III, PA
PO Box 1034
Charleston, SC 29402

Richard A. Harpootlian, Esq.
RICHARD A. HARPOOTLIAN, P.A.
PO Box 1090
Columbia, SC 29202

A. Camden Lewis, Esq.
Brady R. Thomas, Esq.
LEWIS & BABCOCK, LLP
PO Box 11208
Columbia, SC 29211
Also served via email to: brt@lbbaw.com

And served on co-defendants' counsel by e-mail as follows:

Susan Rosen, Esq. - srosen@rosen-lawfirm.com
Bradford N. Martin, Esq. - bmartin@bnmlaw.com
Laura Teer, Esq. - lteer@bnmlaw.com
Greg Studemeyer, Esq. - gesquire@sc.rr.com
Harvey Sanders, Jr., Esq. - hsanders@lwtm.com
Frank M. Cisa, Esq. - frank@cisadodds.com
Ronald J. Tryon, Esq. - rontroyn@parkerpoe.com
Kevin A. Dunlap, Esq. - kevindunlap@parkerpoe.com
J.W. Nelson Chandler, Esq. - jwnelsonchandler@parkerpoe.com
James Y. Becker, Esq. - jbecker@hsblawfirm.com
R. David Proffitt, Esq. - dproffitt@hsblawfirm.com
Matthew Tyler, Esq. - mnt@aikenbridges.com
J. Rutledge Young, Jr. Esq. - ryoung@yrlaw.com
Capers G. Barr, III, Esq. - cgb@barrungermcintosh.com
William S. Barr, Esq. - wsb@barrungermcintosh.com
T. Alexander Beard, Esq. - beardlaw@bellsouth.net
Henry E. Grimbail, Esq. - hgrimbail@buistmoore.com
Harry Clayton Walker, Jr. - cwalker@walkerreibold.net
B. Rush Smith, III, Esq. - rushsmith@nelsonmullins.com
Richard B. Ness, Esq. - richardness@bellsouth.net
Karl S. Brehmer, Esq. - karl.brehmer@brownandbrehmer.com
Shawn Mercer, Esq. - sm Mercer@dealerlawyer.com
Nathan Sutton, Esq. - nsutton@wc.com
Dennis Black, Esq. - dblack@wc.com
Ryan L. VanGrack, Esq. - ryangrack@wc.com
Alice Paylor, Esq. - apaylor@rhlaw.com
Paul Infinger, Esq. - paulinfinger@hargray.com
William M. Bowen, Esq. - wilbow@hargray.com



Steven W. Hamm
David A. Anderson
C. Jo Anne Wessinger Hill
RICHARDSON, PLOWDEN, CARPENTER
& ROBINSON, P.A.

Post Office Drawer 7788
Columbia, South Carolina 29202
(803) 771-4400
(803) 779-0016 facsimile

ATTORNEYS FOR CENTURY BMW, WHOSE TRUE
NAME IS SONIC AUTOMOTIVE 2752 LAURENS
RD., GREENVILLE, INC. D/B/A CENTURY BMW

February 12, 2007
COLUMBIA, SOUTH CAROLINA.

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF AIKEN	)	CIVIL ACTION NO.: 06-CP-02-1230
	)	
HEATHER HERRON, ET. AL.	)	
	)	
	)	PLAINTIFFS' MEMORANDUM IN
Plaintiffs,	)	OPPOSITION TO MOTIONS TO
	)	DISMISS
vs.	)	
	)	
CARMAX AUTO SUPERSTORES, INC., ET.	)	
AL.	)	
	)	
Defendants.	)	

Plaintiffs Heather Herron, Natalie Armstrong, Alison Dannert, Michael Ritz, Julie Freeman, Christine Watts, Michael Blease, Michael Watts, individually and for the benefit of all car buyers whom paid "administrative fees" ("Plaintiffs") submit this Memorandum in Opposition to Motions to Dismiss. Plaintiffs' memorandum addresses all motions to dismiss on the following grounds:

1. Lack of standing;
2. Rule 23, SCRCP;
3. Failure to adequately plead civil conspiracy;
4. Improper joinder;
5. Improper venue¹;
6. Failure to adequately plead Title 56 ("Dealers Act");
7. S.C. Code Ann. § 37-2-307 as a defense to the action; and
8. Arbitration agreements.²

¹ At the January 12, 2007 status conference, the parties agreed to delay discovery until after a hearing on all pending motions to dismiss. In February, Defendants' Coordinating Counsel Steven Hamm recognized this agreement and requested that Plaintiffs agree to delay a hearing on motions as to improper venue. Plaintiffs refused. Despite Plaintiffs refusal, Defendants in their brief attempted to "defer" the motions as to venue. *See* Defendants Joint Memorandum, fn. 3. ("Defendants respectfully request that the Court defer the motion on venue until the other motions raised in this brief have been decided."). This attempt to further delay the case should be rejected and the venue motions should be heard at the April 4, 2007 hearing.

² Plaintiffs have requested and the Defendants have refused to provide copies of all allegedly applicable arbitration agreements. The only arbitration agreement provided was as to Plaintiff Christine Watts. Accordingly, Plaintiffs do not have sufficient information to properly respond to Defendants Supplemental Memorandum in Support of Their Motions to Dismiss

All pending Motions to Dismiss should be denied for the following reasons.

BACKGROUND

This case arises from Defendants' conspiracy to illegally charge administrative fees (often referred to as an "administrative fee," "recording and processing fee," "closing fee," or "dealer documentation and closing fees" (collectively "Administrative Fees")). See Exhibit A, Amended Complaint, ¶ 333 and ¶ 396. The Defendants charging of administrative fees can only fool the public if it is an industry wide scheme. Any individual Defendant's attempt to charge such a fee is dependant on the other car dealers committing the same offense so that all may "hide in the pack," and take on the appearances of legitimacy.

Administrative fees are an artificial add on that are charged in a manner designed to deceive car buyers and in an effort to artificially raise the sticker price for cars in a manner that appears mandatory. See Exhibit A, Amended Complaint, ¶¶ 333 - 335. Defendants' conduct is not unlike that found to be an unfair trade practice by an Ohio Court in Motzer Dodge Jeep Eagle, Inc. v. Ohio Attorney General 642 N.E.2d 20 (Oh Ct. App. 1994). See Exhibit A, Amended Complaint, ¶ 336.

Except for a very narrow and stringent exception, the charging of administrative fees is illegal in South Carolina. See Exhibit A, Amended Complaint, ¶ 345. The Defendants' conduct here illustrates why administrative fees are illegal. Defendants present pre-printed administrative fees on dealer invoices as a separate line item that gives the fees the false appearance that they are

dated February 12, 2007 or Defendant James Ervin Toyota's Supplemental Memorandum in Support of Motion to Dismiss dated February 12, 2007. Plaintiffs' Counsel has written Mr. Hamm and requested the applicable arbitration agreements and Plaintiffs' Counsel has called B. Rush Smith, III and requested copies of Defendant James Ervin Toyota's arbitration agreements. Motions related to arbitration with the exception of Century BMW, Inc. should not be heard at the April 4, 2007 hearing because Defendants refusal to provide copies of arbitration agreements has prejudiced Plaintiffs ability to fairly respond.

mandatory fees required to be paid on every car, similar to taxes, tag and title. See Exhibit A, Amended Complaint, ¶ 340 and ¶ 342. The placement of administrative fees as a pre-printed separate line item gives the false appearance that administrative fees are separate and distinct from the Defendants' general overhead expected to be included in the sticker price. See Exhibit A, Amended Complaint, ¶ 338 and ¶ 339. The placement of administrative fees as a pre-printed separate line item also gives the false impression that the fees are non-negotiable and that car purchasers have no option but to pay this fee with every car purchase. See Exhibit A, Amended Complaint, ¶ 342.

In 2000, the General Assembly enacted a very narrow and stringent exception for charging these illegal administrative fees. See Exhibit A, Amended Complaint, ¶ 335. The Consumer Protection Code in S.C. Code Ann. § 37-2-307³ requires that car dealerships take certain affirmative steps in order to charge administrative fees. See Exhibit A, Amended Complaint, ¶ 346. These steps include *inter alia* including the administrative fee in the advertised price; disclosing the administrative fee on the sales contract; paying a fee and registering annually with the department of consumer affairs; and conspicuously displaying signs at the dealership disclosing the fact that the dealership charges administrative fees. See Exhibit A, Amended Complaint, ¶¶ 347 and 351.

The Defendants in this case have not availed themselves of the limited exception S.C. Code Ann. § 37-2-307. See Exhibit A, Amended Complaint, ¶ 349. Many of the Defendants have failed

³S.C. Code Ann. § 37-2-307 provides: "Every motor vehicle dealer charging closing fees on a motor vehicle sales contract shall pay a one-time registration fee of ten dollars during each state fiscal year to the Department of Consumer Affairs. The closing fee must be included in the advertised price of the motor vehicle, disclosed on the sales contract, and displayed in a conspicuous location in the motor vehicle dealership."

to pay a fee and register annually with the Department of Consumer Affairs. See Exhibit A, Amended Complaint, ¶¶ 351-373.

Similarly, many of the Defendants have failed to include administrative fees in the advertised price for cars. This advertising is misleading and a *per se* violation of S.C. Code Ann. § 56-15-40 and S.C. Code Ann. § 37-2-307. See Exhibit A, Amended Complaint, ¶ 337, ¶ 395 and ¶349. Furthermore, the Defendants have violated S.C. Code Ann. § 37-2-307 by charging administrative fees solely for profit, not to offset costs.⁴ See Exhibit A, Amended Complaint, ¶ 349.

Plaintiffs are South Carolina consumers whom paid illegal administrative fees to certain Defendants. See Exhibit A, Amended Complaint, ¶ 374-389. All Plaintiffs were harmed by all Defendants illegal conspiracy to charge the illegal fees. See Exhibit A, Amended Complaint, ¶ 405.

On October 28, 2006, Plaintiffs filed an Amended Complaint which alleges three causes of action:

⁴The form prescribed by the Department of Consumer Affairs makes clear that car dealers can only charge administrative fees as a means for reimbursing overhead costs. The form, which many Defendants post in their dealerships, provides: "This dealership charges closing fees as a means of reimbursing it for certain overhead costs such as documents retrieval and document preparation."

1. Violation of S.C. Code Ann. § 56-15-110 *et. seq.* ("Dealers Act");
2. Civil Conspiracy; and
3. Declaratory Judgement to determine rights and legal relations under S.C. Code Ann. § 56-15-10 and/or S.C. Code Ann. § 37-2-307 ("Consumer Protection Code").

Plaintiffs are bringing this action both individually and pursuant to S.C. Code Ann. § 56-5-110 for the benefit of all others who paid "administrative fees" to Defendants. The South Carolina General Assembly has expressly provided that Plaintiffs can bring this action on behalf of all persons who paid an administrative fee. S.C. Code Ann. §56-5-110 (2) provides: "When such action is on of common or general interest to many persons or when the parties are numerous and it is impracticable to bring them all before the court, one or more may sue for benefit of the whole, including actions for injunctive relief."

As of the January 12, 2007 status conference, there were 183 pending motions to dismiss.

The standard governing these motions is the same:

[I]n deciding a motion to dismiss pursuant to 12(b)(6), SCRCp, the trial court should consider only the allegations set forth on the face of the plaintiff's complaint and a 12(b)(6) motion should not be granted if 'facts alleged and influences reasonably deducible therefrom would entitle the plaintiff to any relief on any theory of the case. The question is whether, in the light most favorable to the plaintiff and with every doubt resolved in his behalf, the complaint state any valid claim for relief. Further, the complaint should not be dismissed merely because the court doubts the plaintiff will prevail in the action. (where there is cause for doubt, or it is clear that the ends of justice may well be promoted by a trial on the merits, a demurrer should be denied where novel issues are present or are involved);

Gentry v. Yonce, 337 S.C. 1, 522 S.E.2d 137 (1999)(internal citation omitted)(emphasis added).

⁵Plaintiffs have alleged that Defendants violated S.C. Code Ann. § 56-15-40(1) which provides: "It shall be deemed a violation of paragraph (a) of § 56-15-30 for any manufacturer, factory branch, factory representative, distributor, or wholesaler, distributor branch, distributor representative or motor vehicle dealer to engage in any action which is arbitrary, in bad faith, or unconscionable and which causes damage to any of the parties or to the public."

Plaintiffs also allege that Defendants have violated S.C. Code Ann. §56-15-40(4)(c) which provides: "It shall be deemed a violation of paragraph (a) of § 56-15-30 for a motor vehicle dealer: (c) to resort to or use any false or misleading advertisement in connection with his business as such motos vehicle dealer."

THE ISSUES

1. Plaintiffs have standing.
2. This is not a Rule 23 Class Action.
3. Plaintiffs pled all elements of the cause of action for civil conspiracy.
4. Joinder in this case is proper.
5. Venue in this case is proper.
6. Plaintiff adequately pled a violation of the Dealers Act.
7. The presence of S.C. Code Ann. § 37-2-307 is not a ground for dismissal.
8. Defendants with arbitration agreements should not be dismissed.

1. PLAINTIFFS HAVE STANDING

Defendants' motion to dismiss for lack of standing should be denied because:

- A. The South Carolina General Assembly has expressly provided that Plaintiffs can bring this suit for the benefit of the whole which necessarily requires as Defendant dealerships that are charging the illegal administrative fees;
 - B. Plaintiffs have direct standing as each have been harmed by each individual Defendants' tortious conduct; and
 - C. This matter is of such wide public concerns that Plaintiffs have public interest standing.
- A. **Plaintiffs Have Standing Under the Dealers Act.**

The South Carolina General Assembly specifically provided that Plaintiffs can bring these claims on behalf of a group in S.C. Ann. § 56-15-110. This statute provides:

S.C. Code Ann. § 56-15-110 Suits for Damages.

- (1) In addition to temporary or permanent injunctive relief as provided in § 56-15-40(3)(c), any person who shall be injured in his business or property by reason of anything by reason of anything forbidden in this chapter may sue therefor in the court of common pleas and shall recover double the actual damage by him sustained, and the cost of suit, including a reasonable attorney's fee.
- (2) When such action is on of common or general interest to many persons or when the parties are numerous and it is impracticable to bring them all before the court, one or more may sue for benefit of the whole, including actions for injunctive relief.
- (3) In an action for money damages, if the jury finds that the Defendant acted maliciously, the jury may award punitive damages not to exceed three times the actual damages.
- (4) A final judgment, order or decree rendered against a person in any civil, criminal or administrative proceeding under the United States antitrust laws, under the Federal Trade Commission Act, or under this chapter shall constitute prima facie evidence against such person subject to the conditions of the United States Antitrust Law (15 U.S.C.16).

S.C. Code Ann. §56-15-110 (emphasis added). This statute creates substantive rights in favor of those affected by violations of the Dealers Act. This statute is a remedial statute that should be construed liberally. "This action is based not on a common law tort or on contract but is a creature of statute. The legislature obviously enacted the Dealers Act because consumers' remedies at common law were deemed inadequate. Remedial statutes are to be construed liberally in order to effectuate their purpose." Kucharski v. Rick Hendrick Chevrolet, LP, 2002 WL 313860990 (SC Ct. App. 2002).

The plain language of this statute provides that Plaintiffs^a can bring this lawsuit in the manner in which they have done. "Where the terms of the relevant statute are clear, there is no room for construction." Parsons v. Georgetown Steel, 318 S.C. 63, 456 S.E.2d 366 (1995).

Under this statute, one may sue for the benefit of the whole in two scenarios:

1. If the "action is one of common or general interest to many persons"; or
2. The "parties are numerous and it is impracticable to bring them all before the court."

S.C. Cod Ann. § 56-15-110(2). This lawsuit is proper under either scenario.

First, the lawsuit is of common or general interest to many persons because of the widespread charging of illegal administrative fees to consumers across the State. Second, the parties are numerous and it would be impractical to bring before this court every single South Carolina consumer who paid an illegally charged administrative fee to the Defendants in the past four years. As such, this lawsuit is expressly authorized by the General Assembly and proper under either scenario.

Accordingly, under the plain language of this statute Plaintiffs have standing to bring the present lawsuit. See Saint Andrews Public Service District v. City of Charleston, 294 S.C. 92, 362 S.E.2d 877 (1987) ("annexation statute grants standing to any resident of an area to challenge proposed annexation"); Tanner v. Town Council, 880 A.2d 784 (R.I. 2005) ("[a] party acquires standing either by suffering an injury in fact or as the beneficiary of express statutory authority granting standing."); Daimler Chrysler Corp. v. Inman, 121 S.W.3d 862, 869-70 (Tex.App.2003); ("Thus, state courts have held that standing may be predicted on either common-law standing by applying Article III principles or statutory standing, where the statute serves as the proper framework of analysis."); Press-Enter, Inc. v. Benton Area School District, 604 A.2d 1221, 1223 (Pa.Comm.Ct.1992) ("Standing may be predicated upon the statutory grant of such standing by the legislator"). Therefore, Plaintiffs have standing under the Dealer's Act to proceed with this action.

B. Plaintiffs Have Direct Standing

The allegations in the Complaint are sufficient to establish standing as to all Defendants on this motion to dismiss. "The question is whether, in the light most favorable to the plaintiff and with every doubt resolved in his behalf, the complaint state any valid claim for relief."

Gentry v. Yonce, 337 S.C. 1, 522 S.E.2d 137 (1999)(internal citation omitted). When the pleadings in this case are construed in the light most favorable to the Plaintiffs, it is clear that Plaintiffs have made sufficient allegations as to establish direct standing as to all Defendants.

Standing via Each Defendants' Violation of the Dealers Act

Plaintiffs have standing as a result of the harm caused by Defendants' violation of the Dealers Act. A Party seeking to establish standing must prove three elements (1) the plaintiff must have suffered an injury in fact; (2) the injury and the conduct complained of must be casually connected; and (3) it must be likely, rather than merely speculative, that the injury will be redressed by a favorable decision. Commander Health Care Facilities, Inc. v. SCDHEC, 370 S.C. 296, 301, 634 S.E.2d 664, 666 (Ct.App.,2006).

Plaintiffs pleadings are sufficient to establish standing under the cause of action for violation of the Dealers Act. Plaintiffs allege that each Defendant, by charging administrative fees, violated the Dealers Act. See Exhibit A, Amended Complaint, ¶¶ 392-395. Additionally, Plaintiffs alleged that each Defendant conspired with other dealers in a concerted effort to violate statutes which is also a violation the Dealers Act. Exhibit A, Amended Complaint, ¶396. Plaintiffs alleged that each Defendant's violation of the Dealers Act damaged the Plaintiffs. Exhibit A, Amended Complaint, ¶399. These allegations are sufficient to establish direct

standing against each Defendant for harm caused by the Defendants' violation of the Dealers Act. Consequently, Plaintiffs have direct standing to proceed with this action.

Standing via Each Defendants' Role in a Civil Conspiracy

Plaintiffs also have direct standing via the cause of action for civil conspiracy. Plaintiffs have alleged that the Defendants and the South Carolina Automobile Dealers Association "combined together for the purposes of injuring Plaintiffs and all South Carolina car buyers whom paid administrative fees to Defendants." See Exhibit A, Amended Complaint, ¶ 403. Plaintiffs also allege that they suffered special damages as a result of the Defendants' conspiracy. See Exhibit A, Amended Complaint ¶ 405. These allegations are sufficient to establish standing. See Lee v. Chesterfield General Hospital, Inc. 289 S.C. 6, 14, 344 S.E.2d 379, 384 (Cl.App., 1986) (holding Plaintiff had standing via cause of action for civil conspiracy) ("The complaints of Newsom and the professional association in effect allege that the conspiracy against Lee has caused them pecuniary loss by restricting the services Lee can perform for his employer. This is a sufficient allegation of financial interest in the controversy to give Newsom and the professional association standing to sue.").

Standing via Cause of Action Seeking Declaratory Judgment

Plaintiffs also have direct standing via the cause of action requesting a declaratory judgment to determine rights and relations under the Dealers Act and the Consumer Protection Code. The declaratory judgment cause of action is remedial and seeks to afford relief from uncertainty and insecurity with respect to rights, statute and other legal relations. It is to be liberally construed and administered. The South Carolina Supreme Court has stated:

The basic purpose of the Act is to provide for declaratory judgments without awaiting a breach of existing rights. The Act should be liberally construed to accomplish its intended purpose of affording a speedy and inexpensive method of deciding legal disputes and of settling legal rights and relationships, without awaiting a violation of the rights or a disturbance of the relationship.

Sunset Cay, LLC v. City of Folly Beach, 357 S.C. 414, 423424, 593 S.E.2d 462, 466

(2004)(emphasis added). No injury (violation or breach of rights) is even needed to bring a declaratory judgment cause of action; only unsettled legal rights and relationships.

The South Carolina Supreme Court has stated time and time again that lawsuits like the instant one are proper for declaratory judgments. In Ott v. Tindal, the South Carolina Supreme Court stated:

Such actions are especially appropriate where, as here, the meaning of the statute is in question ... whether a declaratory judgment shall be granted is a matter which rests in the sound discretion of the trial court. Absent a clear showing of an abuse of discretion, the lower court's decision to grant declaratory relief will not be disturbed.

297 S.C. 395, 397-398, 377 S.E.2d 303, 304-305 (1989) (emphasis added). In Foster v. Foster, 226, S.C. 130, 83 S.E.2d 752 (1954) the South Carolina Supreme Court stated:

"The test of sufficiency of such a complaint is not whether it shows that the plaintiff is entitled to a declaration of rights in accordance with his theory, but whether he is entitled to a declaration of rights at all. Even though the plaintiff is on the wrong side of the controversy, if he states the existence of a controversy which should be settled by the court under the Declaratory Judgment Law, he has stated a cause of suit."

citing Cabell v. City of Cottage Grove, 170 Or. 256, 130 P.2d 1013, 1015, 144 A.L.R. 286.

The pleading in this case are sufficient to establish standing under the Declaratory Judgment Act. Plaintiffs seek a declaration of rights under two different statutes: (1) the Dealers Act; and (2) Consumer Protection Code, S.C. Code Ann. § 37-2-307. The meaning of both of these statutes are at issue. Furthermore, Plaintiffs have alleged a justiciable controversy because

Plaintiffs have alleged that each of the Defendants conduct harmed each Plaintiff. Thus, Plaintiffs allegations are sufficient to establish direct standing under the Declaratory Judgment Act.

C. Plaintiffs Have Public Interest Standing

Plaintiffs also have public interest standing to bring this action. The issues raised by Defendants' common practice of charging administrative fees are of such wide concern and public importance that this action should be decided for future guidance to insure that the public is protected. See Sloan v. Department of Transportation 365 S.C. 299, 304, 618 S.E.2d 876, 878-879 (2005) ("[S]tanding is not inflexible and standing may be conferred upon a party when an issue is of such public importance as to require its resolution for future guidance...Sloan had standing because the 'issues involved 'are of such wide concern' that this declaratory judgement action should be decided for future guidance"). See also Sloan v. Hardee, ____ S.C. ____, ____ S.E.2d ____ (2007) (holding Greenville County resident and public interest group have public interest standing to pursue declaratory judgement action challenging appointment of DOT commissioners from congressional districts outside of Greenville County).

The issues in the present suit are of wide concern and public importance. Significantly, all Defendants are illegally charging administrative fees to customers all across the state. The fact that this issue is of wide concern and public importance is further evidenced by the General Assembly's enactment of S.C. Code Ann. § 37-2-307 in the Consumer Protection Code. This statute is very narrow and strict and conclusively demonstrates that the charging of administrative fees is otherwise illegal. S.C. Code Ann. §37-2-307 requires affirmative steps and disclosures from the dealership to ensure that the public is protected from these otherwise illegal

fees (pay fee and register with the Department of Consumer Affairs, conspicuously disclose on contract, conspicuously display in dealership, and only charge for reimbursement).

A finding of public interest standing in this case promotes judicial economy. These issues should be determined in one action. Any other finding would lead to hundreds of similar suits in state courts across this state all seeking to determine the same issues— that is whether the administrative fees are being charged in violation of statutes. Clearly, judicial economy is served by having these issues determined in one suit.

Because of the widespread nature of Defendants illegal practices, this matter should be decided for future guidance and to ensure that the public is protected. Accordingly, Plaintiffs have public interest standing to bring the claims at issue.

2. THIS IS NOT A RULE 23 CLASS ACTION

This action is brought pursuant to express statutory authority in S. C. Code Ann. § 56-15-110(2). Significantly, this is not a Rule 23, SCRPC class action. Simply put, arguments to the contrary are wrong. The Dealers Act provides a substantive right to bring a group suit.

The Dealers Act provides a statutory right to a specific group of consumers different than the procedural avenue provided in Rule 23, SCRPC. Under the Dealers Act, a plaintiff needs to only show one of two things in order to be able to bring the suit on behalf of a group. S.C. Cod Ann. § 56-15-110(2) provides:

When such action is one of common or general interest to many persons or when the parties are numerous and it is impracticable to bring them all before the court, one or more may sue for benefit of the whole, including actions for injunctive relief.

S.C. Cod Ann. § 56-15-110(2). Under the statute, Plaintiffs may bring the suit on behalf of a group if: (1) the suit is of common or general interest of many persons; or (2) the parties are

numerous and it is impractical to bring them before the Court. In comparison, Rule 23, SCRCP has five elements that must be met in order to have a class action under Court rules. The five elements under Rule 23, SCRCP are: (1) numerosity; (2) commonality; (3) typicality; (4) adequately protect the interests of class; and (5) the amount in controversy exceeds \$100.00.

As can be shown by comparing the requirements of both, the Dealers Act gives a statutory right as compared to a court rule. This is consistent with the purposes behind the Dealers Act. See Kucharski v. Rick Hendrick Chevrolet, LP, 2002 WL 313860990 (SC Ct. App. 2002)(“The legislature obviously enacted the Dealers Act because consumers’ remedies at common law were deemed inadequate. Remedial statutes are to be construed liberally in order to effectuate their purpose.”).

The Defendants argument that §56-15-110(2) only allows the bringing of Rule 23, SCRCP class actions should be rejected. “Such an interpretation violates the rule that we should seek a construction that gives effect to every word of a statute rather than adopting an interpretation that renders a portion meaningless.” Hinton v. South Carolina Dept. of Probation, Parole and Pardon Services 357 S.C. 327, 342, 592 S.E.2d 335, 343 (ClApp. 2004). A violation of the Dealers Act just like any other cause of action is always susceptible to being brought as a class action if under court rule. However, the Dealers Act eliminates the necessity of a court rule to bring a group action and instead provides such by a statutory right without the bonds of court rules. Thus, an interpretation that §56-15-110(2) only allows a Rule 23, SCRCP class action would render this section meaningless. §56-15-110 (2) must allow a group lawsuit if the plain language of this section is to be given meaning.

S.C. Code Ann. §56-15-110(2) Was Not Repealed

Similarly, Defendants argument that S.C. Code Ann. § 56-15-110(2) was impliedly repealed by the enactment of the Rules of Civil Procedure should be rejected. Defendants argue that because S.C. Code Ann. § 56-15-110(2) contains similar language to that contained in an old statute, S. C. Code Ann. §15-5-50 (repealed 1985), that the occurrence of similar language means that S.C. Code Ann. § 56-15-110(2) was also repealed.

Defendants rely on section three of 1985 Act 100, which provides:

In the event of conflict between any provision of the South Carolina Rules of Civil Procedure and any other statutory provisions as to practice and procedure not repealed in this act, the provision of the rules shall control. However, neither the promulgation of the rules nor this act may be construed to affect the substantive legal rights of any party to any civil litigation in the courts of this State but shall affect only matters of practice and procedure.

The 1985 Act states that it does not apply to statutes that create substantive rights. 1985 Act 100 ("neither the promulgation of the rules nor this act may be construed to affect the substantive legal rights of any party to any civil litigation in the courts of this State but shall affect only matters of practice and procedure.") (emphasis added). S. C. Code Ann. § 56-15-110 provides substantive rights. S.C. Code Ann. § 56-15-110 creates a cause of action in favor of people harmed by violations of the Dealers Act and provides that the cause of action may be brought on behalf of a group. By comparison, The 1985 Act specifically repealed S. C. Code Ann. § 15-5-50 because it only dealt with a procedural issue. Accordingly, the 1985 Act did not repeal S.C. Code Ann. § 56-15-110.

Furthermore, the fact that both statutes existed independently is further support for the proposition that the statutes are alternative avenues for group suits are the intent of the legislator.

After the repeal of the S. C. Code An. § 15-5-50 (repealed 1985), the General Assembly chose not to specifically repeal subsection two of S. C. Code Ann. §56-15-110. The fact that this statute was not specifically repealed supports a finding that the General Assembly intended to provide those harmed by violations of the Dealers Act a broader protection than that protection provided at the common law.

Furthermore, the 1985 Act did not impliedly repeal S.C. Code Ann. § 56-15-110.

Under Section 3 of the of the 1985 Act, the Legislature provided that in the event of conflict, the Rules replace existing procedural statutes. However, repeal by implication is disfavored and requires a showing of conflict between the two competing statutes, incapable of reasonable reconciliation. Moreover, the repugnancy must be plain, and if the two provisions can be construed so that both can stand, a court shall so construe them.

Blyth v. Marcus, 322 S.C. 150, 153, 470 S.E.2d 389, 391 (Ct.App. 1996)(emphasis added).

Rule 23, SCRPC is not clearly in conflict with S. C. Code Ann. § 56-15-110(2). "Courts should be slow to hold that a statute has been repealed by implication and should avoid holding if it can be done on any reasonable hypothesis and can arrive at another result by any construction which is fair and reasonable." Lewis v. Gaddy, 254 S.C. 66, 76, 173 S.E. S.E.2d 376, 381 (S.C. 1970).

"[T]he repugnancy must not only be plain, but the provisions of the two statutes must be incapable of any reasonable reconciliation; for if they can be construed so that both stand, the Court will so construe them." City of Rock Hill v. SCDHEC, 302 S.C. 161, 167-168, 394 S.E.2d 327, 331 (1990) citing Pearson v. Mills Manufacturing Co., 82 S.C. 506, 509, 64 S.E. 407 (1909). "[T]o effect an implied repeal of one statute by another, they must both relate to the same subject, and cover the same situations, since one statute is not repugnant to another unless there is such a relation." McCollum v. Snipes, et al., 213 S.C. 254, 268, 49 S.E.2d 12, 17-18 (1948). "It was is presumed that the Legislature [is] familiar with prior legislation, and that if it

intend[s] to repeal existing laws it would...expressly [do] so; hence, if by any fair or liberal construction two acts may be made to harmonize, no [c]ourt is justified in deciding that the last repealed the first.” Justice v. Pantry, 330 S.C. 37, 43-44, 496 S.E.2d 871, 874 (ClApp. 199); State v. Hood, et al., 181 S.C. 488, 491, 188 S.E. 134, 136 (1936).

There is no clear conflict or repugnancy between Rule 23, SCRPC and S. C. Code Ann. § 56-15-110(2). Rule 23, SCRPC and S. C. Code Ann. § 56-15-110(2) cover different situations and are reasonably reconcilable. Rule 23, SCRPC is a general procedural statute that can apply to a wide variety of cases— any case satisfying the elements of Rule 23, SCRPC. S.C. Code Ann. § 56-15-110(2) is a substantive right and only applies to specific lawsuits (a violation of the Dealers Act.) S.C. Code Ann. § 56-15-110(2) is a statutory mechanism. Rule 23, SCRPC and the Dealers Act are not in conflict and can be construed so that both provisions may stand. Accordingly, Defendants’ argument that S.C. Code Ann. § 56-15-110(2) was impliedly repealed should be rejected.

Commonality and Typicality Are Not Elements of S. C. Code Ann. § 56-15-110(2)

Defendants Northside Nissan’s and Oaktree, Inc. d/b/a West Ashley Toyota, Inc.’s argues that the Plaintiff claims are not common or typical all members of the group. This is the wrong test. Plaintiffs have alleged that Defendant car dealers are charging illegal administrative fees and that Plaintiffs and all members of the group were harmed because they paid illegal administrative fees. The test to determine whether Plaintiffs can bring these claims on behalf of a group is set forth in §56-15-110(2). The test is whether the “action is of common or general interest to many persons” or whether “the parties are numerous it is impracticable to bring them

all before the court." S.C. Code Ann. § 56-15-110(2). As already set forth, Plaintiffs claims here satisfy the test set forth in S.C. Code Ann. §56-15-110(2).

As pointed out by Defendants' Coordinating Counsel for these motions, Steve Hamm, in his Affidavit of March 12, 1992 filed in Fanning v. Fritz's Pontiac-Cadillac-Buick, Inc., 322 S.C. 399, 472 S.E.2d 242 (1996), the charging of administrative fees to consumers is a violation of the law. Mr. Hamm's affidavit provides in part:

In September, 1987, the Department [South Carolina Department of Consumer Affairs] sent to all members of the South Carolina Automobile and Truck Dealers Association a letter outlining several advertising practices that the Department believed violated the law. (A copy of the letter is attached here to as Exhibit A). Item number 1 of that letter specifically addresses additional closing fees, variously called documentary fees, procurement fees, administrative fees, closing costs, as well as other names, and indicates that attempts to treat such fees as an additional cost to the advertised price could be considered as a violation of the law.

Exhibit B, Hamm Affidavit, ¶7.

Between October, 1988 and July 1989, the Department began discussing additional closing fees and determined, during June, 1989 or early July, 1989, that such fees within themselves were a violation of the law.

Exhibit B, Hamm Affidavit, ¶12.

Consistently, since July, 1989, the Department has taken the position that additional closing fees are a violation of the law.

Exhibit B, Hamm Affidavit, ¶15.

Plaintiffs agree with Mr. Hamm that administrative and closing fees are illegal and of common or general interest. In that regard, there are no individualized issues; the same type of illegal fee is charged to every Plaintiff and the many persons Defendants also charged.

Plaintiffs have alleged causes of action for violation of the Dealers Act, a cause of action for civil conspiracy, and a cause of action seeking a declaratory judgment. It is obvious that this

"action is of common or general interest to many persons" and "the parties are numerous it is impracticable to bring them all before the court." S.C. Code Ann. § 56-15-110(2). As such, Plaintiffs are allowed to bring these claims on behalf of a group.

Defendants Northside Nissan's and Oaktree, Inc. d/b/a West Ashley Toyota, Inc.'s arguments that Plaintiffs are attempting to bring a fraud class action are wrong. A simple reading of Plaintiffs' Amended Complaint shows that this is not a Rule 23, SCRPC class action and that Plaintiffs have not alleged a cause of action for fraud. Accordingly, Defendants Northside Nissan's and Oaktree, Inc. d/b/a West Ashley Toyota, Inc.'s motion to dismiss should be denied.

Defendants' Arguments as to the Juridical Links Doctrine are Inapplicable

Defendants arguments that Gardner v. S.C. Dept. of Revenue, 353 S.C. 1, 577 S.E.2d 190 (2003) prevents Plaintiffs from bringing this action are wrong. Defendants cite Gardner for the proposition that "a plaintiff may not sue a defendant unless the plaintiff has suffered an injury at the hands of the defendant." Gardner, 353 S.C. at n.14, 577 S.E.2d at n.14. Gardner is inapplicable for two reasons.

First and foremost, the Amended Complaint in this case alleges that each Plaintiff suffered an injury at the hands of each Defendant. Accordingly, Gardner does not apply.

Second, Gardner involves a Defendant class under Rule 23, SCRPC class action. Plaintiffs in this case are not bringing a Defendant class action under Rule 23, SCRPC. All of the Defendants in this case have been named and Plaintiffs have alleged that each Defendant's actions harmed each Plaintiff. Thus, the findings in Gardner are not applicable to this case.

3. **PLAINTIFFS ADEQUATELY PLED A CAUSE OF ACTION FOR CIVIL CONSPIRACY**

The Defendants' arguments regarding the sufficiency of Plaintiffs' civil conspiracy cause of action allegation should be rejected. Defendants argue that Plaintiffs are prohibited from bringing a cause of action for civil conspiracy because the pleadings are based on the same fact as allegations plead in other causes of action. This is not a sufficient ground for a Rule 12(b)(6), SCRCF motion to dismiss.

Plaintiffs have properly pled civil conspiracy as an alternative cause of action. "A party may also state as many separate causes of action or defenses as he has regardless of consistency and whether based on legal or an equitable grounds or on both." Rule 8 (c)(2), SCRCF.

When the facts entitle a party to alternative remedies, those remedies are not considered inconsistency, and he may plead and prove his entitlement to both... This rule rests on the principle that the plaintiff should have a full opportunity to prove his claim to some form of relief, but he should not receive a double recovery.

Harper v. Etheridge, 290 S.C. 112348 S.C.2d 374 (Ct.App.1986)(internal citations omitted).

This is a motion to dismiss which addresses the sufficiency of the pleadings. In this case, Plaintiffs assert that they have a viable stand alone cause of action for civil conspiracy and/or viable stand alone causes of action for violation of the Dealers Act and one for declaratory judgment. The fact that Plaintiffs may at later stages in this case be forced to elect between causes of action does not mean that Plaintiffs are not entitled to plead alternative causes at the beginning stages of the case. See eg. Island Car Wash, Inc. v. Norris, 292 S.C. 595, 358 S.E.2d 150 (Ct.App.1987) ("And finally, where a plaintiff seeking recovery in an action for conspiracy fails to prove a conspiracy or concerted design, he may still recover damages against a defendant proven to be guilty of a tort alleged to be the object of the conspiracy; the

allegations of the conspiracy are considered as mere surplusage.”). As clearly shown by Island Car Wash, Plaintiffs are allowed to plead and attempt to prove a cause of action for civil conspiracy as an alternative cause. The Rules of Civil Procedure simply do not require that the Plaintiffs elect between alternative theories of recovery at the pleadings stage of the case. Accordingly, the motions to dismiss based on this ground should be denied.⁶

For these same reasons, Defendants arguments with regard to special damages also fail. Defendant car dealers rely on civil conspiracy cases that hold that special damages in the context of a civil conspiracy claim are damages that are separate and distinct and those damages sought in the other causes of action. See eg. Vaught v. Waites, 300 S.C. 201, 208, 387 S.E.2d 91, 95 (Cl.App. 1989). These cases stem from the simple proposition that a Plaintiff can not recover for the same damages twice. However, as discussed above, nothing prohibits a Plaintiff from pleading causes of action in the alternative. The only limitation is that Plaintiffs can not recover twice for the same harm. Plaintiff recognize this limitation and will duly elect between remedies at the appropriate stage.

The Defendants reliance on Todd v. S.C. Farm Bureau Mut. Ins. Co., 276 S.C. 284, 278 S.E.2d 607 (1981) for the proposition that a civil conspiracy cause of action that involves the same facts as other causes of action is subject dismissal under Rule 12(b)(6), SCRCF is misplaced. See Defendants Joint Memorandum, p. 14. Todd v. S.C. Farm Bureau was prior to the enactment of the Rules of Civil Procedure and involved a demurrer.

⁶The right of later election is especially appropriate in this case. This is so because Plaintiff have brought a cause of action under a novel statute. (“[A] demurrer should be denied where novel issues are present or are involved”) Springfield v. Williams Plumbing Supply Co., 249 S.C. 130, 153 S.E.2d 184 (1967).

Significantly, under code pleading, if a party pled in the alternative the pleading was demurrable. See *Lightsey, M. Harry, South Carolina Code Pleading*, 1976, pp. 70-71 discussing Daniels, et. al. v. Berry, et. al., 148 S.C. 446, 146 S.E. 420 (1927) ("The *Daniels* case has been cited as authority for the proposition that where alternatives are pleaded, each must be legally sufficient or the pleading is demurrable....By comparison, the Federal Rules clearly provide for alternative pleading and avoid, by express terms, the harsh results found in *Daniels*."). Unlike code pleading, the Rules of Civil Procedure allow parties the opportunity to plead and prove alternative causes of action. See Rule 8 (e)(2), SCRCP; See also Harper v. Etheridge, 290 S.C. 112348 S.C.2d 374 (Cl.App.1986) ("When the facts entitle a party to alternative remedies, those remedies are not considered inconsistency, and he may plead and prove his entitlement to both..."). Thus, to the extent that Defendants rely on Todd v. S.C. Farm Bureau for the proposition that Plaintiffs cannot plead a cause of action for civil conspiracy in the alternative the Defendants' argument should be rejected.

More importantly, Plaintiffs have alleged damages as a direct result of the civil conspiracy. This pleading is sufficient to allege a civil conspiracy.

In a conspiracy action, what is required is proof of the fact of damages, not certainty of amount...The elements which go to make up such damages must depend on the nature of the act and the injury...Appellants' own literature, which claims to have damages respondent by causing a dramatic drop in the number of abortions performed at the clinic, is itself evidence of damages.

Gynecology Clinic, Inc. v. Cloer 334 S.C. 555, 556-557, 514 S.E.2d 592, 592-593 (1999)

(emphasis added). Allen v. Columbia Financial Management, Ltd., 297 S.C. 481, 489, 377

S.E.2d 352, 357 (Cl.App.,1988)(holding loss of investment in case involving abusive tax shelter are recoverable civil conspiracy damages): LaMotte v. Punch Line of Columbia, Inc., 296 S.C.

66, 70, 370 S.E.2d 711, 713(1988)(holding sufficient civil conspiracy damages where "Appellants allege that respondents combined forces to injure them by preventing the opening of their restaurant, and thereby caused appellants to suffer special damages."); Charles v. Texas Co., 199 S.C. 156, 18 S.E.2d 719 (1942)(holding sufficient civil conspiracy damages where plaintiff was forced out of partnership and lost half of the expected profits from partnership contract). The damages alleged in this case are no different in kind from those found to be sufficient in the above listed cases. Accordingly, Plaintiffs have alleged sufficient damages to survive a motion to dismiss.⁷

4. JOINDER IS PROPER

Defendants' motions to dismiss for improper joinder should be denied. A motion to dismiss for improper joinder is not permitted under the South Carolina Rules of Civil

Procedure: "Misjoinder of parties is not ground for dismissal of an action." Rule 21, SCRPC.

Accordingly, Defendants' motions to dismiss for improper joinder should be denied.

Regardless, joinder is proper in this case. Rule 20(a), SCRPC which governs joinder provides:

All persons may join in one action as Plaintiff if they assert any right to relief jointly, severally, or in the alternative respect of or arising out of the same transaction, occurrence, or series of transaction or occurrences and if any question of law or fact common to all these persons will arise in the action. All persons may be joined in one action as defendants if there is asserted against them jointly, severally, or in the alternative, any right to relief in respect of or arising out of the same transaction, occurrence, or series of transaction or occurrences and if any questions of law or fact common to all defendants will arise in the action.

⁷If Defendants' argument is that Plaintiffs should plead with more specificity, the appropriate remedy is an order directing the Plaintiffs to plead with more particularity, not an order to dismiss.

Rule 20(a), SCRCP rule is to be liberally construed. See Notes to Rules 20, SCRCP ("This Rule 20 (a) is substantially the same as the Federal Rule. This rule liberalizes joinder in State Practice.").

Rule 20(a) permits 'the broadest possible scope of action consistent with fairness to the parties [and] joinder of claims, parties and remedies is strongly encouraged.' " *King v. Ralston Purina Co.*, 97 F.R.D. 477, 479 (W.D.N.C.1983) (citing *United Mine Workers of America v. Gibbs*, 383 U.S. 715, 724, 86 S.Ct. 1130, 1138, 16 L.Ed.2d 218 (1966); cf. *Rumbaugh v. Winifrede R.R. Co.*, 331 F.2d 530, 537 (4th Cir.1964) (stating the foundation of Rule 20(a) lies in "avoiding a multiplicity of suits and expediting the final determination of litigation"). The court notes "the transaction and common question requirements prescribed by Rule 20(a) are to be liberally construed in the interest of convenience and judicial economy.

Jonas v. Conrath, 149 F.R.D. 520, 523 (S.D.W.Va.,1993) Rule 20(a), SCRCP should also be construed in light of Rule 1, SCRCP's requirement that the rules be "construed to secure the just, speedy, and inexpensive termination of every action."

Joinder is proper in this case. The claims at issue in this case all arise from the same "transaction, occurrence, or series of transaction or occurrences." Plaintiffs have alleged that the Defendants conspired together in order to charge illegal administrative fees to South Carolina consumers including the Plaintiffs. See Exhibit A, Amended Complaint, ¶ 333, ¶¶ 402-405, and ¶ 396. This action arises from one occurrence—the Defendants' conspiracy. Similarly, the action arises from a series of transaction (the individual sales charging illegal administrative fees).

Additionally, questions of law and fact common to all Defendants exist in this action. Plaintiffs have alleged that all Defendants are violating the Dealers Act and S.C. Code Ann. § 37-2-307. Clearly, whether each Defendant is in compliance with each of these statutes involves common questions of law and fact. Additionally, the question of whether each

Defendant participated in an illegal conspiracy is a common question of fact. Therefore, the requirements in Rule 20(a), SCRPC have been satisfied and joinder is proper.

5. VENUE IS PROPER

Defendants' motions to dismiss for improper venue should be denied. "If...there is more than one defendant, the action may be tried in any county where one or more defendants reside." Ellis by Ellis v. Oliver, 307 S.C. 365, 367, 415 S.E.2d 400, 401 (1992). Defendant Taylor Investments d/b/a Taylor Toyota is located in Aiken County. Exhibit A, Amended Complaint, ¶ 332. Accordingly, this action is properly brought in Aiken County and Defendants' motions to dismiss for improper venue should be denied.

Even if venue were improper in Aiken County, which it is not, a dismissal of this action would not be warranted. *See* Rule 82(b), SCRPC ("When an action is brought in the wrong county or in the wrong court, the court shall not dismiss the action but shall transfer it to any proper county or court in which it could have been brought.").

6. PLAINTIFF SUFFICIENTLY PLEAD A VIOLATION OF THE DEALERS ACT⁴

Plaintiffs have pled sufficient facts to state a cause of action under the Dealers Act. Plaintiffs sufficiently alleged that Defendants violated S.C. Code Ann. §56-15-40(1). This section provides:

It shall be deemed a violation of paragraph (a) of § 56-15-30 for any manufacturer, factory branch, factory representative, distributor, or wholesaler, distributor branch, distributor representative or motor vehicle dealer to engage in any action which is arbitrary, in bad faith, or unconscionable and which causes damage to any of the parties or to the public.

⁴Although Defendants did not address this issue in their briefs, this issue was raised in multiple motions to dismiss that are to be heard at the April 4, 2007 hearing. Accordingly, Plaintiffs address this issue here.

S.C. Code Ann. § 56-15-40(1). Bad faith under the Act means: "[t]he opposite of good faith, generally implying or involving actual or constructive fraud, or a design to deceive or mislead another or a neglect or refusal to pay fulfill some duty or some contractual obligation, not prompted by an honest mistake as to one's rights or duties, but by some interested or sinister motive." deBondt v. Carlton Motor Cars, Inc., 342 S.C. 254 (Ct.App.2000). "Arbitrary conduct is readily definable and includes acts which are unreasonable, capricious or nonrational; not done according to reason or judgment; depending on will alone." Taylor v. Nix, 307 S.C. 551, 555, 416 S.E.2d 619, 621 (1992).

Plaintiffs' sufficiently allege a violation of S.C. Code Ann. §56-15-40(1). Plaintiffs alleged that Defendants are charging administrative fees in a manner that is arbitrary, in bad faith, and unconscionable. See Exhibit A, Amended Complaint, ¶ 393. Plaintiffs alleged that Defendants are presenting administrative fees in a manner that is designed to deceive or mislead and is arbitrary, in bad faith, and unconscionable. See Exhibit A, Amended Complaint, ¶ 394. Additionally, Plaintiffs alleged that Defendants conspired together to charge administrative fees and that the conspiracy in an of itself as a violation of the statute. See Exhibit A, Amended Complaint, ¶ 396. Plaintiff also alleged that they were injured as a result of Defendants' actions. See Exhibit A, Amended Complaint, ¶ 399.

Similarly, Plaintiffs sufficiently pled that Defendants violated S.C. Code Ann. §56-15-40(c). This statute provides: "It shall be deemed a violation of paragraph (a) of § 56-15-30 for a motor vehicle dealer: (c) to resort to or use any false or misleading advertisement in connection with his business as such motos vehicle dealer." Plaintiffs alleged that Defendants failed to

adequately disclose or include administrative fees in the advertised price or cars which constitutes misleading advertising. See Exhibit A, Amended Complaint, ¶ 395.

These pleadings are sufficient to state a cause of action against all Defendants for a violation of Title 56. See Gaskins v. Southern Farm Bureau Cas. Ins. Co., 343 S.C. 666, 541, S.C.2d 269 (Cl.App.2000) ("To ensure substantially justice to the parties, the pleadings must be liberally construed.").

Furthermore, Plaintiffs made sufficient pleadings to allow this claim to be brought on behalf of a group. S.C. Code Ann. §56-15-110(2) provides:

When such action is one of common or general interest to many persons or when the parties are numerous and it is impracticable to bring them all before the court, one or more may sue for the benefit of the whole, including actions for injunctive relief.

Plaintiffs' pleadings are sufficient to invoke this statute. The Amended Complaint provides in part:

This suit is brought pursuant to S.C. Code Ann. §56-15-110(2) for the benefit of the whole because the action is one of common or general interest to many persons and the parties are numerous and it is impracticable to bring them all before the Court.

Exhibit A, Amended Complaint, ¶ 397.

Accordingly, Plaintiffs are suing for the benefit of all South Carolina car buyers whom paid administrative fees to Defendants and against all motor vehicle dealers owned or controlled by Defendants as defined in S.C. Code Ann. §56-15-10(h).

Exhibit A, Amended Complaint, ¶ 398. These pleadings are sufficient to allow the suit on behalf of many persons as authorized under S. C. Code Ann. § 56-15-110(2).

7. S. C. CODE ANN. § 37-2-307 IS NOT A DEFENSE TO THIS ACTION

Defendants argument that this action is prohibited because the charging of administrative fees is "regulated" under S. C. Code Ann. § 37-2-307 should also be rejected. S.C. Code Ann. §37-2-307 is not a legal defense shielding Defendants from liability.

Defendants' argument is analogous to the line of cases involving the regulated industry exception to the Unfair Trade Practices Statute. See Ward v. Dick Dyer and Associates, Inc., 304 S.C. 152, 403 S.E.2d 310 (1991). The Unfair Trade Practices Act contains an express exception excepting actions that are administered by a regulatory body. See S.C. Code Ann. § 39-5-40(a) (excepting from the Unfair Trade Practices statutes "[a]ctions or transaction permitted under laws administered by any regulatory body or office acting statutory authority of this State or the United States or actions or transaction permitted by any other South Carolina state law."). Importantly, the Dealers Act, unlike the Unfair Trade Practices Act, does not contain a similar exception. Therefore, there is no similar defense to this action.

Even if such an exception did exist under the Dealers Act, which it does not, there is no protections from suit merely because a business's complained of action is subject to some type of regulation. There simply are no protections where the complained of actions, as here, are not allowed or authorized actions under a statute or regulation. See Ward v. Dick Dyer and Associates, Inc., 304 S.C. 152, 403 S.E.2d 310 (1991) (holding that mere fact of regulation did not prevent a cause of action for unfair trade practices).

⁹Although Defendants did not address this issue in their briefs, this issue was raised in multiple motions to dismiss that are to be heard at the April 4, 2007 hearing. Accordingly, Plaintiffs address this issue here.

Defendants are not in compliance with S. C. Code Ann. § 37-2-307. *See* Exhibit A, Amended Complaint, ¶ 349. Defendant car dealers failed to register with the Department of Consumer Affairs. *See* Exhibit A, Amended Complaint, ¶¶ 351-373. Defendant car dealers failed to include the administrative fee in the advertised price of the vehicle. *See* Exhibit A, Amended Complaint, ¶ 337, ¶ 395 and ¶349. Defendant car dealers charged administrative fees for profit, not to reimburse for cost. *See* Exhibit A, Amended Complaint, ¶ 349. Therefore, Defendant car dealers are not in compliance with S.C. Code Ann. § 37-2-307. Accordingly, Defendants cannot use S. C. Code Ann. § 37-2-307 as an absolute defense to this action and Defendants' motion to dismiss on the bases of S.C. Code Ann. § 37-2-307 should be denied.

8. MOTIONS TO DISMISS BASED THE PRESENCE ARBITRATION AGREEMENTS SHOULD BE DENIED

Defendants have made motions to dismiss based on the presence of arbitration agreements. The majority of these motions should not and cannot be heard at this time. Plaintiffs' Counsel have contacted Defendants and specifically requested all applicable arbitration agreements. Defendants have refused to provide the arbitration agreements. Because there is a four year statute of limitations under the Dealers Act, in order to be able to fairly respond to the motions, Plaintiffs must be able to review the arbitration agreements used by the Defendants for the past four years. Plaintiff can not fairly respond to this motion to dismiss without the arbitration agreements. Therefore, these motions are not proper at this time.

PLAINTIFF CHRISTINE WATTS' CLAIMS SHOULD NOT BE SENT TO ARBITRATION

Defendant Century BMW d/b/a Sonic Automotive, Inc. ("Century BMW") filed a separate memorandum arguing that Plaintiff Christine Watts's should be dismissed as a Plaintiff

on the ground that Plaintiff Christine Watts entered into an arbitration agreement Defendant Century BMW also claims that this is a grounds for dismissing Century BMW as a Defendant from this action. These arguments should be rejected.

Plaintiff Christine Watts's claim against Century BMW should not be referred to arbitration. Tellingly, Century BMW did not include Plaintiff Christine Watts' buyer's order (contract) in either their motion or memorandum seeking to compel arbitration. Exhibit C, Buyer's Order. This is so because Plaintiff Christine Watts' buyer's order does not contain an arbitration clause. It is therefore undisputed that the contract itself does not comply with South Carolina law because the first page of the retail buyer's order does not contain in bold letters or in a stamp a notice that the agreement subject to arbitration.

Defendant Century BMW instead has presented a separate one-page document which purports to waive Plaintiff Christine Watts's rights to "participate in any class action or multi plaintiff or claimant action in court or through arbitration." This agreement is in less than size six font and was not negotiated between the parties.

The South Carolina Supreme Court has stated that it will not enforce this type of arbitration agreement. "[P]reclusion of class-wide or consolidated arbitration in an adhesion contract, even if explicit, undermines principles favoring expeditious and equitable case disposition absent demonstrated prejudice to the drafter of the adhesion contract." Bazzle v. Green Tree Financial Corporation, 351 S.C. 244, 569, S.E.2d 349 (2002) (*Rev'd on other grounds*).

The document relied upon by Century BMW is a classic adhesion contract:

[A] contract of adhesion is generally thought of as standard form contract offered on a 'take-it-or-leave-it' basis. The terms of the contract of adhesion are not negotiable. An offeree faced with such a contract has two choices: complete adherence or outright rejection." Wingard v. Exxon Co., 819 F.Supp. 497, 503 (D.S.C.1992) (citing E. Allen Farnsworth, *Contracts* § 4.26 at 295 (1982)). See 1 *Corbin on Contracts* § 1.4 (rev. ed. 1993) (recognizing adhesion contracts as agreements in which one party has virtually no voice in the formulation of their terms and language).

Lackey v. Green Tree Financial Corporation, 330 S.C. 388, 498 S.E.2d 898 (Cl.App.1998) cited with approval in Munoz v. Green Tree Financial Corporation, 343, S.C. 531, 541, 542 S.E.2d 360, 365 (2001) ("Generally, an adhesion contract 'take-it-or-leave-it' basis with terms that are not negotiable.").

The Century BMW adhesion contract is a standard form contract that was presented on a "take-it-or-leave-it" basis. Plaintiff Christine Watts did not contribute to its drafting. Plaintiff Christine Watts obviously did not possess the same bargaining power as Century BMW. There is no doubt that had Plaintiff Christine Watts not signed, she would not have received the car. Cf. Lackey, 330, S.C., 394, 498 S.E.2d 901. The Century BMW adhesion contract is even worse than the contract frowned upon by the Supreme Court in Bazze v. Green Tree. Century BMW is attempting to use an adhesion contract to eliminate a statutory right.

Statutory claims that cannot be effectively vindicated in arbitration are not enforceable. "Claims arising under a statute designed to further important social policies may be arbitrated...so long as the perspective litigant effectively may vindicate [his/her] statutory cause of action in the arbitral forum." Green Tree Financial Corporation v. Randolph, 531 U.S. 79, 121 S.Ct.513, 521 (2000)(emphasis added).

Plaintiff Christine Watts's claims against Century BMW under the Dealers Act cannot be effectively vindicated in arbitration and therefore are not arbitrable. The Dealers Act

provides substantive rights to those harmed by violations. S.C. Code Ann. §56-15-110(c)

provides:

- (2) When such action is on of common or general interest to many persons or when the parties are numerous and it is impracticable to bring them all before the court, one or more may sue for benefit of the whole, including actions for injunctive relief.

S.C. Code Ann. §56-15-110(2) provides statutory rights to Plaintiffs including the right to seek injunctive relief and the right to bring a claim on behalf of a group. The statute was "Obviously enacted...because consumers' remedies at common law were deemed inadequate." See Kucharski v. Rick Hendrick Chevrolet, LP, 2002 WL 313860990 (SC Ct. App. 2002).

Plaintiff Christine Watts's right, as one harmed Plaintiff, to seek injunctive relief when an action is of common or general interest to many persons cannot be effectively vindicated in an arbitration. S.C. Code Ann. §56-15-110(2) is designed so that one person can stop a car dealers from perpetrating wrongdoing against many car purchasers. This right to injunctive relief was given by the General Assembly to prevent car dealerships from perpetrating mass wrongdoing on the public. This is a significant right that cannot be vindicated in arbitration.

Similarly, Century BMW adhesion's contracts attempted prohibition of group suits prevents Plaintiff Christine Watts from vindicating her statutory rights in arbitration. The right to bring a claim on behalf of a group under S.C. Code Ann. §56-15-110(2) is significant. This protection provided by the General Assembly is necessary because otherwise parties with nominal individual claims, but significant collective claims, would be left with limited avenues for relief and the drafting party with little checks on its abuses of the law. S.C. Code Ann. § 56-15-110 makes it economical for a car purchaser who has been harmed by violation of the statute to bring claims against a car dealer. Otherwise, car dealers could continually rip off customers

for small amounts with no check on their abuses. The Dealers Act's provision of the right to bring a group suit is a substantive statutory right that cannot be effectively vindicated in the arbitration that Century BMW seeks.

Century BMW cannot via an un-bargained for adhesion contract take away Plaintiff Christine Watts's statutory rights. The Century BMW adhesion contract is inherently inconsistent with the Dealers Act because it effectively prevents injunctive relief and attempts to prohibit multi-plaintiff actions. Therefore, Plaintiff Christine Watts' cannot "effectively may vindicate [her] statutory cause of action in the arbitral forum" and the arbitration agreement is unenforceable. Green Tree Financial Corporation v. Randolph, 531 U.S. 79, 121 S.Ct.513, 521 (2000).

If this Court were to find that Plaintiff Christine Watts' claims should be arbitrated, Plaintiffs agree with Defendant Century BMW that this Court should determine whether the claims may be brought on behalf of a group.

Plaintiff Christine Watts should be allowed to bring her claims on behalf of a group. The South Carolina Supreme Court has made it that clear adhesion contracts like the one at issue that attempt to prohibit class-wide or consolidated arbitration, are not enforceable under South Carolina law. "[P]reclusion of class-wide or consolidated arbitration in an adhesion contract, even if explicit, undermines principles favoring expeditious and equitable case disposition absent demonstrated prejudice to the drafter of the adhesion contract." Bazzle v. Green Tree Financial Corporation, 351 S.C. 244, 569, S.E.2d 349 (2002) (*R'vd on other grounds*). Defendant Century BMW is attempting to do something even worse than that what

the South Carolina Supreme Court said was impermissible. Century BMW is attempting to use an adhesion contract to take away a statutory right to bring the claims on behalf of a group. The South Carolina Supreme Court clearly spelled out that such use of adhesion contracts are not permissible. Accordingly, Defendant Century BMW's request that this Court rule that no group action can be maintained in an arbitration against Century BMW for violations of the Dealers Act should be rejected.

If Plaintiff Christine Watts' claims against Century BMW were referred to arbitration, the proper remedy in that situation would be to exclude from the case those persons who have enforceable arbitration agreements. See Cutler v. Orkin Exterminating Co., 770 So.2d 67, 69 (Ala. 2000)(affirming trial court's dismissal of class members whose contracts contain arbitration clauses only not the entire case against the defendant). Defendant Century BMW should not be dismissed from this action. Defendant Century BMW is a co-conspirator and all Plaintiffs have alleged causes of action against Century BMW arising from its role as a co-conspirator. See Exhibit A, Amended Complaint, cause of action for Civil Conspiracy and causes of action for Violation of Dealers Act (§ 396). A co-conspirator as to a conspiracy harming a group may have an arbitration agreement as to one member of the group but such does relieve him of suit by the other members of the suit harmed by the conspiracy. Defendant Century BMW does not have arbitration agreements with all of the Plaintiffs. Accordingly, irrespective of the arbitration agreement with Plaintiff Christine Watts, Defendant Century BMW should not be dismissed from this action because the remaining plaintiffs have claims against Defendant Century BMW.

Similarly, Plaintiff Christine Watts should not be dismissed from this action. Plaintiff Christine Watts has also asserted causes of action against all Defendants in addition to the causes of action asserted against Century BMW. These causes of action include a cause of action for civil conspiracy and a cause of action for violation of Title 56 as a result of the Defendants' illegal conspiracy.

CONCLUSION

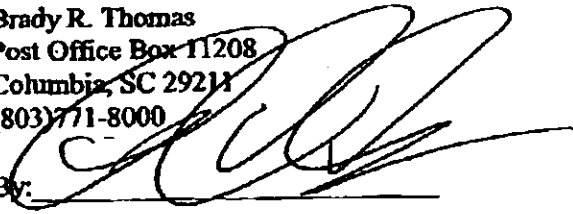
For the above reasons, Defendants motions to dismiss should be denied.

MICHAEL SPEARS, PA
Michael E. Spears
Post Office 5806
Spartanburg, SC 29304
(864)583-3235

GEDNEY M. HOWE, III, PA
Gedney M. Howe, III
Post Office Box 1034
Charleston, SC 29402
(843)722-8048

RICHARD A. HARPOOTLIAN, PA
Richard A. Harpootlian
P.O. Box 1090
Columbia, SC 29202
(803)252-4848

LEWIS & BABCOCK, L.L.P.
A. Camden Lewis
Brady R. Thomas
Post Office Box 11208
Columbia, SC 29211
(803)771-8000

By: 

Attorneys for the Plaintiffs

March 9, 2007
Columbia, South Carolina

EXHIBIT “A”

STATE OF SOUTH CAROLINA)

IN THE COURT OF COMMON PLEAS

COUNTY OF AIKEN)

Heather Herron, Natalie Armstrong,
and Alison Dannert individually and for the
benefit of all car buyers whom paid
"administrative fees" as described below to
Defendants,

CIVIL ACTION COVERSHEET

**COPY
ORIGINAL FILED**
OCT 31 2006
8:20 AM
AIKEN COUNTY
CLERK OF COURT

vs.

2006-CP-02-1230

CarMax Auto Superstores, Inc., et al

Defendant(s).

(Please Print)

Submitted By: Brady R. Thomas

Address: LEWIS & BABCOCK, LLP

Post Office Box 11208

Columbia, South Carolina 29211

SC Bar #: 68304

Telephone #: (803)771-8000

Fax #: (803)733-3534

Other:

E-mail: BRT@lewisbabcock.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for the use of the Clerk of Court for the purpose of docketing. It must be filled out completely, signed, and dated. A copy of this cover sheet must be served on the defendant(s) along with the Summons and Complaint.

DOCKETING INFORMATION (Check all that apply)

**If Action is Judgment/Settlement do not complete*

☒ JURY TRIAL demanded in complaint.

☐ NON-JURY TRIAL demanded in complaint.

☐ This case is subject to ARBITRATION pursuant to the Circuit Court Alternative Dispute Resolution Rules.

☒ This case is subject to MEDIATION pursuant to the Circuit Court Alternative Dispute Resolution Rules.

☐ This case is exempt from ADR (certificate attached).

NATURE OF ACTION (Check One Box Below)

Contracts

- ☐ Construction (100)
- ☐ Debt Collection (110)
- ☐ Employment (120)
- ☐ General (130)
- ☐ Wrongful Breach (140)
- ☐ Other (199)

Torts - Professional Malpractice

- ☐ Dental Malpractice (200)
- ☐ Legal Malpractice (210)
- ☐ Medical Malpractice (220)
- ☐ Other Malpractice (299)

Torts - Personal Injury

- ☐ Assault/Slander/Libel (300)
- ☐ Conversion (310)
- ☐ Motor Vehicle Accident (320)
- ☐ Premises Liability (330)
- ☐ Products Liability (340)
- ☐ Other (399)

Real Property

- ☐ Claim & Delivery (400)
- ☐ Condemnation (410)
- ☐ Foreclosure (420)
- ☐ Mechanic's Lien (430)
- ☐ Partition (440)
- ☐ Possession (450)
- ☐ Building Code Violation (460)
- ☐ Other (499)

Inmate Petitions

- ☐ PCR (500)
- ☐ Sexual Predator (510)
- ☐ Mandamus (520)
- ☐ Habeas Corpus (530)
- ☐ Other (599)

Judgments/Settlements

- ☐ Death Settlement (700)
- ☐ Foreign Judgment (710)
- ☐ Magistrate's Judgment (720)
- ☐ Minor Settlement (730)
- ☐ Transcript Judgment (740)
- ☐ Lis Pendens (750)
- ☐ Other (799)

Administrative Law/Relief

- ☐ Reinstate Driver License (800)
- ☐ Judicial Review (810)
- ☐ Relief (820)
- ☐ Permanent Injunction (830)
- ☐ Forfeiture (840)
- ☐ Other (899)

Appeals

- ☐ Arbitration (900)
- ☐ Magistrate-Civil (910)
- ☐ Magistrate-Criminal (920)
- ☐ Municipal (930)
- ☐ Probate Court (940)
- ☐ SCDOT (950)
- ☐ Worker's Comp (960)
- ☐ Zoning Board (970)
- ☐ Administrative Law Judge (980)
- ☐ Public Service Commission (990)
- ☐ Employment Security Comm (991)
- ☐ Other (999)

Special/Complex/Other

- ☐ Environmental (600)
- ☐ Automobile Arb. (610)
- ☐ Medical (620)
- ☐ Other (699)
- ☐ Pharmaceuticals (630)
- ☐ Unfair Trade Practices (640)
- ☐ Out-of-State Depositions (650)

Submitting Party Signature: Brady R. Thomas

Date: 7/28/06

Note: Frivolous civil proceedings may be subject to sanctions pursuant to SCRPC, Rule 11, and the South Carolina Frivolous Civil Proceedings Sanctions Act, S.C. Code Ann. § 15-36-10 et. seq.

***FOR MANDATED ADR COUNTIES ONLY**

Florence, Horry, Lexington, Richland, Greenville, and Anderson****

**** Contact Respective County Clerk of Court for modified ADR Program Rules**

SUPREME COURT RULES REQUIRE THE SUBMISSION OF ALL CIVIL CASES TO AN ALTERNATIVE DISPUTE RESOLUTION PROCESS, UNLESS OTHERWISE EXEMPT.

You are required to take the following action(s):

1. The parties shall select a neutral within 210 days of filing of this action, and the Plaintiff shall file a "Stipulation of Neutral Selection" on or before the 224th day after the filing of the action. If the parties cannot agree upon the selection of the neutral within 210 days, the Plaintiff shall notify the Court by filing a written "Request for the Appointment of a Neutral" on or before the 224th day after the filing of this action. The Court shall then appoint a neutral from the Court-approved mediator/arbitrator list.
2. The initial ADR conference must be held within 300 days after the filing of the action.
3. Cases are exempt from ADR only upon the following grounds:
 - a. Special proceeding, or actions seeking extraordinary relief such as mandamus, habeas corpus, or prohibition;
 - b. Cases which are appellate in nature such as appeals or writs of certiorari;
 - c. Post Conviction relief matters;
 - d. Contempt of Court proceedings;
 - e. Forfeiture proceedings brought by the State;
 - f. Cases involving mortgage foreclosures; and
 - g. Cases that have been submitted to mediation with a certified mediator prior to the filing of this action.
4. Motion of a party to be exempt from payment of neutral fees due to indigency should be filed with the Court within ten (10) days after the ADR conference had been concluded.

Please Note: You must comply with the Supreme Court Rules regarding ADR. Failure to do so may affect your case or may result in sanctions.

STATE OF SOUTH CAROLINA

COUNTY OF AIKEN

HEATHER HERRON, NATALIE
ARMSTRONG, ALISON DANNERT,
MICHAEL RITZ, JULIE FREEMAN,
CHRISTINE WATTS, MICHAEL BLEASE,
MICHAEL WATTS, INDIVIDUALLY AND
FOR THE BENEFIT OF ALL CAR BUYERS
WHOM PAID "ADMINISTRATIVE FEES"
AS DESCRIBED BELOW TO
DEFENDANTS.

Plaintiffs,

CARMAX AUTO SUPERSTORES, INC.;
DICK DYER & ASSOCIATES, INC., DICK
SMITH MOTORS, INC.; GALEANA
CHRYSLER-JEEP, INC.; GALEANA
CHRYSLER PLYMOUTH, INC.; PULLIAM
MOTOR CO.; DICK SMITH INFINITI, INC.;
DICK SMITH NISSAN OF LEXINGTON,
INC.; DICK SMITH NISSAN,
INC.; OVERLAND, INC. D/B/A LAND
ROVER OF COLUMBIA; TOYOTA
CENTER, LLC; STOKES AUTOMOTIVE,
INC.; STOKES MOTORS, INC.; STOKES-
CRAVEN AUTOMOTIVE, INC.; STOKES
MAZDA, INC.; PALMETTO CHEVROLET
COMPANY, INC.; PALMETTO NISSAN,
INC.; PALMETTO FORD, INC.; JONES
FORD, INC., HAROLD ARNOLD'S SENTRY
BUICK, INC.; J. L. H. INVESTMENTS, LP;
RICK HENDRICK CHEVROLET, LP; RICK
HENDRICK HONDA CARS, CO.; RICK
HENDRICK, JEEP EAGLE, L.P.; OAK TREE,
INC. D/B/A WEST ASHLEY TOYOTA, INC.;
GENE

) IN THE COURT OF COMMON PLEAS

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CIVIL ACTION NO.: 06-CP-02-1230

SUMMONS

(Jury Trial Demanded)

COPY
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OCT 31 2006
8 30 AM
AIKEN COUNTY
CLERK OF COURT

REED IMPORTS, INC.; GENE REED)
 TOYOTA, INC., HOOVER JEEP)
 CHRYSLER, INC.; HOOVER MOTORS,)
 INC.; HOOVER CHRYSLER-DODGE, INC.;)
 STROM ALTMAN DODGE, INC.; BAKER)
 MOTOR COMPANY OF CHARLESTON,)
 INC.; MILLER CADILLAC, INC.; TAYLOR)
 INVESTMENTS, INC. D/B/A TAYLOR)
 TOYOTA; BENSON CHRYSLER-)
 PLYMOUTH, INC.; BENSON FORD)
 MERCURY, INC.; BENSON CADILLAC-)
 NISSAN, INC.; BIG "O" DODGE OF)
 GREENVILLE, INC.; BRADSHAW)
 AUTOMOTIVE GROUP, INC.;)
 SPARTANBURG CHRYSLER JEEP, INC.;)
 KIA OF ANDERSON, LLC; TOYOTA OF)
 GREENVILLE, INC., TOYOTA OF EASLEY,)
 INC., FARRELL AUTOMOTIVE, INC.;)
 FAIRWAY FORD, INC.; SATURN OF)
 GREENVILLE INC.; STEVE WHITE)
 MOTORS OF SOUTH CAROLINA,)
 INC.; D&D MOTORS, INC.; BURNS)
 CHRYSLER DODGE JEEP, LLC; JOHN)
 FINGER MOTORS, INC.; SONIC)
 AUTOMOTIVE, INC. D/B/A CENTURY)
 BMW; BOB RICHARDS NISSAN; DICK)
 SMITH CHRYSLER-JEEP; GOODMAN)
 CHEVROLET, INC.; HENNA)
 CHEVROLET-OLDS-CADILLAC, LLC;)
 HONDA CARS OF AIKEN; JOHNSON)
 MOTOR COMPANY OF SC; SATCHER)
 FORD-LINCOLN-MERCURY; SANDERS)
 TRUCK SALES; CAROLINA FORD;)
 CAROLINA INTERNATIONAL TRUCKS OF)
 ANDERSON; CLINKSCALES CHEVROLET)
 INC.; FAIRWAY FORD-MAZDA;)
 PIEDMONT CHRYSLER-JEEP; PIEDMONT)
 HONDA; PLANET FORD; RALPH HAYES)
 TOYOTA, INC. ; TOM HUNTER)
 PONTIAC-BUICK-GMC, LLC; UPSTATE)
 AUTOMOTIVE (CHEVROLET-CADILLAC);)
 UPSTATE AUTOMOTIVE (ISUZU-KIA);)
 UPSTATE AUTOMOTIVE (MITSUBISHI);)

UPSTATE AUTOMOTIVE (NISSAN);)
 GIBBES FORD, INC.; ZEIGLER)
 CHEVROLET, INC.; B & B FORD, INC.;)
 WHITTLE MOTOR COMPANY, INC.;)
 BUTLER CHRYSLER-DODGE-JEEP;)
 CAROLINA VOLVO; HILTON HEAD)
 AUTOMOTIVE LLC; HILTON HEAD)
 HONDA; LAND ROVER HILTON HEAD;)
 MODERN CLASSIC MOTORS; O. C.)
 WELCH FORD-LINCOLN-MERCURY;)
 PARKS AUTOMOTIVE GROUP; PARKS)
 CADILLAC; STOKES HONDA CARS OF)
 BEAUFORT, INC.; STOKES MITSUBISHI;)
 STOKES-BROWN TOYOTA; DICK SMITH)
 CHEVROLET, INC.; HOOVER)
 JEEP-CHRYSLER, INC.; HOOVER)
 MOTORS, INC.; MCELVEEN)
 PONTIAC-BUICK-GMC, INC.; ALTMAN)
 LINCOLN-MERCURY-HYUNDAI;)
 CAROLINA INTERNATIONAL)
 TRUCKS-CHARLESTON; CHARLESTON)
 MITSUBISHI; HENDRICK HONDA OF)
 CHARLESTON; HOOVER)
 CHRYSLER-JEEP, INC.; HUGHES)
 MOTORS, INC.; KIA COUNTRY; LEXUS OF)
 CHARLESTON; LOW COUNTRY MAZDA;)
 LOW COUNTRY VOLKSWAGEN;)
 MARATHON CHEVROLET OF N)
 CHARLESTON; MARCHANT)
 CHEVROLET, INC.; MCDANIELS ACURA)
 OF CHARLESTON; MCELVEEN)
 CHEVROLET, LLC; MORRIS NISSAN;)
 NORTHSIDE NISSAN; RAVENEL FORD;)
 INC.; RICK HENDRICK DODGE; RICK)
 HENDRICK'S IMPORT SHOWPLACE;)
 SATURN OF CHARLESTON; STOKES)
 HONDA NORTH CHARLESTON; STOKES)
 ISUZU-KIA-SUBARU; STOKES)
 VOLKSWAGEN; VICTORY HYUNDAI OF)
 CHARLESTON; BURNS)
 CHEVROLET-CHRYSLER-DODGE-JEEP,)
 INC.; JOE GIBSON SUZUKI; ROGER)
 SHIFLETT FORD, INC.; WALLACE WHITE)

NOURSE CHESTER AUTOMOTIVE;)
 NOURSE MOTORS OF CHESTER LLC;)
 BENNETT MOTOR CO., INC.; JOHN)
 DONOGHUE FORD, INC.; LAWRENCE)
 CHEVROLET-PONTIAC; PROTHRO)
 CHEVROLET-BUICK-PONTIAC-GMC)
 TRUCK; STOKES-CRAVEN)
 CHRYSLER-JEEP-DODGE;)
 STOKES-CRAVEN FORD; PETERS)
 PONTIAC BUICK-GMC; RIZER)
 CHEVROLET CO., INC.; WALTERBORO)
 MOTOR SALES CO.; ACTION)
 FORD-MERCURY, INC.; JOHN NEWSOME,)
 INC.; RACEWAY)
 CHRYSLER-JEEP-DODGE, INC.;)
 RACEWAY FORD; CAROLINA)
 INTERNATIONAL TRUCKS LLC;)
 MARATHON CHEVROLET;)
 SUMMERVILLE FORD-MERCURY, INC.;)
 HERLONG PONTIAC-CHEVROLET-BUICK,)
 INC.; JIM SATCHEL, INC.; YONCE)
 FORD-MERCURY, INC.; WILSON)
 CHEVROLET-OLDSMOBILE, INC.;)
 WILSON CHRYSLER-DODGE-JEEP, INC.;)
 AUDDIE BROWN MITSUBISHI; CALE)
 YARBOROUGH HONDA, INC.; CAROLINA)
 INTERNATIONAL TRUCKS; EFIRD)
 CHRYSLER-JEEP-DODGE, INC.;)
 FLORENCE MACK, INC.; FLORENCE)
 TOYOTA; FLOYD MOTOR CO., INC.;)
 HORNE FORD, INC.; KIA OF FLORENCE;)
 KING CADILLAC-BUICK-PONTIAC-GMC)
 TRUCK, INC.; LAKE CITY)
 FORD-MERCURY, LLC; PETERBILT OF)
 FLORENCE; RACEWAY)
 CHEVROLET-PONTIAC-BUICK-GMC;)
 SATURN OF FLORENCE; SERVICE)
 MOTOR COMPANY, INC.; COASTAL)
 NISSAN-CHEVROLET-CADILLAC;)
 HEMINGWAY MOTOR CO., INC.;)
 PARRISH MOTOR CO., INC.; TIDELANDS)
 CHRYSLER DODGE; TIDELANDS)
)

FORD-LINCOLN-MERCURY; BMS, INC.)
 D/B/A BREAKAWAY HONDA;)
 BRADSHAW ACURA; BROCKMAN)
 AUTOMOTIVE; CAROLINA)
 INTERNATIONAL TRUCKS-GREENVILLE;)
 CHEROKEE KENWORTH, INC.;)
 CHRISTOPHER TRUCKS, INC.; CROWN)
 JEEP-CHRYSLER; CROWN NISSAN)
 GREENVILLE; DICK SMITH MITSUBISHI;)
 FAIRWAY FORD, INC.; FAIRWAY)
 MOTORCARS LLC; GEORGE COLEMAN)
 FORD, INC.; TRAVELERS REST;)
 HERITAGE LINCOLN-MERCURY; JOHN)
 FINGER MAZDA; KEVIN WHITAKER)
 CHEVROLET-CADILLAC; KEVIN)
 WHITAKER CHEVROLET, INC.;)
 SIMPSONVILLE CHEVROLET, INC.;)
 SITTON BUICK-PONTIAC-GMC TRUCK,)
 INC.; STEVE WHITE MOTORS OF SC, INC.;)
 STOKES-TRAINOR FORD; C. THOMPSON)
 AUTOMOTIVE; GARY RUSS)
 CHEVROLET-CADILLAC, INC.; GEORGE)
 BALLENTINE FORD-LINCOLN-)
 MERCURY; QUALITY CHRYSLER CITY;)
 BRUNSON AUTOMOBILE SALES, INC.;)
 TISON MOTOR CO., INC.; ADDY'S)
 HARBOR DODGE; ATLANTIC)
 CHRYSLER-JEEP-DODGE; ATLANTIC)
 FORD, INC.; BEACH)
 FORD-LINCOLN-MERCURY-VOLVO, INC.;)
 BELL & BELL PONTIAC-GMC, INC.;)
 CONWAY CHRYSLER-DODGE-JEEP, INC.;)
 CONWAY FORD, INC.; DIAMOND)
 AUTOMOTIVE GROUP, INC.; EAST)
 COAST HONDA; EAST COAST)
 VOLKSWAGEN; FOWLER MOTORS;)
 GRAND STRAND NISSAN, INC.;)
 HADWIN-WHITE)
 PONTIAC-BUICK-GMC-SUBARU; HYATT)
 BUICK-GMC TRUCKS; JUD KUHN)
 CHEVROLET; KIA OF MYRTLE BEACH;)
 LAY-FISHER CHEVROLET, INC.; MYRTLE)
 BEACH CHEVROLET, INC.; MYRTLE)
 BEACH CHRYSLER-JEEP, INC.; MYRTLE)

HYUNDAI-ISUZU; MYRTLE BEACH)
 SUZUKI; SPARKS TOYOTA, INC.; SUN)
 COAST MAZDA-MITSUBISHI; SUZUKI)
 OUTLET OF MYRTLE BEACH SC; HILTON)
 HEAD CHRYSLER JEEP DODGE; HILTON)
 HEAD HYUNDAI; KEY INFINITI LLC; KEY)
 MAZDA; KEY NISSAN, LLC; PORSCHE OF)
 HILTON HEAD; PRESTIGE MOTORCARS;)
 LLC DBA HILTON HEAD JAGUAR; DICK)
 SMITH)
 PONTIAC-CHRYSLER-DODGE-GMC-JEEP;)
 HERITAGE CHEVROLET-BUICK, INC.;)
 JAMES ERVIN TOYOTA; REDFEARN)
 MOTOR CO., INC.; BURNS)
 FORD-MERCURY, INC.; ELROD)
 PONTIAC-BUICK-GMC, INC.; H & H)
 CHEVROLET, INC.; LANCASTER)
 DODGE-CHRYSLER-JEEP; LANCASTER)
 MOTOR CO.; BALDWIN)
 PONTIAC-BUICK-GMC, INC.; COOPER)
 FORD, INC.; FIRMIN FORD, INC.; JOHN)
 FOSTER MOTORS, INC.; LYNN COOPER,)
 INC.; SMITH CHEVROLET-CADILLAC,)
 INC.; ADDY DODGE, INC.; CHEROKEE)
 KENWORTH; HAMPTON AUTOMOTIVE,)
 INC.; MIDLANDS HONDA; SATURN OF)
 COLUMBIA, INC.; STIVERS)
 CHRYSLER-JEEP, INC.; TWIN CITY)
 MOTOR CO., INC.; MULLINS MOTORS,)
 INC.; PEE DEE FORD LINCOLN MERCURY)
 INC.; GRIFFIN-FLYTHE CHEVROLET,)
 INC.; MEGGS)
 FORD-CHRYSLER-DODGE-JEEP;)
 CROMLEY'S INC.; JEFFREY DEAN)
 CHRYSLER DODGE JEEP GMC; KIRBY)
 SCHRADER; STOKES-TRAINOR)
 CHEVROLET-OLD-PONTIAC-CADILLAC-B)
 UICK; BOBBY WOOD)
 CHEVROLET-PONTIAC; EDWARDS AUTO)
 SALES, INC.; LAKE KEOWEE)
 CHRYSLER-DODGE LLC; LEADER FORD;)
 PERFORMANCE)
 CHEVROLET-BUICK-GMC; BOB)

RICHARDS AUTOMOTIVE, LLC; FAIREY)
 CHEVROLET-CADILLAC; ORANGEBURG)
 CHRYSLER-DODGE-NISSAN, INC.;)
 ORANGEBURG FORD; SUPERIOR)
 HONDA; SUPERIOR MOTORS, INC.;)
 BENSON FORD-MERCURY, INC.; CRANE)
 CHEVROLET-CADILLAC, INC.; EASLEY)
 MITSUBISHI; EASLEY)
 PONTIAC-BUICK-GMC TRUCK, INC.;)
 HENDRICK HONDA; NORRIS FORD, INC.;)
 TINSLEY CHEVROLET CO., INC.; BOB)
 BENNETT FORD, INC.; CAPITOL)
 CHEVROLET; CAPITOL HYUNDAI;)
 CAROLINA INTERNATIONAL)
 TRUCKS-COLA; COLUMBIA)
 FREIGHTLINER, LLC; DODGELAND OF)
 COLUMBIA; HANCOCK MOTOR CO.;)
 HANCOCK VOLKSWAGEN; HONDA CARS)
 OF COLUMBIA; JIM MOORE CADILLAC,)
 INC.; MCDANIELS ACURA-PORSCHE;)
 SHEALY'S TRUCK CENTER-COLA;)
 STIVERS LINCOLN-MERCURY; WRAY)
 AUTOMOTIVE, INC.; CROMLEY'S INC.;)
 SALUDA MOTOR SALES, INC.; DAVE)
 EDWARDS TOYOTA; DICK BROOKS)
 HONDA; FOOTHILLS FORD OF CHESNE;)
 JOE GIBSON MITSUBISHI; KIA OF GREER;)
 SATURN OF SPARTANBURG; SHEALY'S)
 TRUCK CENTER; SPARTANBURG)
 DODGE, INC.; VIC BAILEY FORD, INC.;)
 VIC BAILEY HONDA; VIC BAILEY)
 LINCOLN-MERCURY, INC.; VIC BAILEY)
 VOLKSWAGEN; WAKEFIELD)
 BUICK-PONTIAC-GMC, INC.; BOYLE)
 MOTOR COMPANY; BOYLE TOYOTA,)
 INC.; GOODWIN BUICK-JEEP; GOODWIN)
 HONDA-MITSUBISHI-VW; JONES)
 CHEVROLET CO.; JONES NISSAN, INC.;)
 JONES PONTIAC-GMC TRUCK, INC.;)
 MCLAUGHLIN MOTORS, INC.; SUMTER)
 CHRYSLER-PLYMOUTH-DODGE;)
)
)

UNION CHRYSLER-DODGE-JEEP, INC.;)
 BIG COUNTRY CHEVROLET, INC.;)
 HASELDEN BROTHERS, INC.;)
 LONGSTREET)
 CHEVROLET-BUICK-CADILLAC-GMC;)
 CAROLINA MAZDA; CLINTON FAMILY)
 FORD-LINCOLN-MERCURY; DICKERSON)
 MOTOR CO., INC.; DUNLAP-JOHNSON)
 CHEVROLET CO., INC.; FORT MILL FORD,)
 INC.; FRED CALDWELL'S CLOVER)
 CHEVROLET; GOOD MOTOR COMPANY;)
 GRIFFIN MITSUBISHI; GRIFFIN)
 PONTIAC-BUICK-GMC; HARRELSON)
 NISSAN; HARRELSON TOYOTA; HONDA)
 CARS OF ROCK HILL; RICK FORD, INC.;)
 STATELINE CHRYSLER JEEP DODGE)
 INC.; AND AGAINST ALL MOTOR)
 VEHICLE DEALERS OWNED OR)
 CONTROLLED BY DEFENDANTS AS)
 DEFINED IN S.C. CODE ANN. §56-15-10(H).)

TO: THE NEW NAMED DEFENDANTS NAMED ABOVE:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action,
 a copy of which is hereby served upon you, and to serve a copy of your Answer to said
 Complaint on the subscriber at their offices, 1513 Hampton Street, Post Office Box 11208,
 Columbia, South Carolina, 29211, within Thirty (30) days after the service hereof, exclusive of
 the date of such service; and if you fail to answer the Complaint within the time aforesaid,
 judgment by default will be rendered against you for the relief demanded in the Complaint.

(Signature Block on Next Page)

MICHAEL SPEARS, PA
Michael E. Spears
Post Office 5806
Spartanburg, SC 29304
(864)583-3235

GEDNEY M. HOWE, III, PA
Gedney M. Howe, III
Post Office Box 1034
Charleston, SC 29402
(843)722-8048

RICHARD A. HARPOOTLIAN, PA
Richard A. Harpootlian
P.O. Box 1090
Columbia, SC 29202
(803)252-4848

LEWIS & BABCOCK, L.L.P.
A. Camden Lewis
Brady R. Thomas
1513 Hampton Street
Post Office Box 11208
Columbia, SC 29211
(803)771-8000

By: Brady R. Thomas
Attorneys for the Plaintiffs

October 28, 2006
Columbia, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF AIKEN

HEATHER HERRON, NATALIE
ARMSTRONG, ALISON DANNERT,
MICHAEL RITZ, JULIE FREEMAN,
CHRISTINE WATTS, MICHAEL BLEASE,
MICHAEL WATTS, INDIVIDUALLY AND
FOR THE BENEFIT OF ALL CAR BUYERS
WHOM PAID "ADMINISTRATIVE FEES"
AS DESCRIBED BELOW TO
DEFENDANTS.

Plaintiffs,

CARMAX AUTO SUPERSTORES, INC.;
DICK DYER & ASSOCIATES, INC., DICK
SMITH MOTORS, INC.; GALEANA
CHRYSLER-JEEP, INC.; GALEANA
CHRYSLER PLYMOUTH, INC.; PULLIAM
MOTOR CO.; DICK SMITH INFINITI, INC.;
DICK SMITH NISSAN OF LEXINGTON,
INC.; DICK SMITH NISSAN,
INC.; OVERLAND, INC. D/B/A LAND
ROVER OF COLUMBIA; TOYOTA
CENTER, LLC; STOKES AUTOMOTIVE,
INC.; STOKES MOTORS, INC.; STOKES-
CRAVEN AUTOMOTIVE, INC.; STOKES
MAZDA, INC.; PALMETTO CHEVROLET
COMPANY, INC.; PALMETTO NISSAN,
INC.; PALMETTO FORD, INC.; JONES
FORD, INC., HAROLD ARNOLD'S SENTRY
BUICK, INC.; J. L. H. INVESTMENTS, LP;
RICK HENDRICK CHEVROLET, LP; RICK
HENDRICK HONDA CARS, CO.; RICK
HENDRICK, JEEP EAGLE, LP; OAK TREE,
INC. D/B/A WEST ASHLEY TOYOTA, INC.;
GENE

IN THE COURT OF COMMON PLEAS

CIVIL ACTION NO.: 06-CP-02-1230

FIRST AMENDED COMPLAINT

(Jury Trial Demanded)

COPY
ORIGINAL FILED
OCT 31 2006
8:20 AM
AIKEN COUNTY
CLERK OF COURT

REED IMPORTS, INC.; GENE REED)
 TOYOTA, INC., HOOVER JEEP)
 CHRYSLER, INC.; HOOVER MOTORS,)
 INC.; HOOVER CHRYSLER-DODGE, INC.;)
 STROM ALTMAN DODGE, INC.; BAKER)
 MOTOR COMPANY OF CHARLESTON,)
 INC.; MILLER CADILLAC, INC.; TAYLOR)
 INVESTMENTS, INC. D/B/A TAYLOR)
 TOYOTA; BENSON CHRYSLER-)
 PLYMOUTH, INC.; BENSON FORD)
 MERCURY, INC.; BENSON CADILLAC-)
 NISSAN, INC.; BIG "O" DODGE OF)
 GREENVILLE, INC.; BRADSHAW)
 AUTOMOTIVE GROUP, INC.;)
 SPARTANBURG CHRYSLER JEEP, INC.;)
 KIA OF ANDERSON, LLC; TOYOTA OF)
 GREENVILLE, INC., TOYOTA OF EASLEY,)
 INC., FARRELL AUTOMOTIVE, INC.;)
 FAIRWAY FORD, INC.; SATURN OF)
 GREENVILLE INC.; STEVE WHITE)
 MOTORS OF SOUTH CAROLINA,)
 INC.; D&D MOTORS, INC.; BURNS)
 CHRYSLER DODGE JEEP, LLC; JOHN)
 FINGER MOTORS, INC.; SONIC)
 AUTOMOTIVE, INC. D/B/A CENTURY)
 BMW; BOB RICHARDS NISSAN; DICK)
 SMITH CHRYSLER-JEEP; GOODMAN)
 CHEVROLET, INC.; HENNA)
 CHEVROLET-OLDS-CADILLAC, LLC;)
 HONDA CARS OF AIKEN; JOHNSON)
 MOTOR COMPANY OF SC; SANDERS)
 TRUCK SALES; CAROLINA FORD;)
 CAROLINA INTERNATIONAL TRUCKS OF)
 ANDERSON; CLINKSCALES CHEVROLET)
 INC.; FAIRWAY FORD-MAZDA;)
 PIEDMONT CHRYSLER-JEEP; PIEDMONT)
 HONDA; PLANET FORD; RALPH HAYES)
 TOYOTA, INC. ; TOM HUNTER)
 PONTIAC-BUICK-GMC, LLC; UPSTATE)
 AUTOMOTIVE (CHEVROLET-CADILLAC);)
 UPSTATE AUTOMOTIVE (ISUZU-KIA);)
 UPSTATE AUTOMOTIVE (MITSUBISHI);)

UPSTATE AUTOMOTIVE (NISSAN);)
 GIBBES FORD, INC.; ZEIGLER)
 CHEVROLET, INC.; B & B FORD, INC.;)
 WHITTLE MOTOR COMPANY, INC.;)
 BUTLER CHRYSLER-DODGE-JEEP;)
 CAROLINA VOLVO; HILTON HEAD)
 AUTOMOTIVE LLC; HILTON HEAD)
 HONDA; LAND ROVER HILTON HEAD;)
 MODERN CLASSIC MOTORS; O. C.)
 WELCH FORD-LINCOLN-MERCURY;)
 PARKS AUTOMOTIVE GROUP; PARKS)
 CADILLAC; STOKES HONDA CARS OF)
 BEAUFORT, INC.; STOKES MITSUBISHI;)
 STOKES-BROWN TOYOTA; DICK SMITH)
 CHEVROLET, INC.; HOOVER)
 JEEP-CHRYSLER, INC.; HOOVER)
 MOTORS, INC.; MCELVEEN)
 PONTIAC-BUICK-GMC, INC.; ALTMAN)
 LINCOLN-MERCURY-HYUNDAI;)
 CAROLINA INTERNATIONAL)
 TRUCKS-CHARLESTON; CHARLESTON)
 MITSUBISHI; HENDRICK HONDA OF)
 CHARLESTON; HOOVER)
 CHRYSLER-JEEP, INC.; HUGHES)
 MOTORS, INC.; KIA COUNTRY; LEXUS OF)
 CHARLESTON; LOW COUNTRY MAZDA;)
 LOW COUNTRY VOLKSWAGEN;)
 MARATHON CHEVROLET OF N)
 CHARLESTON; MARCHANT)
 CHEVROLET, INC.; MCDANIELS ACURA)
 OF CHARLESTON; MCELVEEN)
 CHEVROLET, LLC; MORRIS NISSAN;)
 NORTHSIDE NISSAN; RAVENEL FORD;)
 INC.; RICK HENDRICK DODGE; RICK)
 HENDRICK'S IMPORT SHOWPLACE;)
 SATURN OF CHARLESTON; STOKES)
 HONDA NORTH CHARLESTON; STOKES)
 ISUZU-KIA-SUBARU; STOKES)
 VOLKSWAGEN; VICTORY HYUNDAI OF)
 CHARLESTON; BURNS)
 CHEVROLET-CHRYSLER-DODGE-JEEP,)
 INC.; JOE GIBSON SUZUKI; ROGER)
 SHIFLETT FORD, INC.; WALLACE WHITE)

PONTIAC-BUICK-GMC; NOURSE)
 CHESTER AUTOMOTIVE; NOURSE)
 MOTORS OF CHESTER LLC; BENNETT)
 MOTOR CO., INC.; JOHN DONOGHUE)
 FORD, INC.; LAWRENCE)
 CHEVROLET-PONTIAC; PROTHRO)
 CHEVROLET-BUICK-PONTIAC-GMC)
 TRUCK; STOKES-CRAVEN)
 CHRYSLER-JEEP-DODGE;)
 STOKES-CRAVEN FORD; PETERS)
 PONTIAC BUICK-GMC; RIZER)
 CHEVROLET CO., INC.; WALTERBORO)
 MOTOR SALES CO.; ACTION)
 FORD-MERCURY, INC.; JOHN NEWSOME.)
 INC.; RACEWAY)
 CHRYSLER-JEEP-DODGE, INC.;)
 RACEWAY FORD; CAROLINA)
 INTERNATIONAL TRUCKS LLC;)
 MARATHON CHEVROLET;)
 SUMMERVILLE FORD-MERCURY, INC.;)
 HERLONG PONTIAC-CHEVROLET-BUICK,)
 INC.; JIM SATCHEL, INC.; YONCE)
 FORD-MERCURY, INC.; WILSON)
 CHEVROLET-OLDSMOBILE, INC.;)
 WILSON CHRYSLER-DODGE-JEEP, INC.;)
 AUDDIE BROWN MITSUBISHI; CALE)
 YARBOROUGH HONDA, INC.; CAROLINA)
 INTERNATIONAL TRUCKS FLORENCE;)
 EFIRD CHRYSLER-JEEP-DODGE, INC.;)
 FLORENCE MACK, INC.; FLORENCE)
 TOYOTA; FLOYD MOTOR CO., INC.;)
 HORNE FORD, INC.; KIA OF FLORENCE;)
 KING CADILLAC-BUICK-PONTIAC-GMC)
 TRUCK, INC.; LAKE CITY)
 FORD-MERCURY, LLC; PETERBILT OF)
 FLORENCE; RACEWAY)
 CHEVROLET-PONTIAC-BUICK-GMC;)
 SATURN OF FLORENCE; SERVICE)
 MOTOR COMPANY, INC.; COASTAL)
 NISSAN-CHEVROLET-CADILLAC;)
 HEMINGWAY MOTOR CO., INC.;)
 PARRISH MOTOR CO., INC.; TIDELANDS)
 CHRYSLER DODGE; TIDELANDS)

FORD-LINCOLN-MERCURY; BMS, INC.)
 D/B/A BREAKAWAY HONDA;)
 BRADSHAW ACURA; BROCKMAN)
 AUTOMOTIVE; CAROLINA)
 INTERNATIONAL TRUCKS-GREENVILLE;)
 CHEROKEE KENWORTH, INC.;)
 CHRISTOPHER TRUCKS, INC.; CROWN)
 JEEP-CHRYSLER; CROWN NISSAN)
 GREENVILLE; DICK SMITH MITSUBISHI;)
 FAIRWAY FORD, INC.; FAIRWAY)
 MOTORCARS LLC; GEORGE COLEMAN)
 FORD, INC.; HERITAGE)
 LINCOLN-MERCURY; JOHN FINGER)
 MAZDA; KEVIN WHITAKER)
 CHEVROLET-CADILLAC; KEVIN)
 WHITAKER CHEVROLET, INC.;)
 SIMPSONVILLE CHEVROLET, INC.;)
 SITTON BUICK-PONTIAC-GMC TRUCK.)
 INC.; STOKES-TRAINOR FORD; C.)
 THOMPSON AUTOMOTIVE; GARY RUSS)
 CHEVROLET-CADILLAC, INC.; GEORGE)
 BALLENTINE FORD-LINCOLN-)
 MERCURY; QUALITY CHRYSLER CITY;)
 BRUNSON AUTOMOBILE SALES, INC.;)
 TISON MOTOR CO., INC.; ADDY'S)
 HARBOR DODGE; ATLANTIC)
 CHRYSLER-JEEP-DODGE; ATLANTIC)
 FORD, INC.; BEACH)
 FORD-LINCOLN-MERCURY-VOLVO, INC.;)
 BELL & BELL PONTIAC-GMC, INC.;)
 CONWAY CHRYSLER-DODGE-JEEP, INC.;)
 CONWAY FORD, INC.; DIAMOND)
 AUTOMOTIVE GROUP, INC.; EAST)
 COAST HONDA; EAST COAST)
 VOLKSWAGEN; FOWLER MOTORS;)
 GRAND STRAND NISSAN, INC.;)
 HADWIN-WHITE)
 PONTIAC-BUICK-GMC-SUBARU; HYATT)
 BUICK-GMC TRUCKS; JUD KUHN)
 CHEVROLET; KIA OF MYRTLE BEACH;)
 LAY-FISHER CHEVROLET, INC.; MYRTLE)
 BEACH CHEVROLET, INC.; MYRTLE)
 BEACH CHRYSLER-JEEP, INC.; MYRTLE)
 BEACH)

HYUNDAI-ISUZU; MYRTLE BEACH)
 SUZUKI; SPARKS TOYOTA, INC.; SUN)
 COAST MAZDA-MITSUBISHI; SUZUKI)
 OUTLET OF MYRTLE BEACH SC; HILTON)
 HEAD CHRYSLER JEEP DODGE; HILTON)
 HEAD HYUNDAI; KEY INFINITI LLC; KEY)
 MAZDA; KEY NISSAN, LLC; PORSCHE OF)
 HILTON HEAD; PRESTIGE MOTORCARS;)
 LLC DBA HILTON HEAD JAGUAR; DICK)
 SMITH)
 PONTIAC-CHRYSLER-DODGE-GMC-JEEP;)
 HERITAGE CHEVROLET-BUICK, INC.;)
 JAMES ERVIN TOYOTA; REDFEARN)
 MOTOR CO., INC.; BURNS)
 FORD-MERCURY, INC.; ELROD)
 PONTIAC-BUICK-GMC, INC.; H & H)
 CHEVROLET, INC.; LANCASTER)
 DODGE-CHRYSLER-JEEP; LANCASTER)
 MOTOR CO.; BALDWIN)
 PONTIAC-BUICK-GMC, INC.; COOPER)
 FORD, INC.; FIRMIN FORD, INC.; JOHN)
 FOSTER MOTORS, INC.; LYNN COOPER,)
 INC.; SMITH CHEVROLET-CADILLAC,)
 INC.; ADDY DODGE, INC.; CHEROKEE)
 KENWORTH; HAMPTON AUTOMOTIVE,)
 INC.; MIDLANDS HONDA; SATURN OF)
 COLUMBIA, INC.; STIVERS)
 CHRYSLER-JEEP, INC.; TWIN CITY)
 MOTOR CO., INC.; MULLINS MOTORS,)
 INC.; PEE DEE FORD LINCOLN MERCURY)
 INC.; GRIFFIN-FLYTHE CHEVROLET,)
 INC.; MEGGS)
 FORD-CHRYSLER-DODGE-JEEP;)
 CROMLEY'S INC.; JEFFREY DEAN)
 CHRYSLER DODGE JEEP GMC; KIRBY)
 SCHRADER; STOKES-TRAINOR)
 CHEVROLET-OLD-PONTIAC-CADILLAC-B)
 UICK; BOBBY WOOD)
 CHEVROLET-PONTIAC; EDWARDS AUTO)
 SALES, INC.; LAKE KEOWEE)
 CHRYSLER-DODGE LLC; LEADER FORD;)
 PERFORMANCE)
 CHEVROLET-BUICK-GMC; BOB)

RICHARDS AUTOMOTIVE, LLC; FAIREY)
 CHEVROLET-CADILLAC; ORANGEBURG)
 CHRYSLER-DODGE-NISSAN, INC.;)
 ORANGEBURG FORD; SUPERIOR)
 HONDA; SUPERIOR MOTORS, INC.;)
 BENSON FORD-MERCURY, INC.; CRANE)
 CHEVROLET-CADILLAC, INC.; EASLEY)
 MITSUBISHI; EASLEY)
 PONTIAC-BUICK-GMC TRUCK, INC.;)
 HENDRICK HONDA; NORRIS FORD, INC.;)
 TINSLEY CHEVROLET CO., INC.; BOB)
 BENNETT FORD, INC.; CAPITOL)
 CHEVROLET; CAPITOL HYUNDAI;)
 CAROLINA INTERNATIONAL)
 TRUCKS-COLA; COLUMBIA)
 FREIGHTLINER, LLC; DODGELAND OF)
 COLUMBIA; HANCOCK MOTOR CO.;)
 HANCOCK VOLKSWAGEN; HONDA CARS)
 OF COLUMBIA; JIM MOORE CADILLAC,)
 INC.; MCDANIELS ACURA-PORSCHE;)
 SHEALY'S TRUCK CENTER-COLA;)
 STIVERS LINCOLN-MERCURY; WRAY)
 AUTOMOTIVE, INC.; CROMLEY'S INC.;)
 SALUDA MOTOR SALES, INC.; DAVE)
 EDWARDS TOYOTA; DICK BROOKS)
 HONDA; FOOTHILLS FORD OF CHESNE;)
 JOE GIBSON MITSUBISHI; KIA OF GREER;)
 SATURN OF SPARTANBURG; SHEALY'S)
 TRUCK CENTER; SPARTANBURG)
 DODGE, INC.; VIC BAILEY FORD, INC.;)
 VIC BAILEY HONDA; VIC BAILEY)
 LINCOLN-MERCURY, INC.; VIC BAILEY)
 VOLKSWAGEN; WAKEFIELD)
 BUICK-PONTIAC-GMC, INC.; BOYLE)
 MOTOR COMPANY; BOYLE TOYOTA,)
 INC.; GOODWIN BUICK-JEEP; GOODWIN)
 HONDA-MITSUBISHI-VW; JONES)
 CHEVROLET CO.; JONES NISSAN, INC.;)
 JONES PONTIAC-GMC TRUCK, INC.;)
 MCLAUGHLIN MOTORS, INC.; SUMTER)
 CHRYSLER-PLYMOUTH-DODGE;)
)
)
)

UNION CHRYSLER-DODGE-JEEP, INC.;)
 BIG COUNTRY CHEVROLET, INC.;)
 HASELDEN BROTHERS, INC.;)
 LONGSTREET)
 CHEVROLET-BUICK-CADILLAC-GMC;)
 CAROLINA MAZDA; CLINTON FAMILY)
 FORD-LINCOLN-MERCURY; DICKERSON)
 MOTOR CO., INC.; DUNLAP-JOHNSON)
 CHEVROLET CO., INC.; FORT MILL FORD,)
 INC.; FRED CALDWELL'S CLOVER)
 CHEVROLET; GOOD MOTOR COMPANY;)
 GRIFFIN MITSUBISHI; GRIFFIN)
 PONTIAC-BUICK-GMC; HARRELSON)
 NISSAN; HARRELSON TOYOTA; HONDA)
 CARS OF ROCK HILL; RICK FORD, INC.;)
 STATELINE CHRYSLER JEEP DODGE)
 INC.; AND AGAINST ALL MOTOR)
 VEHICLE DEALERS OWNED OR)
 CONTROLLED BY DEFENDANTS AS)
 DEFINED IN S.C. CODE ANN. §56-15-10(H).)

Plaintiffs Heather Herron, Natalie Armstrong, Alison Damert, Michael Ritz, Julie
 Freeman, Christine Watts, Michael Blease, and Micheal Watts individually and pursuant to S.C.
 Code Ann. §56-5-110 for the benefit of all others whom paid "administrative fees" (often
 referred to as an "administrative fee," a "recording and processing fee," "closing fee," "dealer
 documentation and closing fee" (collectively "administrative fees")) to Defendants hereby
 complaining of CarMax Auto Superstores, Inc., Defendant Dick Dyer & Associates, Inc., Dick
 Smith Motors, Inc., Galeana Chrysler-Jeep, Inc., Pulliam Motor Co., Dick Smith Infiniti, Inc.,
 Dick Smith Nissan of Lexington, Inc., Dick Smith Nissan, Inc., Overland, Inc. d/b/a Land Rover
 of Columbia, Toyota Center, LLC, Stokes Automotive, Inc., Stokes Motors, Inc., Stokes-Craven
 Automotive, Inc., Stokes Mazda, Inc., Palmetto Chevrolet Company, Inc., Palmetto Nissan, Inc.,
 Palmetto Ford, Inc., Jones Ford, Inc., Harold Arnold's SENTRY Buick, Inc., J. L. Investments, LP,

Rick Hendrick Chevrolet, LP, Rick Hendrick Honda Cars Co., Rick Hendrick Jeep Eagle, L.P.,
 Oak Tree, Inc. d/b/a West Ashley Toyota, Inc., Gene Reed Imports, Inc, Gene Reed Toyota, Inc.,
 Hoover Jeep Chrysler, Inc., Hoover Motors, Inc., Hoover Chrysler-Dodge, Inc., Strom Altman
 Dodge, Inc., Baker Motor Company of Charleston, Inc., Miller Cadillac, Inc., Taylor
 Investments, Inc. d/b/a Taylor To Defendant Benson Chrysler-Plymouth, Inc. Defendant Benson
 Ford Mercury, Inc., Benson Cadillac-Nissan, Inc., Big "O" Dodge of Greenville, Inc., Bradshaw
 Automotive Group, Inc., Spartanburg Chrysler Jeep, Inc., Kia of Anderson, LLC, Toyota of
 Greenville, Inc., Toyota of Easley, Inc., Farrell Automotive, Inc., Fairway Ford, Inc., Saturn of
 Greenville, Inc., Steve White Motors of South Carolina, Inc., D&D Motors, Inc., Burns Chrysler
 Dodge Jeep, LLC, John Finger Motors, Inc., Sonic Automotive, Inc. d/b/a Century BMW, Bob
 Richards Nissan, Dick Smith Chrysler-Jeep, Goodman Chevrolet, Inc., Henna
 Chevrolet-Olds-Cadillac, LLC, Honda Cars of Aiken, Johnson Motor Company of SC, Sanders
 Truck Sales, Carolina Ford, Carolina International Trucks of Anderson, Clinkscales Chevrolet,
 Inc., Fairway Ford-Mazda, Piedmont Chrysler-Jeep, Piedmont Honda, Planet Ford, Ralph Hayes
 Toyota, Inc., Tom Hunter Pontiac-Buick-GMC, LLC, Upstate Automotive (Chevrolet-Cadillac),
 Upstate Automotive (Isuzu-Kia), Upstate Automotive (Mitsubishi), Upstate Automotive
 (Nissan), Gibbes Ford, Inc., Zeigler Chevrolet, Inc., B & B Ford, Inc., Whittle Motor Company,
 Inc., Butler Chrysler-Dodge-Jeep, Carolina Volvo, Hilton Head Automotive LLC, Hilton Head
 Honda, Land Rover Hilton Head, Modern Classic Motors, O. C. Welch Ford-Lincoln-Mercury,
 Parks Automotive Group, Parks Cadillac, Stokes Honda Cars of Beaufort, Inc., Stokes
 Mitsubishi, Stokes-Brown Toyota, Dick Smith Chevrolet, Inc. Hoover Jeep-Chrysler, Inc.,
 Hoover Motors, Inc., McElveen Pontiac-Buick-GMC, Inc., Altman Lincoln-Mercury-Hyundai,
 Carolina International Trucks-Charleston, Charleston Mitsubishi, Hendrick Honda of Charleston,

Hoover Chrysler-Jeep, Inc., Hughes Motors, Inc., Kia Country, Lexus of Charleston, Low
 Country Mazda, Low Country Volkswagen, Marathon Chevrolet of N Charleston, Marchant
 Chevrolet, Inc., McDaniel's Acura of Charleston, McElveen Chevrolet, LLC, Morris Nissan,
 Northside Nissan, Ravenel Ford, Inc., Rick Hendrick Dodge, Rick Hendrick's Import Showplace,
 Saturn of Charleston, Stokes Honda North Charleston, Stokes Isuzu-Kia-Subaru, Stokes
 Volkswagen, Victory Hyundai of Charleston, Burns Chevrolet-Chrysler-Dodge-Jeep, Inc., Burns
 Chevrolet Cadillac, Inc., Joe Gibson Suzuki, Roger Shiflett Ford, Inc., Wallace White
 Pontiac-Buick-GMC, Nourse Chester Automotive, Nourse Motors of Chester LLC, Bennett
 Motor Co., Inc., John Donoghue Ford, Inc., Lawrence Chevrolet-Pontiac, Prothro
 Chevrolet-Buick-Pontiac-GMC Truck, Stokes-Craven Chrysler-Jeep-Dodge, Stokes-Craven
 Ford, Peters Pontiac Buick-GMC, Rizer Chevrolet Co., Inc., Walterboro Motor Sales Co., Action
 Ford-Mercury, Inc., John Newsome, Inc., Raceway Chrysler-Jeep-Dodge, Inc., Raceway Ford,
 Carolina International Trucks LLC, Marathon Chevrolet, Summerville Ford-Mercury, Inc.,
 Herlong Pontiac-Chevrolet-Buick, Inc., Jim Satcher, Inc., Yonce Ford-Mercury, Inc., Wilson
 Chevrolet-Oldsmobile, Inc., Wilson Chrysler-Dodge-Jeep, Inc., Audie Brown Mitsubishi, Cale
 Yarborough Honda, Inc., Carolina International Trucks, Efland Chrysler-Jeep-Dodge, Inc.,
 Florence Mack, Inc., Florence Toyota, Floyd Motor Co., Inc., Home Ford, Inc., Kia of Florence,
 King Cadillac-Buick-Pontiac-GMC Truck, Inc., Lake City Ford-Mercury, LLC, Peterbilt of
 Florence, Raceway Chevrolet-Pontiac-Buick-GMC, Saturn of Florence, Service Motor Company,
 Inc., Coastal Nissan-Chevrolet-Cadillac, Hemingway Motor Co., Inc., Parrish Motor Co., Inc.,
 Tideland's Chrysler Dodge, Tideland's Ford-Lincoln-Mercury, BMS, Inc. d/b/a Breakaway Honda,
 Bradshaw Acura, Brockman Automotive, Carolina International Trucks-Greenville, Cherokee
 Kenworth, Inc., Christopher Trucks, Inc., Crown Jeep-Chrysler, Crown Nissan Greenville, Dick

Smith Mitsubishi, Fairway Ford, Inc., Fairway Motorcars LLC, George Coleman Ford, Inc.,
 Heritage Lincoln-Mercury, John Finger Mazda, Kevin Whitaker Chevrolet-Cadillac, Kevin
 Whitaker Chevrolet, Inc., Simpsonville Chevrolet, Inc., Sittou Buick-Pontiac-GMC Truck, Inc.,
 Steve White Motors of SC, Inc., Stokes-Trainer Ford, C. Thompson Automotive, Gary Russ
 Chevrolet-Cadillac, Inc., George Ballentine Ford-Lincoln-Mercury, Quality Chrysler City,
 Brunson Automobile Sales, Inc., Tison Motor Co., Inc., Addy's Harbor Dodge, Atlantic
 Chrysler-Jeep-Dodge, Atlantic Ford, Inc., Beach Ford-Lincoln-Mercury-Volvo, Inc., Bell & Bell
 Pontiac-GMC, Inc., Conway Chrysler-Dodge-Jeep, Inc., Conway Ford, Inc., Diamond
 Automotive Group, Inc., East Coast Honda, East Coast Volkswagen, Fowler Motors, Grand
 Strand Nissan, Inc., Hadwin-White Pontiac-Buick-GMC-Subaru, Hyatt Buick-GMC Trucks, Jud
 Kuhn Chevrolet, Kia of Myrtle Beach, Lay-Fisher Chevrolet, Inc., Myrtle Beach Chevrolet, Inc.,
 Myrtle Beach Chrysler-Jeep, Inc., Myrtle Beach Hyundai-Isuzu, Myrtle Beach Suzuki, Sparks
 Toyota, Inc., Sun Coast Mazda-Mitsubishi, Suzuki Outlet of Myrtle Beach SC, Hilton Head
 Chrysler Jeep Dodge, Hilton Head Hyundai, Key Infiniti LLC, Key Mazda, Key Nissan, LLC,
 Porsche of Hilton Head, Prestige Motorcars, LLC dba Hilton Head Jaguar, Dick Smith
 Pontiac-Chrysler-Dodge-GMC-Jeep, Heritage Chevrolet-Buick, Inc., James Ervin Toyota,
 Redfearn Motor Co., Inc., Burns Ford-Mercury, Inc., Elrod Pontiac-Buick-GMC, Inc., H & H
 Chevrolet, Inc., Lancaster Dodge-Chrysler-Jeep, Lancaster Motor Co., Baldwin
 Pontiac-Buick-GMC, Inc., Cooper Ford, Inc., Firmin Ford, Inc., John Foster Motors, Inc., Lynn
 Cooper, Inc., Smith Chevrolet-Cadillac, Inc., Addy Dodge, Inc., Cherokee Kenworth, Hampton
 Automotive, Inc., Midlands Honda, Saturn of Columbia, Inc., Stivers Chrysler-Jeep, Inc., Twin
 City Motor Co., Inc., Mullins Motors, Inc., Pee Dee Ford Lincoln Mercury Inc., Griffin-Flythe
 Chevrolet, Inc., Meggs Ford-Chrysler-Dodge-Jeep, Cromley's Inc., Jeffrey Dean Chrysler Dodge

Jeep GMC, Kirby Schrader, Stokes-Trainor Chevrolet-Old-Pontiac-Cadillac-Buick, Bobby Wood Chevrolet-Pontiac, Edwards Auto Sales, Inc., Lake Keowee Chrysler-Dodge LLC, Leader Ford, Performance Chevrolet-Buick-GMC, Bob Richards Automotive, LLC, Faircy Chevrolet-Cadillac, Orangeburg Chrysler-Dodge-Nissan, Inc., Orangeburg Ford, Superior Honda, Superior Motors, Inc., Benson Ford-Mercury, Inc., Crane Chevrolet-Cadillac, Inc., Easley Mitsubishi, Easley Pontiac-Buick-GMC Truck, Inc., Hendrick Honda, Norris Ford, Inc., Tinsley Chevrolet Co., Inc., Bob Bennett Ford, Inc., Capitol Chevrolet, Capitol Hyundai, Carolina International Trucks-Cola, Columbia Freightliner, LLC, Dodgeland of Columbia, Hancock Motor Co., Hancock Volkswagen, Honda Cars of Columbia, Jim Moore Cadillac, Inc., McDaniels Acura-Porsche, Shealy's Truck Center-Cola, Stivers Lincoln-Mercury, Wray Automotive, Inc., Cromley's Inc., Saluda Motor Sales, Inc., Dave Edwards Toyota, Dick Brooks Honda, Foothills Ford of Chesne, Joe Gibson Mitsubishi, Kia of Greer, Saturn of Spartanburg, Shealy's Truck Center, Spartanburg Dodge, Inc., Vic Bailey Ford, Inc., Vic Bailey Honda, Vic Bailey Lincoln-Mercury, Inc., Vic Bailey Volkswagen, Wakefield Buick-Pontiac-GMC, Inc., Boyle Motor Company, Boyle Toyota, Inc., Goodwin Buick-Jeep, Goodwin Honda-Mitsubishi-VW, Jones Chevrolet Co., Jones Nissan, Inc., Jones Pontiac-GMC Truck, Inc., McLaughlin Motors, Inc., Sumter Chrysler-Plymouth-Dodge, Union Chrysler-Dodge-Jeep, Inc., Big Country Chevrolet, Inc., Haselden Brothers, Inc., Longstreet Chevrolet-Buick-Cadillac-GMC, Carolina Mazda, Clinton Family Ford-Lincoln-Mercury, Dickerson Motor Co., Inc., Dunlap-Johnson Chevrolet Co., Inc., Fort Mill Ford, Inc., Fred Caldwell's Clover Chevrolet, Good Motor Company, Griffin Mitsubishi, Griffin Pontiac-Buick-GMC, Harrelson Nissan, Harrelson Toyota, Honda Cars of Rock Hill, Rick Ford, Inc., Stateline Chrysler Jeep Dodge Inc. (collectively "Defendants"), would respectfully show

that:

PARTIES

1. Plaintiff Heather Herron is a citizen and resident of Richland County, South Carolina.
2. Plaintiff Natalie Armstrong is a citizen and resident of Richland County, South Carolina.
3. Plaintiff Alison Dannert is a citizen and resident of Spartanburg County, South Carolina.
4. Plaintiff Michael Ritz is a citizen and resident of Aiken County, South Carolina.
5. Plaintiff Julie Freeman is a citizen and resident of Greenville County, South Carolina.
6. Plaintiff Christine Watts is a citizen and resident of Greenville County, South Carolina.
7. Plaintiff Michael Watts is a citizen and resident of Greenville County, South Carolina.
8. Plaintiff Michael Blease is a citizen and resident of Horry County, South Carolina.
9. Defendant CarMax Auto Superstores, Inc. is a licensed motor vehicle dealer and corporation organized and existing under the laws of the State of Virginia with places of business in Richland County and Greenville County, South Carolina.
10. Defendant Dick Dyer & Associates, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.
11. Defendant Dick Smith Motors, Inc. is a licensed motor vehicle dealer and a

corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

12. Defendant Galeana Chrysler-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

13. Defendant Pulliam Motor Co. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

14. Defendant Dick Smith Infiniti, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

15. Defendant Dick Smith Nissan of Lexington, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

16. Defendant Dick Smith Nissan, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

17. Defendant Overland, Inc. doing business as Land Rover of Columbia is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

18. Defendant Toyota Center, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina. W. Columbia.

19. Defendant Stokes Automotive, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

20. Defendant Stokes Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Clarendon County, South Carolina.

21. Defendant Stokes-Craven Automotive, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Clarendon County, South Carolina.

22. Defendant Stokes Mazda, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

23. Defendant Palmetto Chevrolet Company, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

24. Defendant Palmetto Nissan, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

25. Defendant Palmetto Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

26. Defendant Jones Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its

principal place of business in Charleston County, South Carolina.

27. Defendant Harold Arnold's Sentry Buick, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

28. Defendant J. L. Investments, LP of Charleston is a licensed motor vehicle dealer and a limited partnership organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

29. Defendant Rick Hendrick Chevrolet, LP is a licensed motor vehicle dealer and a limited partnership organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

30. Defendant Rick Hendrick Honda Cars, Co. is a licensed motor vehicle dealer and a limited partnership organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

31. Defendant Rick Hendrick Jeep Eagle, L.P. is a licensed motor vehicle dealer and a limited partnership organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

32. Defendant Oak Tree, Inc. d/b/a West Ashley Toyota, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

33. Defendant Gene Reed Imports, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

34. Defendant Gene Reed Toyota, Inc. is a licensed motor vehicle dealer and a

corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

35. Defendant Hoover Jeep Chrysler, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

36. Defendant Hoover Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

37. Defendant Hoover Chrysler-Dodge, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

38. Defendant Strom Altman Dodge, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

39. Defendant Baker Motor Company of Charleston, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

40. Defendant Miller Cadillac, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

41. Defendant Taylor Investments, Inc. (d/b/a Taylor Toyota, Inc.) is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

42. Defendant Benson Chrysler-Plymouth, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

43. Defendant Benson Ford Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

44. Defendant Benson Cadillac-Nissan, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

45. Defendant Big "O" Dodge of Greenville, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

46. Defendant Bradshaw Automotive Group, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

47. Defendant Spartanburg Chrysler Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

48. Defendant Kia of Anderson, LLC is a licensed motor vehicle dealer and a limited liability company organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

49. Defendant Toyota of Greenville, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its

principal place of business in Greenville County, South Carolina.

50. Defendant Toyota of Easley, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

51. Defendant Farrell Automotive, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

52. Defendant Fairway Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

53. Defendant Saturn of Greenville, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

54. Defendant Steve White Motors of South Carolina, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

55. Defendant D&D Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

56. Defendant Burns Chrysler Dodge Jeep, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

57. Defendant John Finger Motors, Inc. is a licensed motor vehicle dealer and

a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

58. Defendant Sonic Automotive, Inc. d/b/a Century BMW is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

59. Bob Richards Nissan is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

60. Dick Smith Chrysler-Jeep is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

61. Goodman Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

62. Henna Chevrolet-Olds-Cadillac, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

63. Honda Cars of Aiken is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

64. Johnson Motor Company of SC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Aiken County, South Carolina.

65. Sanders Truck Sales is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Allendale County, South Carolina.

67. Carolina Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

68. Carolina International Trucks of Anderson is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

69. Clinkscales Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

70. Fairway Ford-Mazda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

71. Piedmont Chrysler-Jeep is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

72. Piedmont Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

73. Planet Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in

Anderson County, South Carolina.

74. Ralph Hayes Toyota, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

75. Tom Hunter Pontiac-Buick-GMC, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

76. Upstate Automotive (Chevrolet-Cadillac) is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

77. Upstate Automotive (Isuzu-Kia) is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

78. Upstate Automotive (Mitsubishi) is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

79. Upstate Automotive (Nissan) is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Anderson County, South Carolina.

80. Gibbes Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Bamberg County, South Carolina.

81. Zeigler Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation

organized and existing under the laws of the State of South Carolina with its principal place of business in Bamberg County, South Carolina.

82. B & B Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Barnwell County, South Carolina.

83. Whittle Motor Company, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Barnwell County, South Carolina.

84. Butler Chrysler-Dodge-Jeep is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

85. Carolina Volvo is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

86. Hihon Head Automotive LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

87. Hilton Head Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

88. Land Rover Hilton Head is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

89. Modern Classic Motors is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

90. O. C. Welch Ford-Lincoln-Mercury is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

91. Parks Automotive Group is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

92. Parks Cadillac is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

93. Stokes Honda Cars of Beaufort, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

94. Stokes Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

95. Stokes-Brown Toyota is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Beaufort County, South Carolina.

96. Dick Smith Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of

business in Berkley County, South Carolina.

97. Hoover Jeep-Chrysler, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Berkley County, South Carolina.

98. Hoover Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Berkley County, South Carolina.

99. McElveen Pontiac-Buick-GMC, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Berkley County, South Carolina.

100. Altman Lincoln-Mercury-Hyundai is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

101. Carolina International Trucks-Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

102. Charleston Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

103. Hendrick Honda of Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

104. Hoover Chrysler-Jeep, Inc. is a licensed motor vehicle dealer and a corporation

organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

105. Hughes Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

106. Kia Country is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

107. Lexus of Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

108. Low Country Mazda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

109. Low Country Volkswagen is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

110. Marathon Chevrolet of N Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

111. Marchant Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

112. McDaniels Acura of Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

113. McElveen Chevrolet, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

114. Morris Nissan is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

115. Northside Nissan is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

116. Ravenel Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

117. Rick Hendrick Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

118. Rick Hendrick's Import Showplace is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

119. Saturn of Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of

business in Charleston County, South Carolina.

120. Stokes Honda North Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

121. Stokes Isuzu-Kia-Subaru is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

122. Stokes Volkswagen is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

123. Victory Hyundai of Charleston is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Charleston County, South Carolina.

124. Burns Chevrolet-Chrysler-Dodge-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

125. Burns Chevrolet Cadillac, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

126. Joe Gibson Suzuki is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

127. Roger Shiflett Ford, Inc. is a licensed motor vehicle dealer and a corporation

organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

128. Wallace White Pontiac-Buick-GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Cherokee County, South Carolina.

129. Nourse Chester Automotive is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Chester County, South Carolina.

130. Nourse Motors of Chester LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Chester County, South Carolina.

131. Bennett Motor Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Chesterterfield County, South Carolina.

132. John Donoghue Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Chesterterfield County, South Carolina.

133. Lawrence Chevrolet-Pontiac is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Chesterterfield County, South Carolina.

134. Prothro Chevrolet-Buick-Pontiac-GMC Truck is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Clarendon County, South Carolina.

135. Stokes-Craven Chrysler-Jeep-Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Clarendon County, South Carolina.

136. Stokes-Craven Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Clarendon County, South Carolina.

137. Peters Pontiac Buick-GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Colleton County, South Carolina.

138. Rizer Chevrolet Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Colleton County, South Carolina.

139. Walterboro Motor Sales Co. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Colleton County, South Carolina.

140. Action Ford-Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Darlington County, South Carolina.

141. John Newsome, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Darlington County, South Carolina.

142. Raceway Chrysler-Jeep-Dodge, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its

principal place of business in Darlington County, South Carolina.

143. Raceway Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Darlington County, South Carolina.

144. Carolina International Trucks LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

145. Marathon Chevrolet is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

146. Summerville Ford-Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Dorchester County, South Carolina.

147. Herlong Pontiac-Chevrolet-Buick, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Edgefield County, South Carolina.

148. Jim Satcher, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Edgefield County, South Carolina.

149. Yonce Ford-Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Edgefield County, South Carolina.

150. Wilson Chevrolet-Oldsmobile, Inc. is a licensed motor vehicle dealer and a

corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Fairfield County, South Carolina.

151. Wilson Chrysler-Dodge-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Fairfield County, South Carolina.

152. Auddie Brown Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

153. Calc Yarborough Honda, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

154. Carolina International Trucks is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

155. Efrid Chrysler-Jeep-Dodge, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

156. Florence Mack, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

157. Florence Toyota is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

158. Floyd Motor Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

159. Horne Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

160. Kia of Florence is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

161. King Cadillac-Buick-Pontiac-GMC Truck, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

162. Lake City Ford-Mercury, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

163. Peterbilt of Florence is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

164. Raceway Chevrolet-Pontiac-Buick-GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

165. Saturn of Florence is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in

Florence County, South Carolina.

166. Service Motor Company, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Florence County, South Carolina.

167. Coastal Nissan-Chevrolet-Cadillac is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Georgetown County, South Carolina.

168. Hemingway Motor Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Georgetown County, South Carolina.

169. Parrish Motor Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Georgetown County, South Carolina.

169. Tideland's Chrysler Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Georgetown County, South Carolina.

170. Tideland's Ford-Lincoln-Mercury is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Georgetown County, South Carolina.

171. BMS, Inc. d/b/a Breakaway Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

172. Bradshaw Acura is a licensed motor vehicle dealer and a corporation organized

and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

173. Brockman Automotive is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

174. Carolina International Trucks-Greenville is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

175. Cherokee Kenworth, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

176. Christopher Trucks, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

177. Crown Jeep-Chrysler is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

178. Crown Nissan Greenville is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

179. Dick Smith Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

180. Fairway Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

181. Fairway Motorcars LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

182. George Coleman Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

183. Heritage Lincoln-Mercury is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

184. John Finger Mazda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

185. Kevin Whitaker Chevrolet-Cadillac is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

186. Kevin Whitaker Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

187. Simpsonville Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of

business in Greenville County, South Carolina.

188. Siton Buick-Pontiac-GMC Truck, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

189. Stokes-Trainor Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenville County, South Carolina.

190. C. Thompson Automotive is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenwood County, South Carolina.

191. Gary Russ Chevrolet-Cadillac, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenwood County, South Carolina.

192. George Ballentine Ford-Lincoln-Mercury is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenwood County, South Carolina.

193. Quality Chrysler City is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Greenwood County, South Carolina.

194. Brunson Automobile Sales, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Hampton County, South Carolina.

195. Tison Motor Co., Inc. is a licensed motor vehicle dealer and a corporation

organized and existing under the laws of the State of South Carolina with its principal place of business in Hampton County, South Carolina.

196. Addy's Harbor Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

197. Atlantic Chrysler-Jeep-Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

198. Atlantic Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

199. Beach Ford-Lincoln-Mercury-Volvo, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

200. Bell & Bell Pontiac-GMC, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

201. Conway Chrysler-Dodge-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

202. Conway Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

203. Diamond Automotive Group, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

204. East Coast Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

205. East Coast Volkswagen is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

206. Fowler Motors is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

207. Grand Strand Nissan, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

208. Hadwin-White Pontiac-Buick-GMC-Subaru is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

209. Hyatt Buick-GMC Trucks is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

210. Jud Kuhn Chevrolet is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of

business in Horry County, South Carolina.

211. Kia of Myrtle Beach is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

212. Lay-Fisher Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

213. Myrtle Beach Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

214. Myrtle Beach Chrysler-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

215. Myrtle Beach Hyundai-Isuzu is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

216. Myrtle Beach Suzuki is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

217. Sparks Toyota, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

218. Sun Coast Mazda-Mitsubishi is a licensed motor vehicle dealer and a corporation

organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

219. Suzuki Outlet of Myrtle Beach SC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Horry County, South Carolina.

220. Hilton Head Chrysler Jeep Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Jasper County, South Carolina.

221. Hilton Head Hyundai is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Jasper County, South Carolina.

222. Key Infiniti LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Jasper County, South Carolina.

223. Key Mazda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Jasper County, South Carolina.

224. Key Nissan, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Jasper County, South Carolina.

225. Porsche of Hilton Head is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Jasper County, South Carolina.

226. Prestige Motorcars, LLC dba Hilton Head Jaguar is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Jasper County, South Carolina.

227. Dick Smith Pontiac-Chrysler-Dodge-GMC-Jeep is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Kershaw County, South Carolina.

228. Heritage Chevrolet-Buick, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Kershaw County, South Carolina.

229. James Ervin Toyota is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Kershaw County, South Carolina.

230. Redfeam Motor Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Kershaw County, South Carolina.

231. Burns Ford-Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lancaster County, South Carolina.

232. Elrod Pontiac-Buick-GMC, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lancaster County, South Carolina.

233. H & H Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of

business in Lancaster County, South Carolina.

234. Lancaster Dodge-Chrysler-Jeep is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lancaster County, South Carolina.

235. Lancaster Motor Co. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lancaster County, South Carolina.

236. Baldwin Pontiac-Buick-GMC, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Laurens County, South Carolina.

237. Cooper Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Laurens County, South Carolina.

238. Firmin Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Laurens County, South Carolina.

239. John Foster Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Laurens County, South Carolina.

240. Lynn Cooper, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Laurens County, South Carolina.

241. Smith Chevrolet-Cadillac, Inc. is a licensed motor vehicle dealer and a

corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Laurens County, South Carolina.

242. Addy Dodge, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

243. Cherokee Kenworth is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

244. Hampton Automotive, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

245. Midlands Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

246. Saturn of Columbia, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

247. Stivers Chrysler-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

248. Twin City Motor Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Lexington County, South Carolina.

249. Mullins Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Marion County, South Carolina.

250. Pee Dee Ford Lincoln Mercury Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Marion County, South Carolina.

251. Griffin-Flythe Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Marlboro County, South Carolina.

252. Meggs Ford-Chrysler-Dodge-Jeep is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Marlboro County, South Carolina.

253. Cromley's Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Newberry County, South Carolina.

254. Jeffrey Dean Chrysler Dodge Jeep GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Newberry County, South Carolina.

255. Kirby Schrader is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Newberry County, South Carolina.

256. Stokes-Trainor Chevrolet-Old-Pontiac-Cadillac-Buick is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina

with its principal place of business in Newberry County, South Carolina.

257. Bobby Wood Chevrolet-Pontiac is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Oconee County, South Carolina.

258. Edwards Auto Sales, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Oconee County, South Carolina.

259. Lake Keowee Chrysler-Dodge LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Oconee County, South Carolina.

260. Leader Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Oconee County, South Carolina.

261. Performance Chevrolet-Buick-GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Oconee County, South Carolina.

262. Bob Richards Automotive, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Orangeburg County, South Carolina.

263. Fairey Chevrolet-Cadillac is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Orangeburg County, South Carolina.

264. Orangeburg Chrysler-Dodge-Nissan, Inc. is a licensed motor vehicle dealer and a

corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Orangeburg County, South Carolina.

265. Orangeburg Ford is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Orangeburg County, South Carolina.

266 Superior Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Orangeburg County, South Carolina.

267. Superior Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Orangeburg County, South Carolina.

268. Benson Ford-Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

269. Crane Chevrolet-Cadillac, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

270. Easley Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

271. Easley Pontiac-Buick-GMC Truck, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

272. Hendrick Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

273. Norris Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

274. Tinsley Chevrolet Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Pickens County, South Carolina.

275. Bob Bennett Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

276. Capitol Chevrolet is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

277. Capitol Hyundai is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

278. Carolina International Trucks-Cola is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

279. Columbia Freightliner, LLC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of

business in Richland County, South Carolina.

280. DodgeLand of Columbia is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

281. Hancock Motor Co. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

282. Hancock Volkswagen is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

283. Honda Cars of Columbia is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

284. Jim Moore Cadillac, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

285. McDaniel's Acura-Porsche is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

286. Shealy's Truck Center-Cola is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

287. Stivers Lincoln-Mercury is a licensed motor vehicle dealer and a corporation

organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

288. Wray Automotive, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Richland County, South Carolina.

289. Cromley's Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Saluda County, South Carolina.

290. Saluda Motor Sales, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Saluda County, South Carolina.

291. Dave Edwards Toyota is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

292. Dick Brooks Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

293. Foothills Ford of Chesne is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

294. Joe Gibson Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

295. Kia of Greer is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

296. Saturn of Spartanburg is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

297. Shealy's Truck Center is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

298. Spartanburg Dodge, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

299. Toyota of Greer is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

300. Vic Bailey Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

301. Vic Bailey Honda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

302. Vic Bailey Lincoln-Mercury, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its

principal place of business in Spartanburg County, South Carolina.

303. Vic Bailey Volkswagen is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

304. Wakefield Buick-Pontiac-GMC, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Spartanburg County, South Carolina.

305. Boyle Motor Company is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

306. Boyle Toyota, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

307. Goodwin Buick-Jeep is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

308. Goodwin Honda-Mitsubishi-VW is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

309. Jones Chevrolet Co. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

310. Jones Nissan, Inc. is a licensed motor vehicle dealer and a corporation organized

and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

311. Jones Pontiac-GMC Truck, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

312. McLaughlin Motors, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

313. Sumter Chrysler-Plymouth-Dodge is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Sumter County, South Carolina.

314. Union Chrysler-Dodge-Jeep, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Union County, South Carolina.

315. Big Country Chevrolet, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Williamsburg County, South Carolina.

316. Haselden Brothers, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Williamsburg County, South Carolina.

317. Longstreet Chevrolet-Buick-Cadillac-GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in Williamsburg County, South Carolina.

318. Carolina Mazda is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

319. Clinton Family Ford-Lincoln-Mercury is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

320. Dickerson Motor Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

321. Dunlap-Johnson Chevrolet Co., Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

322. Fort Mill Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

323. Fred Caldwell's Clover Chevrolet is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

324. Good Motor Company is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

325. Griffin Mitsubishi is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in

York County, South Carolina.

326. Griffin Pontiac-Buick-GMC is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

327. Harrelson Nissan is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

328. Harrelson Toyota is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

329. Honda Cars of Rock Hill is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

330. Rick Ford, Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

331. Stateline Chrysler Jeep Dodge Inc. is a licensed motor vehicle dealer and a corporation organized and existing under the laws of the State of South Carolina with its principal place of business in York County, South Carolina.

VENUE

332. Venue is proper in Aiken County because Defendant Taylor Investments, Inc. d/b/a Taylor Toyota maintains an office and agent for the transaction of business in Aiken County and/or maintains its principal place of business in Aiken County.

FACTS

333. Defendants have conspired together in a common scheme designed to deceive all car buyers (the term "car" as used herein includes new and used cars, trucks, sport utility vehicles and automobiles of all kinds). These actions amount to concerted consumer fraud.

334. Each individual Defendant's conduct vis-a-vis all consumers was the product of unfair, misleading and/or unconscionable business practices.

335. Defendants have all engaged in a common practice of presenting/advertising car prices in a misleading manner. Defendants set and advertise a sticker price for cars and then in addition charge a second fee often referred to as an "administrative fee," a "recording and processing fee," "closing fee," "dealer documentation and closing fee" (collectively "administrative fees"). Defendants present and advertise the "administrative fees" in a misleading manner and/or in an effort to mislead car buyers. This practice is a deceptive way to secretly artificially raise the sticker price.

336. Defendants conduct is not unlike that found to be an unfair trade practice by an Ohio Court in *Motzer Dodge Jeep Eagle, Inc. v. Ohio Attorney General*, 642 N.E.2d 20 (Oh.Cl.App. 1994).

337. Defendants' advertising is misleading because it fails to include / adequately disclose the fact that Defendants will be charging "administrative fees" that are in addition to the advertised price of the car.

338. Defendants' placement of the "administrative fee" on the dealer invoice is deceptive in that it implies that the fee is separate and distinct from the general overhead that car buyers expect to be included within the sticker price for a car and that the set fee is mandatory.

339. The "administrative fees" are not separate and distinct from Defendants' general

overhead expected to be included in the overhead and advertised price.² Instead, the "administrative fees" are tricky and deceptive add-ons.

340. The "administrative fees" are presented to car buyers in a misleading manner because car buyers are misled into believing that administrative fees are mandatory fees required to be paid on every car such as taxes and license fees.

341. The "administrative fees" are charged in addition to advertised and/or list prices for cars.

342. The "administrative fees" are deliberately placed as separate line items on Defendants' invoices along with mandatory fees such as taxes, tags, and title. This implies that the "administrative fees" like the payment of taxes, fees for tags and fees for obtaining title are separate set fees and that there is no option but to pay this fee with every car purchase.

343. Consequently, car buyers purchase cars based on the total sticker price and are misled into believing that any discount received is off the sticker price and that additional fees are a special mandatory fee.

344. If a customer inquires about the fee, Defendants' sales people say that the "administrative fee" is a standard fee that has to be included on every vehicle.

345. In 2000, the General Assembly enacted a very narrow exception for charging these illegal "administrative fees."

346. S.C. Code Ann. §37-2-307 allows a dealership to do what would otherwise be illegal, charge "administrative fees," only if the dealership follows strict rules.

347. S.C. Code Ann. §37-2-307 requires that "administrative fees" be included in the advertised price, disclosed on the sales contract, and conspicuously displayed at the dealership.

348. In order to charge administrative fees, Defendants are also required to annually

register with the Department of Consumer Affairs.

349. Defendants have not availed themselves of the limited exception in S.C. Code Ann. §37-2-307.

350. Even if Defendants had complied with S.C. Code Ann. §37-2-307, Defendants actions are in violation of S.C. Code Ann. §56-15-10 *et. seq.*

351. In 2004, Defendant CarMax Auto Superstores, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

352. In 2003, 2004, 2005, and 2006, Defendant CarMax Auto Superstores, Inc. charged "administrative fees" and failed to separately register for each location in the State with the Department of Consumer Affairs Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

353. In 2005, Defendant Dick Smith Motors, Inc. charged "administrative fees" and failed to register for each location in the State with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

354. In 2003, 2004, 2005, and 2006, Defendant Dick Smith Motors, Inc. charged "administrative fees" and failed to register for each location in the State with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

355. In 2003 and 2004, Defendant Pulliam Motor Co. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

356. In 2003, 2004, 2005, and 2006, Defendant Dick Smith Infiniti, Inc. charged "administrative fees." In 2005, Defendant Dick Smith Infiniti, Inc. failed to register with the

Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307 and failed to file a registration specific to this entity in the years 2003, 2004 and 2006.

357. In 2003, 2004, 2005, and 2006, Defendant Dick Smith Nissan of Lexington, Inc. charged "administrative fees." In 2005, Defendant Dick Smith Nissan of Lexington, Inc. failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307 and failed to file a registration specific to this entity in the years 2003, 2004 and 2006.

358. In 2003, 2004, 2005, and 2006, Dick Smith Nissan, Inc. charged "administrative fees." In 2005, Dick Smith Nissan, Inc. failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307 and failed to file a registration specific to this entity in the years 2003, 2004 and 2006.

359. In 2003 and 2004, Defendant Overland Inc. d/b/a Land Rover of Columbia charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

360. In 2003, 2004, 2005 and 2006, Defendant Toyota Center, LLC charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

361. In 2003, 2004, 2005 and 2006, Defendant Stokes Motors, Inc. charged "administrative fees" and failed to file a registration specific to this entity with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

362. In 2003, 2004, 2005 and 2006, Defendant Stokes-Craven Automotive Group, Inc. charged "administrative fees" and failed to file a registration with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

363. In 2003, 2004, 2005 and 2006, Defendant Stokes Mazda, Inc. charged

"administrative fees" and failed to file a registration specific to this entity with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

364. In 2003, 2004, 2005, and 2006, Defendant Palmetto Chevrolet Company, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

365. In 2003, Defendant Palmetto Ford, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

366. In 2003, 2004, 2005, and 2006, Defendant Jones Ford, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

367. In 2006, Defendant Rick Hendrick Chevrolet, LP charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

368. In 2003, 2004, 2005, and 2006, Defendant Hoover Chrysler-Dodge, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

369. In 2003, 2004, 2005, and 2006, Defendant Baker Motor Company of Charleston charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

370. In 2003, 2004, and 2005, Defendant Big "O" Dodge of Greenville, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

371. In 2003, 2004, 2005, and 2006, Defendant Spartanburg Chrysler Jeep, Inc.

charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

372. In 2003, 2004, and 2005, Defendant Kia of Anderson, LLC charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

373. In 2003, Defendant Farrell Automotive, Inc. charged "administrative fees" and failed to register with the Department of Consumer Affairs as required by S.C. Code Ann. §37-2-307.

374. Plaintiff Heather Herron purchased a 2003 Land Rover SUV from Land Rover of Columbia.

375. Plaintiff Herron's sales invoice includes a separate line item for "Recording & Processing Fees." The "Recording & Processing Fees" line item is pre-printed and deceptively placed with fees for SC Sales Tax, Title, and License. This Recording & Processing Fees is an "administrative fee" as described above.

376. Plaintiff Alison Dannert purchased a Nissan Murano from Defendant CarMax Auto Superstores, Inc. in Greenville, South Carolina

377. Plaintiff Alison Dannert's sales invoice includes a separate line item for Dealer Documentation/ Processing Fee. This fee is pre-printed and deceptively placed with fees for tax, title and license. This Dealer Documentation/ Processing Fee is an "administrative fee" as described above.

378. Plaintiff Natalie Armstrong purchased a 2002 Jeep Liberty from Galeana Chrysler-Jeep, Inc.

379. Defendant Galeana Chrysler-Jeep, Inc.'s sales invoice includes a separate line

item for Admin. Fee. This Admin. Fee is an "administrative fee" as described above.

380. Plaintiff Michael Ritz purchased a Tacoma pickup truck from Defendant Taylor Investments, Inc. (d/b/a Taylor Toyota, Inc.).

381. Defendant Taylor Investments Inc.'s sales invoice includes a separate line item for Administrative Services Fee. This Administrative Services Fee is an "administrative fee" as described above.

382. Plaintiff Julie Freeman purchased a 1999 Mazda from Defendant Rick Hendrick Honda Cars Co.

383. Defendant Rick Hendrick Honda Cars Co.'s sales invoice includes a separate line item for Procurement Fee. This Procurement Fee is an "administrative fee" as described above.

384. Plaintiff Christine Watts purchases a 2004 BMW from Defendant Sonic Automotive, Inc. d/b/a Century BMW.

385. Defendant Sonic Automotive, Inc. d/b/a Century BMW's Retail Buyer's Order includes a separate line item for Recording & Processing Fees. This Recording & Processing Fee is an "administrative fee" as described above.

386. Plaintiff Michael Blease purchased a 2002 Volvo from Defendant Dick Dyer & Associates, Inc.

387. Defendant Dick Dyer & Associates, Inc.'s Buyer's Order and Invoice includes a separate line item for Processing Fee. This Processing Fee is an "administrative fee" as described above.

388. Plaintiff Michael Watts purchased a Toyota from Defendant Toyota of Greenville, Inc.

389. Defendant Toyota of Greenville, Inc.'s purchase order includes a separate line

item for a Procurement Fee. This Procurement Fee is an "administrative fee" as described above.

390. Upon information and belief, Defendants each annually illegally make several hundred thousand dollars off the deceptive use and placement of the "administrative fee" line item and said illegal fees should be disgorged.

FOR A FIRST CAUSE OF ACTION
(Violations of S.C. Code Ann. §56-15-10 *et. seq.*)

391. The allegations set forth in the paragraphs above are incorporated herein as if set forth verbatim.

392. Defendants are motor vehicle dealers subject to Title 56 of the S.C. Code.

393. Defendants' deceptive use of "administrative fees" is arbitrary, in bad faith and unconscionable and in violation of statute.

394. Defendants' use and presentation of the administrative fees is designed to deceive and/or mislead car buyers and is thus is arbitrary, in bad faith and unconscionable and in violation of statute.

395. Defendants' failure to adequately disclose and/or include "administrative fees" in the advertised price of cars constitutes misleading advertising in violation of statute.

396. Defendants conspired together to all apply similar administrative fees in an effort to cause damage to South Carolina car buyers. This conspiracy in and of itself is a violation of statute.

397. This suit is brought pursuant to S.C. Code Ann. §56-15-110(2) for the benefit of the whole because the action is one of common or general interest to many persons and the parties are numerous and it is impracticable to bring them all before the Court

398. Accordingly, Plaintiffs are suing for the benefit of all South Carolina car buyers

whom paid administrative fees to Defendants and against all motor vehicle dealers owned or controlled by Defendants as defined in S.C. Code Ann. §56-15-10(h).

399. Plaintiffs and all South Carolina car buyers whom paid administrative fees to Defendants in the past four years have been injured by Defendants deceptive acts as described above.

400. As a result of the aforementioned conduct of Defendants, Plaintiffs are entitled to double actual damages, the cost of the suit and a reasonable attorney's fee pursuant to S.C. Code Ann. §56-15-110(1).

401. Furthermore, the aforementioned conduct of Defendants was malicious. Thus, Plaintiffs are entitled to punitive damages in the amount of three times the actual damages pursuant to S.C. Code Ann. §56-15-110(3).

FOR A SECOND CAUSE OF ACTION

(Civil Conspiracy as to Defendants Dick Smith Motors, Inc., Pulliam Motor Co., Dick Smith Infiniti, Inc., Dick Smith Nissan of Lexington, Inc., Dick Smith Nissan, Inc., Overland, Inc. d/b/a Land Rover of Columbia, Toyota Center, LLC, Stokes Automotive, Inc., Stokes Motors, Inc., Stokes-Craven Automotive, Inc., Stokes Mazda, Inc., Palmetto Chevrolet Company, Inc., Palmetto Nissan, Inc., Palmetto Ford, Inc., Jones Ford, Inc., Harold Arnold's Sentry Buick, Inc., J. L. Investments, LP, Rick Hendrick Chevrolet, LP, Rick Hendrick Jeep Eagle, L.P., Oak Tree, Inc. d/b/a West Ashely Toyota, Inc., Gene Reed Imports, Inc., Hoover Jeep Chrysler, Inc., Hoover Motors, Inc., Hoover Chrysler-Dodge, Inc., Strom Altman Dodge, Inc., Baker Motor Company of Charleston, Inc., Miller Cadillac, Inc., Benson Chrysler-Plymouth, Inc., Benson Ford Mercury, Inc., Big "O" Dodge of Greenville, Inc., Bradshaw Automotive Group, Inc., Spartanburg Chrysler Jeep, Inc., Kia of Anderson, LLC, Toyota of Easley, Inc., Farrell Automotive, Inc., Fairway Ford, Inc., Saturn of Greenville, Inc., Steve White Motors of South Carolina, Inc., D&D Motors, Inc., Burns Chrysler Dodge Jeep, LLC, John Finger Motors, Inc., Bob Richards Nissan, Dick Smith Chrysler-Jeep, Goodman Chevrolet, Inc., Henna Chevrolet-Olds-Cadillac, LLC, Honda Cars of Aiken, Johnson Motor Company of SC, Sanders Truck Sales, Carolina Ford, Carolina International Trucks of Anderson, Clinkscales Chevrolet, Inc., Fairway Ford-Mazda, Piedmont Chrysler-Jeep, Piedmont Honda, Planet Ford, Ralph Hayes Toyota, Inc., Tom Hunter Pontiac-Buick-GMC, LLC, Upstate Automotive (Chevrolet-Cadillac), Upstate Automotive (Isuzu-Kia), Upstate Automotive (Mitsubishi), Upstate Automotive (Nissan), Gibbes Ford, Inc., Zeigler Chevrolet, Inc., B & B Ford, Inc., Whittle Motor Company, Inc., Butler Chrysler-Dodge-Jeep, Carolina Volvo, Hilton Head Automotive LLC, Hilton Head Honda, Land Rover Hilton Head, Modern Classic Motors, O. C. Welch Ford-Lincoln-Mercury,

Parks Automotive Group, Parks Cadillac, Stokes Honda Cars of Beaufort, Inc., Stokes
 Mitsubishi, Stokes-Brown Toyota, Dick Smith Chevrolet, Inc. Hoover Jeep-Chrysler, Inc.,
 Hoover Motors, Inc., McElveen Pontiac-Buick-GMC, Inc., Altman Lincoln-Mercury-Hyundai,
 Carolina International Trucks-Charleston, Charleston Mitsubishi, Hendrick Honda of Charleston,
 Hoover Chrysler-Jeep, Inc., Hughes Motors, Inc., Kia Country, Lexus of Charleston, Low
 Country Mazda, Low Country Volkswagen, Marathon Chevrolet of N Charleston, Marchant
 Chevrolet, Inc., McDaniels Acura of Charleston, McElveen Chevrolet, LLC, Morris Nissan,
 Northside Nissan, Ravenel Ford, Inc., Rick Hendrick Dodge, Rick Hendrick's Import Showplace,
 Saturn of Charleston, Stokes Honda North Charleston, Stokes Isuzu-Kia-Subaru, Stokes
 Volkswagen, Victory Hyundai of Charleston, Burns Chevrolet-Chrysler-Dodge-Jeep, Inc., Joe
 Gibson Suzuki, Roger Shiflett Ford, Inc., Wallace White Pontiac-Buick-GMC, Nourse Chester
 Automotive, Nourse Motors of Chester LLC, Bennett Motor Co., Inc., John Donoghue Ford, Inc.,
 Lawrence Chevrolet-Pontiac, Prothro Chevrolet-Buick-Pontiac-GMC Truck, Stokes-Craven
 Chrysler-Jeep-Dodge, Stokes-Craven Ford, Peters Pontiac Buick-GMC, Rizer Chevrolet Co.,
 Inc., Walterboro Motor Sales Co., Action Ford-Mercury, Inc., John Newsome, Inc., Raceway
 Chrysler-Jeep-Dodge, Inc., Raceway Ford, Carolina International Trucks LLC, Marathon
 Chevrolet, Summerville Ford-Mercury, Inc., Herlong Pontiac-Chevrolet-Buick, Inc., Jim Satcher,
 Inc., Yonce Ford-Mercury, Inc., Wilson Chevrolet-Oldsmobile, Inc., Wilson
 Chrysler-Dodge-Jeep, Inc., Auddie Brown Mitsubishi, Cale Yarborough Honda, Inc., Carolina
 International Trucks, Ebird Chrysler-Jeep-Dodge, Inc., Florence Mack, Inc., Florence Toyota,
 Floyd Motor Co., Inc., Horne Ford, Inc., Kia of Florence, King Cadillac-Buick-Pontiac-GMC
 Truck, Inc., Lake City Ford-Mercury, LLC, Peterbilt of Florence, Raceway
 Chevrolet-Pontiac-Buick-GMC, Saturn of Florence, Service Motor Company, Inc., Coastal
 Nissan-Chevrolet-Cadillac, Hemingway Motor Co., Inc., Parrish Motor Co., Inc., Tideland
 Chrysler Dodge, Tideland Ford-Lincoln-Mercury, BMS, Inc. d/b/a Breakaway Honda, Bradshaw
 Acura, Brockman Automotive, Carolina International Trucks-Greenville, Cherokee Kenworth,
 Inc., Christopher Trucks, Inc., Crown Jeep-Chrysler, Crown Nissan Greenville, Dick Smith
 Mitsubishi, Fairway Ford, Inc., Fairway Motorcars LLC, George Coleman Ford, Inc., Heritage
 Lincoln-Mercury, John Finger Mazda, Kevin Whitaker Chevrolet-Cadillac, Kevin Whitaker
 Chevrolet, Inc., Simpsonville Chevrolet, Inc., Sitton Buick-Pontiac-GMC Truck, Inc., Steve
 White Motors of SC, Inc., Stokes-Trainer Ford, C. Thompson Automotive, Gary Russ
 Chevrolet-Cadillac, Inc., George Ballentine Ford-Lincoln-Mercury, Quality Chrysler City,
 Brunson Automobile Sales, Inc., Tison Motor Co., Inc., Addy's Harbor Dodge, Atlantic
 Chrysler-Jeep-Dodge, Atlantic Ford, Inc., Beach Ford-Lincoln-Mercury-Volvo, Inc., Bell & Bell
 Pontiac-GMC, Inc., Conway Chrysler-Dodge-Jeep, Inc., Conway Ford, Inc., Diamond
 Automotive Group, Inc., East Coast Honda, East Coast Volkswagen, Fowler Motors, Grand
 Strand Nissan, Inc., Hadwin-White Pontiac-Buick-GMC-Subaru, Hyatt Buick-GMC Trucks, Jud
 Kuhn Chevrolet, Kia of Myrtle Beach, Lay-Fisher Chevrolet, Inc., Myrtle Beach Chevrolet, Inc.,
 Myrtle Beach Chrysler-Jeep, Inc., Myrtle Beach Hyundai-Isuzu, Myrtle Beach Suzuki, Sparks
 Toyota, Inc., Sun Coast Mazda-Mitsubishi, Suzuki Outlet of Myrtle Beach SC, Hilton Head
 Chrysler Jeep Dodge, Hilton Head Hyundai, Key Infiniti LLC, Key Mazda, Key Nissan, LLC,
 Porsche of Hilton Head, Prestige Motorcars, LLC dba Hilton Head Jaguar, Dick Smith
 Pontiac-Chrysler-Dodge-GMC-Jeep, Heritage Chevrolet-Buick, Inc., James Ervin Toyota,
 Redfearn Motor Co., Inc., Burns Ford-Mercury, Inc., Elrod Pontiac-Buick-GMC, Inc., H & H
 Chevrolet, Inc., Lancaster Dodge-Chrysler-Jeep, Lancaster Motor Co., Baldwin

Pontiac-Buick-GMC, Inc., Cooper Ford, Inc., Firmin Ford, Inc., John Foster Motors, Inc., Lynn Cooper, Inc., Smith Chevrolet-Cadillac, Inc., Addy Dodge, Inc., Cherokee Kenworth, Hampton Automotive, Inc., Midlands Honda, Saturn of Columbia, Inc., Stivers Chrysler-Jeep, Inc., Twin City Motor Co., Inc., Mullins Motors, Inc., Pee Dee Ford Lincoln Mercury Inc., Griffin-Flythe Chevrolet, Inc., Meggs Ford-Chrysler-Dodge-Jeep, Cromley's Inc., Jeffrey Dean Chrysler Dodge Jeep GMC, Kirby Schrader, Stokes-Trainor Chevrolet-Old-Pontiac-Cadillac-Buick, Bobby Wood Chevrolet-Pontiac, Edwards Auto Sales, Inc., Lake Keowee Chrysler-Dodge LLC, Leader Ford, Performance Chevrolet-Buick-GMC, Bob Richards Automotive, LLC, Fahey Chevrolet-Cadillac, Orangeburg Chrysler-Dodge-Nissan, Inc., Orangeburg Ford, Superior Honda, Superior Motors, Inc., Benson Ford-Mercury, Inc., Crane Chevrolet-Cadillac, Inc., Easley Mitsubishi, Easley Pontiac-Buick-GMC Truck, Inc., Hendrick Honda, Norris Ford, Inc., Tinsley Chevrolet Co., Inc., Bob Bennett Ford, Inc., Capitol Chevrolet, Capitol Hyundai, Carolina International Trucks-Cola, Columbia Freightliner, LLC, Dodgeland of Columbia, Hancock Motor Co., Hancock Volkswagen, Honda Cars of Columbia, Jim Moore Cadillac, Inc., McDaniels Acura-Porsche, Shealy's Truck Center-Cola, Stivers Lincoln-Mercury, Wray Automotive, Inc., Cromley's Inc., Saluda Motor Sales, Inc., Dave Edwards Toyota, Dick Brooks Honda, Foothills Ford of Chesne, Joe Gibson Mitsubishi, Kia of Greer, Saturn of Spartanburg, Shealy's Truck Center, Spartanburg Dodge, Inc., Vic Bailey Ford, Inc., Vic Bailey Honda, Vic Bailey Lincoln-Mercury, Inc., Vic Bailey Volkswagen, Wakefield Buick-Pontiac-GMC, Inc., Boyle Motor Company, Boyle Toyota, Inc., Goodwin Buick-Jeep, Goodwin Honda-Mitsubishi-VW, Jones Chevrolet Co., Jones Nissan, Inc., Jones Pontiac-GMC Truck, Inc., McLaughlin Motors, Inc., Sumter Chrysler-Plymouth-Dodge, Union Chrysler-Dodge-Jeep, Inc., Big Country Chevrolet, Inc., Haselden Brothers, Inc., Longstreet Chevrolet-Buick-Cadillac-GMC, Carolina Mazda, Clinton Family Ford-Lincoln-Mercury, Dickerson Motor Co., Inc., Dunlap-Johnson Chevrolet Co., Inc., Fort Mill Ford, Inc., Fred Caldwell's Clover Chevrolet, Good Motor Company, Griffin Mitsubishi, Griffin Pontiac-Buick-GMC, Harrelson Nissan, Harrelson Toyota, Honda Cars of Rock Hill, Rick Ford, Inc., Stateline Chrysler Jeep Dodge Inc.)

402. The allegations set forth in the paragraphs above are incorporated herein as if set forth verbatim.

403. Defendants Dick Smith Motors, Inc., Pulliam Motor Co., Dick Smith Infiniti, Inc., Dick Smith Nissan of Lexington, Inc., Dick Smith Nissan, Inc., Overland, Inc. d/b/a Land Rover of Columbia, Toyota Center, LLC, Stokes Automotive, Inc., Stokes Motors, Inc., Stokes-Craven Automotive, Inc., Stokes Mazda, Inc., Palmetto Chevrolet Company, Inc., Palmetto Nissan, Inc., Palmetto Ford, Inc., Jones Ford, Inc., Harold Arnold's Sentry Buick, Inc., J. L. Investments, LP, Rick Hendrick Chevrolet, LP, Rick Hendrick Jeep Eagle, L.P., Oak Tree, Inc. d/b/a West Ashley

Toyota, Inc., Gene Reed Imports, Inc., Hoover Jeep Chrysler, Inc., Hoover Motors, Inc., Hoover
 Chrysler-Dodge, Inc., Strom Altman Dodge, Inc., Baker Motor Company of Charleston, Inc.,
 Miller Cadillac, Inc., Benson Chrysler-Plymouth, Inc., Benson Ford Mercury, Inc., Big "O"
 Dodge of Greenville, Inc., Bradshaw Automotive Group, Inc., Spartanburg Chrysler Jeep, Inc.,
 Kia of Anderson, LLC, Toyota of Easley, Inc., Farrell Automotive, Inc., Fairway Ford, Inc.,
 Saturn of Greenville, Inc., Steve White Motors of South Carolina, Inc., D&D Motors, Inc., Burns
 Chrysler Dodge Jeep, LLC, John Finger Motors, Inc., Bob Richards Nissan, Dick Smith
 Chrysler-Jeep, Goodman Chevrolet, Inc., Henna Chevrolet-Olds-Cadillac, LLC, Honda Cars of
 Aiken, Johnson Motor Company of SC, Sanders Truck Sales, Carolina Ford, Carolina
 International Trucks of Anderson, Clinkscales Chevrolet, Inc., Fairway Ford-Mazda, Piedmont
 Chrysler-Jeep, Piedmont Honda, Planet Ford, Ralph Hayes Toyota, Inc., Tom Hunter
 Pontiac-Buick-GMC, LLC, Upstate Automotive (Chevrolet-Cadillac), Upstate Automotive
 (Isuzu-Kia), Upstate Automotive (Mitsubishi), Upstate Automotive (Nissan), Gibbes Ford, Inc.,
 Zeigler Chevrolet, Inc., B & B Ford, Inc., Whittle Motor Company, Inc., Butler
 Chrysler-Dodge-Jeep, Carolina Volvo, Hilton Head Automotive LLC, Hilton Head Honda, Land
 Rover Hilton Head, Modern Classic Motors, O. C. Welch Ford-Lincoln-Mercury, Parks
 Automotive Group, Parks Cadillac, Stokes Honda Cars of Beaufort, Inc., Stokes Mitsubishi,
 Stokes-Brown Toyota, Dick Smith Chevrolet, Inc., Hoover Jeep-Chrysler, Inc., Hoover Motors,
 Inc., McElveen Pontiac-Buick-GMC, Inc., Altman Lincoln-Mercury-Hyundai, Carolina
 International Trucks-Charleston, Charleston Mitsubishi, Hendrick Honda of Charleston, Hoover
 Chrysler-Jeep, Inc., Hughes Motors, Inc., Kia Country, Lexus of Charleston, Low Country
 Mazda, Low Country Volkswagen, Marathon Chevrolet of N Charleston, Marchant Chevrolet,
 Inc., McDaniels Acura of Charleston, McElveen Chevrolet, LLC, Morris Nissan, Northside

Nissan, Ravenel Ford, Inc., Rick Hendrick Dodge, Rick Hendrick's Import Showplace, Saturn of
 Charleston, Stokes Honda North Charleston, Stokes Isuzu-Kia-Subaru, Stokes Volkswagen,
 Victory Hyundai of Charleston, Burns Chevrolet-Chrysler-Dodge-Jeep, Inc., Joe Gibson Suzuki,
 Roger Shiflett Ford, Inc., Wallace White Pontiac-Buick-GMC, Nourse Chester Automotive,
 Nourse Motors of Chester LLC, Bennett Motor Co., Inc., John Donoghue Ford, Inc., Lawrence
 Chevrolet-Pontiac, Prothro Chevrolet-Buick-Pontiac-GMC Truck, Stokes-Craven
 Chrysler-Jeep-Dodge, Stokes-Craven Ford, Peters Pontiac Buick-GMC, Rizer Chevrolet Co.,
 Inc., Walterboro Motor Sales Co., Action Ford-Mercury, Inc., John Newsome, Inc., Raceway
 Chrysler-Jeep-Dodge, Inc., Raceway Ford, Carolina International Trucks LLC, Marathon
 Chevrolet, Summerville Ford-Mercury, Inc., Herlong Pontiac-Chevrolet-Buick, Inc., Jim Satcher,
 Inc., Yonce Ford-Mercury, Inc., Wilson Chevrolet-Oldsmobile, Inc., Wilson
 Chrysler-Dodge-Jeep, Inc., Auddie Brown Mitsubishi, Cale Yarborough Honda, Inc., Carolina
 International Trucks Florence, Efrid Chrysler-Jeep-Dodge, Inc., Florence Mack, Inc., Florence
 Toyota, Floyd Motor Co., Inc., Home Ford, Inc., Kia of Florence, King
 Cadillac-Buick-Pontiac-GMC Truck, Inc., Lake City Ford-Mercury, LLC, Peterbilt of Florence,
 Raceway Chevrolet-Pontiac-Buick-GMC, Saturn of Florence, Service Motor Company, Inc.,
 Coastal Nissan-Chevrolet-Cadillac, Hemingway Motor Co., Inc., Parrish Motor Co., Inc.,
 Tideland's Chrysler Dodge, Tideland's Ford-Lincoln-Mercury, BMS, Inc. d/b/a Breakaway Honda,
 Bradshaw Acura, Brockman Automotive, Carolina International Trucks-Greenville, Cherokee
 Kenworth, Inc., Christopher Trucks, Inc., Crown Jeep-Chrysler, Crown Nissan Greenville, Dick
 Smith Mitsubishi, Fairway Ford, Inc., Fairway Motorcars LLC, George Coleman Ford, Inc.,
 Heritage Lincoln-Mercury, John Finger Mazda, Kevin Whitaker Chevrolet-Cadillac, Kevin
 Whitaker Chevrolet, Inc., Simpsonville Chevrolet, Inc., Sitton Buick-Pontiac-GMC Truck, Inc.,

Stokes-Trainor Ford, C. Thompson Automotive, Gary Russ Chevrolet-Cadillac, Inc., George
 Ballentine Ford-Lincoln-Mercury, Quality Chrysler City, Brunson Automobile Sales, Inc., Tison
 Motor Co., Inc., Addy's Harbor Dodge, Atlantic Chrysler-Jeep-Dodge, Atlantic Ford, Inc., Beach
 Ford-Lincoln-Mercury-Volvo, Inc., Bell & Bell Pontiac-GMC, Inc., Conway
 Chrysler-Dodge-Jeep, Inc., Conway Ford, Inc., Diamond Automotive Group, Inc., East Coast
 Honda, East Coast Volkswagen, Fowler Motors, Grand Strand Nissan, Inc., Hadwin-White
 Pontiac-Buick-GMC-Subaru, Hyatt Buick-GMC Trucks, Jud Kuhn Chevrolet, Kia of Myrtle
 Beach, Lay-Fisher Chevrolet, Inc., Myrtle Beach Chevrolet, Inc., Myrtle Beach Chrysler-Jeep,
 Inc., Myrtle Beach Hyundai-Isuzu, Myrtle Beach Suzuki, Sparks Toyota, Inc., Sun Coast
 Mazda-Mitsubishi, Suzuki Outlet of Myrtle Beach SC, Hilton Head Chrysler Jeep Dodge, Hilton
 Head Hyundai, Key Infiniti LLC, Key Mazda, Key Nissan, LLC, Porsche of Hilton Head,
 Prestige Motorcars, LLC dba Hilton Head Jaguar, Dick Smith
 Pontiac-Chrysler-Dodge-GMC-Jeep, Heritage Chevrolet-Buick, Inc., James Ervin Toyota,
 Redfearn Motor Co., Inc., Burns Ford-Mercury, Inc., Elrod Pontiac-Buick-GMC, Inc., H & H
 Chevrolet, Inc., Lancaster Dodge-Chrysler-Jeep, Lancaster Motor Co., Baldwin
 Pontiac-Buick-GMC, Inc., Cooper Ford, Inc., Firmin Ford, Inc., John Foster Motors, Inc., Lynn
 Cooper, Inc., Smith Chevrolet-Cadillac, Inc., Addy Dodge, Inc., Cherokee Kenworth, Hampton
 Automotive, Inc., Midlands Honda, Saturn of Columbia, Inc., Stivers Chrysler-Jeep, Inc., Twin
 City Motor Co., Inc., Mullins Motors, Inc., Pee Dee Ford Lincoln Mercury Inc., Griffin-Flythe
 Chevrolet, Inc., Meggs Ford-Chrysler-Dodge-Jeep, Cromley's Inc., Jeffrey Dean Chrysler Dodge
 Jeep GMC, Kirby Schrader, Stokes-Trainor Chevrolet-Old-Pontiac-Cadillac-Buick, Bobby Wood
 Chevrolet-Pontiac, Edwards Auto Sales, Inc., Lake Keowee Chrysler-Dodge LLC, Leader Ford,
 Performance Chevrolet-Buick-GMC, Bob Richards Automotive, LLC, Fairey

Chevrolet-Cadillac, Orangeburg Chrysler-Dodge-Nissan, Inc., Orangeburg Ford, Superior Honda,
 Superior Motors, Inc., Benson Ford-Mercury, Inc., Crane Chevrolet-Cadillac, Inc., Easley
 Mitsubishi, Easley Pontiac-Buick-GMC Truck, Inc., Hendrick Honda, Norris Ford, Inc., Tinsley
 Chevrolet Co., Inc., Bob Bennett Ford, Inc., Capitol Chevrolet, Capitol Hyundai, Carolina
 International Trucks-Cola, Columbia Freightliner, LLC, Dodgeland of Columbia, Hancock
 Motor Co., Hancock Volkswagen, Honda Cars of Columbia, Jim Moore Cadillac, Inc.,
 McDaniels Acura-Porsche, Shealy's Truck Center-Cola, Stivers Lincoln-Mercury, Wray
 Automotive, Inc., Cromley's Inc., Saluda Motor Sales, Inc., Dave Edwards Toyota, Dick Brooks
 Honda, Foothills Ford of Chesne, Joe Gibson Mitsubishi, Kia of Greer, Saturn of Spartanburg,
 Shealy's Truck Center, Spartanburg Dodge, Inc., Vic Bailey Ford, Inc., Vic Bailey Honda, Vic
 Bailey Lincoln-Mercury, Inc., Vic Bailey Volkswagen, Wakefield Buick-Pontiac-GMC, Inc.,
 Boyle Motor Company, Boyle Toyota, Inc., Goodwin Buick-Jeep, Goodwin
 Honda-Mitsubishi-VW, Jones Chevrolet Co., Jones Nissan, Inc., Jones Pontiac-GMC Truck,
 Inc., McLaughlin Motors, Inc., Sumter Chrysler-Plymouth-Dodge, Union Chrysler-Dodge-Jeep,
 Inc., Big Country Chevrolet, Inc., Haselden Brothers, Inc., Longstreet
 Chevrolet-Buick-Cadillac-GMC, Carolina Mazda, Clinton Family Ford-Lincoln-Mercury,
 Dickerson Motor Co., Inc., Dunlap-Johnson Chevrolet Co., Inc., Fort Mill Ford, Inc., Fred
 Caldwell's Clover Chevrolet, Good Motor Company, Griffin Mitsubishi, Griffin
 Pontiac-Buick-GMC, Harrelson Nissan, Harrelson Toyota, Honda Cars of Rock Hill, Rick Ford,
 Inc., Stateline Chrysler Jeep Dodge Inc., and the South Carolina Automobile Dealers Association
 have combined together for the purposes of injuring Plaintiffs and all South Carolina car buyers
 whom paid administrative fees to Defendants.

404. Defendants have conspired together in a common scheme designed to deceive all

car buyers by all engaging in a common practice of presenting/advertising car prices in a misleading manner by charging "administrative fees."

405. Plaintiffs have suffered special damages as a result of Defendants conspiracy.

FOR A THIRD CAUSE OF ACTION
(Declaratory Judgment)

406. The allegations set forth in the paragraphs above are incorporated herein as if set forth verbatim.

407. This cause of action seeks a declaratory judgment for the purposes of determining a question of actual controversy between all parties.

408. Plaintiffs seek a determination of their rights and legal relations with the Defendants under S.C. Code Ann. §56-15-10 *et. seq.* and/or §37-2-307.

409. The issues raised by Defendants' common practice of charging administrative fees are of such wide concern and public interest that this declaratory judgment action should be decided for future guidance to insure that the public is protected.

410. Plaintiffs seek a determination of the following questions:

- a. Does Defendants charging of "administrative fees," and further acts as described above, violate S.C. Code Ann. §56-15-10 *et. seq.*
- b. Does Defendants charging of "administrative fees" and further acts as described above, violate S.C. Code Ann. §37-2-307.
- c. Are Defendants actions as described above outside the scope of S.C. Code Ann. §37-2-307.

411. Plaintiffs seek a declaratory judgment from this Court that:

- a. A permanent injunction issue preventing Defendants from advertising/charging future customers with administrative fees in a manner which violates S.C. Code Ann. §56-15-10 *et. seq.*;
- b. A permanent injunction issue preventing Defendants from advertising/

charging future customers with administrative fees in a manner which violates S.C. Code Ann. §37-2-307;

- c. Defendants be ordered to disgorge all fees collected from Plaintiffs and all car buyers whom paid administrative fees to Defendants;

WHEREFORE, Plaintiffs prays for judgment against all of the Defendants for actual and compensatory damages, for two times actual damages pursuant to Plaintiffs' first cause of action, for three times actual damages for punitive damages pursuant to Plaintiffs' first cause of action, for disgorgement of all administrative fees collected by Defendants pursuant to Plaintiffs' second cause of action, for a permanent injunction pursuant to Plaintiffs' second cause of action, together with attorneys' fees, prejudgment interest and the costs of this action, and for such other and further relief as this Court may deem just and proper.

MICHAEL SPEARS, PA
Michael E. Spears
Post Office 5806
Spartanburg, SC 29304
(864)583-3235

GEDNEY M. HOWE, III, PA
Gedney M. Howe, III
Post Office Box 1034
Charleston, SC 29402
(843)722-8048

RICHARD A. HARPOOTLIAN, PA
Richard A. Harpootlian
P.O. Box 1090
Columbia, SC 29202
(803)252-4848

LEWIS & BABCOCK, L.L.P.
A. Camden Lewis
Brady R. Thomas
1513 Hampton Street

Post Office Box 11208
Columbia, SC 29211
(803)771-8000

By: Brady J. [Signature]

Attorneys for the Plaintiffs

October 28, 2006

Columbia, South Carolina

CERTIFICATE OF SERVICE

I, Melanie B. Blease, Paralegal for the law firm of Lewis & Babcock, L.L.P., hereby certify that I have served a copy of Plaintiffs' Amended Complaint upon opposing counsel and/or their registered agents, by mailing a copy of same, postage prepaid and return address clearly indicated on said envelope, to said parties at the following address:

**ATTORNEY FOR BAKER MOTOR COMPANY OF CHARLESTON, INC., AND
HAROLD ARNOLDS SENTRY BUICK, INC.**

Capers G. Barr, III, Esquire
William S. Barr, Esquire
Barr, Unger & McIntosh, L.L.C.
11 Broad Street
Charleston, South Carolina 29401

ATTORNEY FOR JONES FORD, INC.

James D. Myrick, Esquire
Buist Moore Smythe McGee, P.A.
5 Exchange Street
Charleston, South Carolina 29401-2593

John T. Lay, Jr., Esquire
Ellis, Lawhorne & Sims, PA
PO Box 2285
Columbia, South Carolina 29202

**ATTORNEY FOR DEFENDANTS BURNS CHYRSLER-DODGE-JEEP, LLC AND
BURNS CHEVROLET CADILLAC, INC.**

Tracy T. Vann, Esquire
Hamilton Martens Ballour & Sipe, LLC
130 East Main Street, Suite 201
Post Office Box 10940
Rock Hill South Carolina 29731

**ATTORNEY FOR DICK SMITH MOTORS, INC., DICK DYER & ASSOCIATES, INC.,
DICK SMITH INFINITI, INC., DICK SMITH NISSAN, INC., AND DICK SMITH
NISSAN OF LEXINGTON**

J. Gregory Studemeyer, Esquire
✓ Post Office Box 12201
Columbia, South Carolina 29211

ATTORNEY FOR SPARTANBURG CHRYSLER JEEP, INC.

Charles J. Hodge, Esquire
Hodge Law, P.C.
P.O. Box 2765
Spartanburg, South Carolina 29304

ATTORNEY FOR GENE REED IMPORTS, INC.

Susan Rosen, Esquire
Rosen Law Firm
18 Broad Street, Suite 201
Charleston, South Carolina 29401

ATTORNEY FOR CARMAX AUTO SUPERSTORE, INC.

Ronald J. Tyron, Esquire
Parker Poe Admams & Bernstein, L.L.P.
1201 Main Street, Suite 1450
Columbia, South Carolina 29202

ATTORNEY FOR GALEANA CHRYSLER-JEEP, INC.; GALEANA CHRYSLER-PLYMOUTH, INC.; J.L.H. INVESTMENTS D/B/A HENDRICK'S HONDA; AND RICK HENDRICK CHEVROLET, LP

James Y. Becker, Esquire
Haynesworth Sinkler Boyd, P.A.
1201 Main Street, 22nd Floor
Columbia, South Carolina 29201

ATTORNEY FOR FAIRWAY FORD, INC. AND TOYOTA OF GREENVILLE

Harvey G. Sanders, Jr., Esquire
Leatherwood Walker Todd & Mann, PC
The Leatherwood Plaza
300 East McBee Avenue, Suite 500
Greenville, South Carolina 29601

ATTORNEY FOR BENSON CADILLAC NISSAN, INC.; BENSON CHRYSLER PLYMOUTH, INC.; BENSON FORD MERCURY; BRADSHAW AUTOMOTIVE GROUP; BRADSHAW FORD; D&D MOTORS; FARRELL AUTOMOTIVE; SATURN OF GREENVILLE; STEVE WHITE MOTORS; BAKER MOTOR COMPANY OF CHARLESTON; BEN SATCHER MOTORS; BURNS CHEVROLET CADILLAC; BURNS CHRYSLER DODGE JEEP; HOOVER DODGE; HOOVER JEEP CHRYSLER; HOOVER MOTORS; PULLIAM MOTOR COMPANY; STOKES MOTORS, INC.; AND JOHN FINGER MOTORS

Bradford Martin, Esquire
Bradford, Neal, Martin & Associates
75 Beattie Place, Suite 910
Greenville, South Carolina 29601

ATTORNEY FOR PALMETTO NISSAN

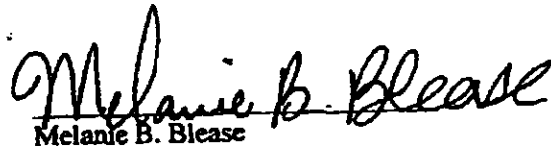
Matthew N. Tyler, Esquire
Aiken, Bridges, Numm, Elliott & Tyler, P.A.
Post Office Drawer 1931
Florence, South Carolina 29503

**ATTORNEY FOR STROM ALTMAN DODGE; TOYOTA OF EASLEY; BIG "Q" DODGE
OF GREENVILLE, INC., PALMETTO FORD, INC.; AND KIA OF ANDERSON**

Steve W. Hamm, Esquire
C. Jo Anne Wessinger Hill, Esquire
Richardson, Plowden, Carpenter & Robinson, P.A.
P.O. Drawer 7788
Columbia, South Carolina 29202

REGISTERED AGENT

CT Corporation System
c/o West Ashley Toyota
75 Beattie Place
Two Shelter Centre
Greenville, South Carolina 29601


Melanie B. Blease

October 28, 2006
Columbia, South Carolina

EXHIBIT “B”

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS

FLOSSIE MAE FANNING AND NATHANIEL
FANNING, SR., Individually and as
Representatives of All Persons
Similarly Situated, Collectively
Designated as JOHN DOE and JANE
DOE,

Plaintiffs,

vs.

FRITZ'S PONTIAC-CADILLAC-BUICK,
INC.; VOYAGER LIFE INSURANCE
COMPANY; WESTERN SURETY COMPANY
and CITIZENS & SOUTHERN NATIONAL
BANK;

Defendants.

AFFIDAVIT OF
STEVEN W. HAMM

PERSONALLY appeared before me Steven W. Hamm, who being duly
sworn, deposes and says that:

1. I am the Administrator of the South Carolina Department of
Consumer Affairs, having been duly appointed pursuant to Section
37-6-506 of the Code of Laws of South Carolina.

2. I also hold the position of Consumer Advocate for the
State of South Carolina pursuant to Section 37-6-602 of the Code
of Laws of South Carolina.

3. As Administrator of the Department of Consumer Affairs my
duties and responsibilities include administering and enforcing the
South Carolina Consumer Protection Code (S.C. Code Ann. §§37-1-
101 et seq.), including credit related advertising.

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4. I have reviewed the records of the South Carolina Department of Consumer Affairs kept as a part of its official responsibilities, together with those kept in the ordinary course of its business, and I base my testimony of the information contained in these records, as well information within my personal knowledge.

5. Section 37-2-202 of the Code of Laws of South Carolina sets forth permissible additional charges which may be charged in addition to finance charges on consumer credit sales within South Carolina, including additional permissible charges that may be adopted by rule of the Administrator of the Department of Consumer Affairs.

6. In 1987, the Department began to take a more active role in obtaining compliance with the advertising laws under the Truth in Lending Act and the Unfair Trade Practices Act, pursuant to its authority in §§37-2-301 and 37-2-304 of the Code of Laws of South Carolina.

7. In September, 1987, the Department sent to all members of the South Carolina Automobile and Truck Dealers Association a letter outlining several advertising practices that the Department believed violated the law. (A copy of the letter is attached hereto as Exhibit A). Item number 1 of that letter specifically addresses additional closing fees, variously called documentary fees, procurement fees, administrative fees, closing costs, as well as other names, and indicates that attempts to treat such fees as an additional cost to the advertised price would be considered as a violation of the law.

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8. On July 25, 1988, the Department held a public meeting concerning automobile advertising. At this meeting certain materials were handed out to those attending. Item number 4 of the first page of these hand-out materials specifically addresses additional closing fees and states that advertising such costs as an additional charge to the advertised price would violate the law.

9. In November, 1988, the Department mailed to all members of the South Carolina Automobile and Truck Drivers Association a copy of the South Carolina Department of Consumer Affairs Advertising Guidelines & Standards. (A copy of the Advertising Guidelines & Standards is attached hereto as Exhibit B). The Guidelines & Standards were developed as a result of the 1987 letter and the public meeting in July, 1988, and they were derived primarily from standards prepared by the Association. Item number 6 of the 1988 Guidelines & Standards also specifically addresses additional closing fees and states that advertising such costs as an additional charge to the advertised price would violate the law.

10. In October, 1988, the Department sent a letter to an attorney in Charleston concerning the legality of additional closing fees. (A copy of this letter is attached hereto as Exhibit C). This letter was one of the Department's first attempts to address the fees within themselves, unconnected with advertising. This letter questioned the legality of such fees because they were not specifically permitted under §37-2-202 of the Code of Laws of South Carolina.

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11. In January, 1989, the Department entered into an Assurance of Discontinuance, pursuant to §37-6-109 of the Code of Laws of South Carolina, with one South Carolina automobile dealer, whereby the dealer agreed to forego the use of add-on fees to sales contracts other than for options and protection packages. (A copy of this Assurance is attached hereto as Exhibit D).

12. Between October, 1988 and July, 1989, the Department began discussing additional closing fees and determined, during June, 1989 or early July, 1989, that such fees within themselves were a violation of the law.

13. On July 12, 1989, the Department sent a letter to a different automobile dealer in South Carolina responding to his question concerning the legality of additional closing fees. (A copy of this letter is attached hereto as Exhibit E). The letter sets forth the Department's position that such fees are a violation of the law.

14. On July 15, 1989, the Department filed suit against the same automobile dealer who had signed the Assurance of Discontinuance for violations of the S.C. Consumer Protection Code, including charging additional closing fees in violation of the Assurance of Discontinuance. This action was ended by settlement between the parties.

15. Consistently, since July, 1989, the Department has taken the position that additional closing fees are a violation of the law.

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16. I have reviewed the bill of sale and work sheet in the subject action regarding a consumer credit sale by defendant Fritz's Pontiac-Cadillac-Buick, Inc., to the named plaintiffs of an automobile whereby a charge listed as a "procurement, delivery, filing fee" is set forth in the amount of \$87.00.

17. This charge is the same type of additional closing fee that is mentioned above, and it is not one of the specifically permitted additional charges set forth in §37-2-202 of the Code of Laws of South Carolina. Further, this charge has never been approved by me, as Administrator of the Department of Consumer Affairs, pursuant to §37-2-202(e).

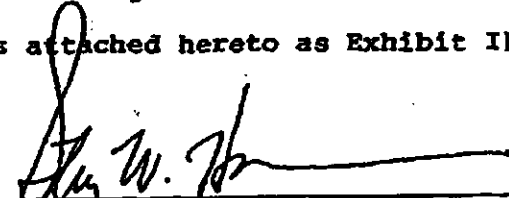
18. On June 5, 1989, the Department mailed to the Defendant Fritz's Pontiac-Cadillac-Buick, Inc., a notice that the use of add-ons, such as documentary, administrative or closing fees, was a violation of the law and that further violations would be treated as intentional violations. (A copy of this letter is attached hereto as Exhibit F).

19. On June 27, 1989, several employees of the Department met with this defendant's owner, Fritz Waidner, at his request to discuss advertising and other matters. (A copy of his letter requesting the meeting is attached hereto as Exhibit G). At this meeting the Department advised Mr. Waidner that any type of closing costs were illegal excess charges unless the charges were specifically permitted by §37-2-202. (A copy of a memorandum of this meeting is attached hereto as Exhibit H).

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20. On July 26, 1990, the Department again mailed to this defendant a notice that use of add-on charges was a violation of the law. (A copy of this letter is attached hereto as Exhibit I).


Steven W. Hamm, Administrator
South Carolina Department of
Consumer Affairs

SWORN to before me this

12th day of March, 1992

 (L.S.)
Notary Public for South Carolina

My Commission Expires: 8/11/92

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STEVEN W. HAMM
ADMINISTRATOR
AND
CONSUMER ADVOCATE

The State of South Carolina

Department of Consumer Affairs

2801 DEVINE STREET
P. O. BOX 5757
COLUMBIA, S.C. 29250-5757

September 9, 1987

COMMISSIONERS
EMIL W. WALD
CHAIRMAN
FOR THE
LEHMAN A. MOSELEY, JR.
VICE CHAIRMAN
GREENVILLE
NELL W. STEWART
GREENVILLE
LORRINE RANDOLPH, JR.
COLUMBIA
JOHN T. CAMPBELL
COLUMBIA
BOBBY T. JONES
CAMDEN
THOMAS L. MOORE
CLEARWATER
W. LEWIS BURKE
COLUMBIA
RICHARD C. MOORE
GREENVILLE
TIMOTHY P. ROGERS
COLUMBIA

Dear South Carolina Automobile Dealer:

The Department of Consumer Affairs and the South Carolina Automobile and Truck Dealer's Association have worked together for sometime to obtain voluntary compliance with reasonable and lawful standards in automobile advertising. I would like to express my appreciation for the cooperation and assistance that my office has received from dealers all across South Carolina. However, problems still exist that cannot be ignored.

In order to maintain an open line of communication, I am providing you with a list of advertising and dealer practices that exist in South Carolina that constitute violations of state and federal law. Those practices include, but are not limited to the following:

- (1) Advertisement of prices which are below the price at which the automobile can actually be purchased. (Use of add-ons such as freight, protection packages, documentary fees, factory and dealer installed options in addition to the advertised price);
- (2) Advertisement of automobiles not actually available on the dealer's lot;
- (3) Use of asterisks in a manner that make advertisements unclear or ambiguous so as to mislead the consumer;
- (4) Failure to comply with Truth-in-Lending disclosures;
- (5) Advertisements that appear to state that automobiles can be purchased for one-half of sticker price;
- (6) Continued use of the term "free" when a purchase is required to obtain the "free" item;
- (7) Statements by sales people to customers that dealers are required by manufacturers to charge for additional dealer preparation charges;
- (8) Claims that automobiles are being sold at "factory invoice" when they are actually sold at full M.S.R.P.;

ADMINISTRATION
734-9458
TELEPHONE'S AREA CODE 803

PUBLIC INFORMATION
734-9482

CONSUMER COMPLAINTS
734-9452
WATS 1-800-922-1594

NOTIFICATION
734-9461

CONSUMER ADVOCACY
734-9464
EQUAL OPPORTUNITY EMPLOYMENT

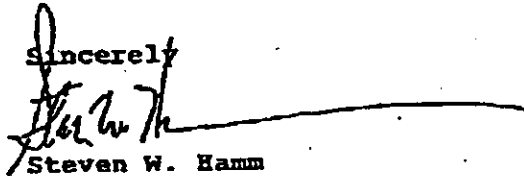
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Page 2

(9) Advertisements that fail to clearly identify lease and sale programs and prices.

Further advertising problems brought to the attention of the Department of Consumer Affairs will not be treated as mere oversights, but as intentional violations. In addition, we will begin a regular program of identifying dealerships to the public that continue to ignore the guidelines adopted by your association. Any dealers who have questions about the legality of certain types of advertising are welcome to call the Department for clarification.

Sincerely



Steven W. Hamm
Administrator

bp

cc: Mr. Patrick L. Watson
Executive Vice President
S. C. Automobile Dealer's Association
1517 Laurel Street
Columbia, South Carolina 29201

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REV. 11/28/89

SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS
ADVERTISING GUIDELINES & STANDARDS

Below is a list of advertising and dealer practices that constitute violations of state and federal law. These practices include, but are not limited to the following:

- (1) Discounts, Savings - Any discounts or savings indicated in an advertisement must be those that are deducted from the MSRP. Any discounts, incentives, or savings by the manufacturer that are indicated on the Monroney sticker and used to compute the MSRP may not be claimed by the dealer in their advertisements as savings or discounts from the dealer.
- (2) Rebates - If a rebate is indicated as being part of an advertised price, the amount of the rebate must be shown in the main body of the advertisement (close to the advertised price).
- (3) A dealer may not advertise in any manner that is false, deceptive, or misleading or that misrepresents any vehicle offered for sale.
- (4) Advertisements for the sale of new and used vehicles shall clearly and conspicuously identify the dealership by the same trade name as shown on the application for dealer's license, provided that the title or designation is not misleading. A trade or corporate name that falsely states or implies that the dealer has a special relationship or connection with a manufacturer that other dealers do not have is misleading.
- (5) When the price of a vehicle is quoted, the advertisement shall clearly identify the vehicle as to make, year, model, special equipment, etc. All terms or claims, including statements about trade-in allowance, shall be factual and presented clearly and conspicuously.
- (6) The advertised price shall be the full delivered cash price which the customer shall pay, except for taxes and tag fees. Dealer shall not advertise prices which are below the price at which the automobile can actually be purchased (use of add-ons such as freight, protection packages, documentary fees, administration fees, closing fees, factory and dealer installed options in addition to the advertised price). The amount of the factory rebate, if any, must be indicated in the advertisement.
- (7) The term "wholesale" may not be used in retail advertising. The term "factory sale" or "liquidation

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sale" may not be used in retail advertising if they imply that the dealer is selling vehicles in a manner other than through normal retail channels.

- (8) The use of layout, headlines, illustrations, style, sound, length of time, lighting, color, or type size of an advertisement, or all of the above, may not obscure or make misleading any material fact in any advertisement or sales presentation.
- (9) All advertising shall comply with Regulation Z and Regulation M of the Federal Truth in Lending Act.
- (10) Advertisements which offer special annual percentage rate financing shall disclose any special conditions, terms, or selling prices which shall be met before the annual percentage rate applies.
- (11) Unsupported selling claims or other statements, not in the public interest, may not be used. This includes statements such as: "We guarantee to sell for less"; "Highest trade-in allowance"; "Make your own deal"; "Name your own price"; and "Guaranteed minimum trade-in allowance."
- (12) An advertisement for a motor vehicle lease should not be presented in a manner that a reasonable person would interpret as being an advertisement for the sale of a motor vehicle. Likewise, an advertisement for the sale of a motor vehicle should not be presented in a manner that a reasonable person would interpret as being an advertisement for a motor vehicle lease. Advertisements must clearly identify lease and sale programs and prices.
- (13) Dealers shall not advertise automobiles that are not actually available on the dealer's lot.
- (14) Dealers shall not use asterisks in a manner that make advertisements unclear or ambiguous so as to mislead the consumer. Graduated payment schedules must be presented in a clear and conspicuous manner so as not to mislead the consumer.
- (15) Dealers shall not use the term "free" when a purchase or other consideration is required to obtain the "free" item.
- (16) Sales people shall not make statements to customers that dealers are required by manufacturers to charge for additional preparation charges. Likewise, sales people should not represent to customers that any charges are required by State or Federal governments.

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- (17) Dealers shall not make claims that automobiles are being sold at "factory invoice" or "dealer invoice" when they are actually sold at full M.S.R.P. "Dealer invoice" and "factory invoice" are the manufacturer's initial invoice amount to the dealer. They are higher than the dealer's final cost because dealers often receive rebates, allowances, discounts, and holdbacks. The "dealer invoice" and "factory invoice" price include freight (destination and delivery charge) and national advertising. "Factory invoice" and "dealer invoice" mean the invoice amount at the bottom of the invoice. "Dealer cost" is the actual vehicle cost. This amount excludes the addition of holdback, freight, and national advertising.

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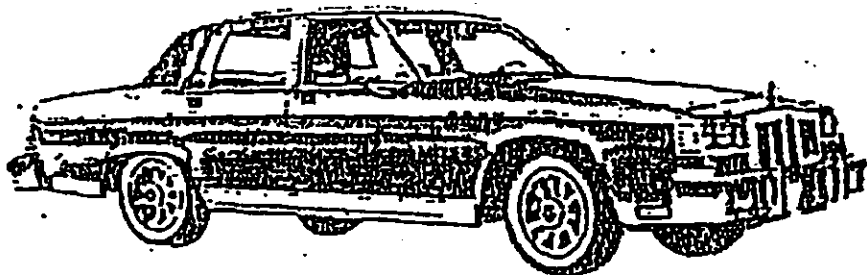
REBATES

EXAMPLE: Wrong Way to Advertise

THIS WEEK ONLY

\$9999.⁰⁰

(includes rebate)



1989 Oldsmobile
Stk. #1989

ABC MOTORS, INC.
Columbia, SC

0074

02002

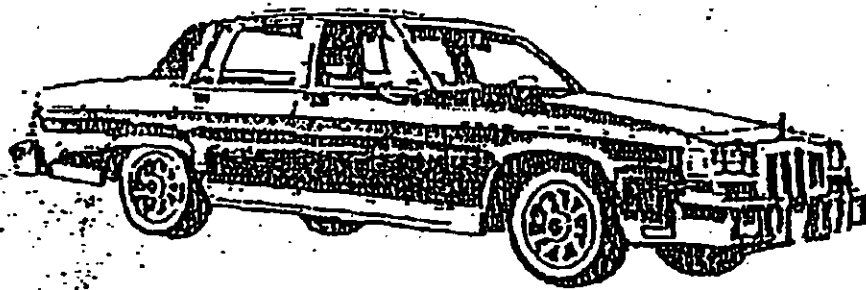
REBATES

EXAMPLE: Right Way to Advertise

THIS WEEK ONLY

\$9999.⁰⁰

(includes \$500.00 rebate)



1989 Oldsmobile
Stk. #1989

0075

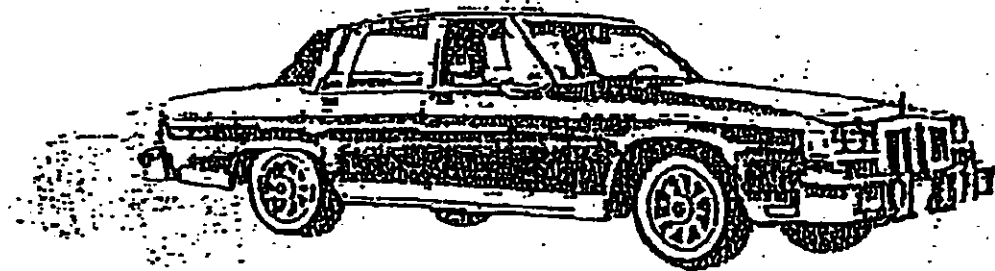
ABC MOTORS, INC.

02003

Factory Savings/Discount
EXAMPLE: Wrong Way to Advertise

THIS WEEK ONLY

Options Package Savings	\$ 500.00
Factory Rebate	\$ 500.00
Dealer Discount	\$ 500.00
TOTAL ~~SAVINGS~~ Savings	<u>\$1500.00</u>



1989 Oldsmobile
Stk. #1989

ABC MOTORS, INC.
Columbia, SC

02004

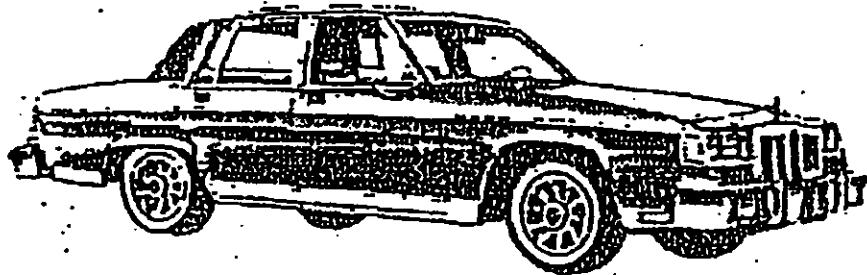
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EXAMPLE: Factory Savings/Discount
Right Way to Advertise

THIS WEEK ONLY

Factory Rebate	\$ 500.00
Dealer Discount	\$ 500.00
TOTAL ~~Factory~~ Savings	<u>\$1000.00</u>

Window sticker reflects a FACTORY OPTIONS SAVINGS of \$500.00.



1989 Oldsmobile.
Stk. #1989

ABC MOTORS, INC.
Columbia, SC

0077.

02005

Closed-End Credit Disclosures

Triggering Terms

If an advertisement promoting "closed-end credit" (defined on page 4 of this manual) contains any of the following triggering terms, three specific disclosures must also be included in the advertisement. The triggering terms are:

1. the amount of the downpayment (expressed either as a percentage or as a dollar amount).

Examples: "10% down"

"\$25 down"

"90% financing"

2. the amount of any payment (expressed either as a percentage or as a dollar amount).

Examples: "Monthly payments less than \$67"

"Pay 5% each month"

"\$9 per month"

3. the number of payments.

Examples: "36 small payments are all you make"

"48 monthly payments and you're all paid up"

4. the period of repayment (the total time required to repay).

Examples: "Five years to pay"

"36 months to pay"

"4 year loans available"

5. the amount of any finance charge.

Examples: "Financing costs less than \$100"

"Less than \$100 interest"

"\$100 financing"

The following are examples of terms

which do *not* trigger the required disclosures:

"No downpayment"

"18% Annual Percentage Rate loans available here"

"Easy monthly payments"

"Loans available at 5% below our standard annual percentage rate"

"Low downpayment accepted"

"Pay weekly"

"Terms to fit your budget"

"Financing available"

Required Disclosures

If any triggering term is used in a closed-end credit advertisement, then the following three disclosures must also be included in that advertisement:

- (1) the amount or percentage of the downpayment;
- (2) the terms of repayment; and
- (3) the "annual percentage rate," using that term spelled out in full. If the annual percentage rate may be increased after consummation of the credit transaction, that fact must be disclosed.

Sample Disclosures (General)

The following example, which promotes the credit sale of a \$1,000 car, illustrates the required disclosures for a closed-end consumer credit advertisement which would comply with the Truth in Lending Act if printed clearly and conspicuously:

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"No downpayment. 12 monthly payments of \$100 each; annual percentage rate: 35%"

In displaying the downpayment, the word "downpayment" need not be used. For example, "10% cash required from buyer" or "credit terms require minimum \$100 trade-in" would suffice.

Repayment terms may be expressed in a variety of ways in addition to the exact repayment schedule. For example, a creditor who offers loans might use unit cost to disclose repayment terms: "48 monthly payments of \$25 per \$1,000 borrowed."

Rate Disclosures

If the finance charge in a closed-end credit advertisement is expressed as a rate, it must be stated as an "annual percentage rate," using that term. If the annual percentage rate may increase after consummation of the credit transaction, that fact must be stated. If a component of that finance charge is interest computed at a simple annual rate, that rate may also be included. However, it must not be displayed more conspicuously than the annual percentage rate. For example, an advertisement for mortgage credit may include the contract rate of interest³ together with the annual percentage rate.

If the finance charge is computed by applying a periodic rate to the unpaid balance, the periodic rate may also be stated along with the annual percentage rate. As with the simple annual rate, the periodic rate may not be stated more conspicuously than the annual percentage rate.

Except as noted above, no closed-end consumer credit advertisement may include any rate of finance charge other than the "annual percentage rate." An advertiser may never include an "add-on" rate (for example, "36 per \$100 per year") or a discount rate in an advertisement. These rates are misleading

³The annual percentage rate may include insurance, discounts, and points which may not be included in the contract rate. For further information on the finance charge and annual percentage rate, see

since they are significantly lower than the corresponding annual percentage rate, and their use violates the Truth in Lending Act.

Real Estate Advertisements

Real estate advertisements which also promote consumer credit must comply with the advertising provisions of the Truth in Lending Act.

1. Rate Disclosure Examples

As with other advertisements of closed-end consumer credit, if only the annual percentage rate is disclosed, additional disclosures are not required. An advertisement may simply state, "Assume 12% annual percentage rate mortgage" or "14% annual percentage rate mortgage available."



MODELS NOW OPEN . . .



Largest Traditional Townhomes located in

... Priced from \$58,000

V.A. Financing Available . . .

Up to 95% Conventional Financing Available . . .

Designed for contemporary living . . .

Features include:

• Walk-out basement	• Customizing selections for your kitchen
• Brick & frame construction	• Convenient to modern schools and shopping areas
• Energy Package—G.E. Heat Pump & Air Conditioner	• 6 floor plans
• Storm Windows	

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Consumer Lease Disclosures

Consumer Leases in General

The Truth in Lending Act regulates consumer leases because they represent an alternative to buying on credit. Also, unless certain information is provided, a consumer might easily confuse leasing with purchasing on credit.

Triggering Terms

If an advertisement promoting a "consumer lease" (defined on page 4 of this manual) contains any of the following triggering terms, then five specific disclosures must also be included in the advertisement. The triggering terms are:

1. *the amount of any payment.*
Example: "Pay a mere \$128 per month"
2. *the number of required payments.*
Examples: "\$133 per month... 36 month lease"
"Low monthly payments on our four-year auto leases"
3. *a statement that any or no down payment, or other payment, is required at the beginning of the lease.*
Examples: "Lease now and make no payments for three months"
"Only a small down payment"
"Leave your pocketbook behind and return home in your leased '63 Chevy"

The following are examples of terms which do *not* trigger the required disclosures:

- "Low Monthly Payments"
- "Lease for Less than It Costs to Buy"
- "We Lease to Anyone"

Required Disclosures

If any triggering term is used in a consumer lease advertisement, then the following five disclosures must also be included in that advertisement:

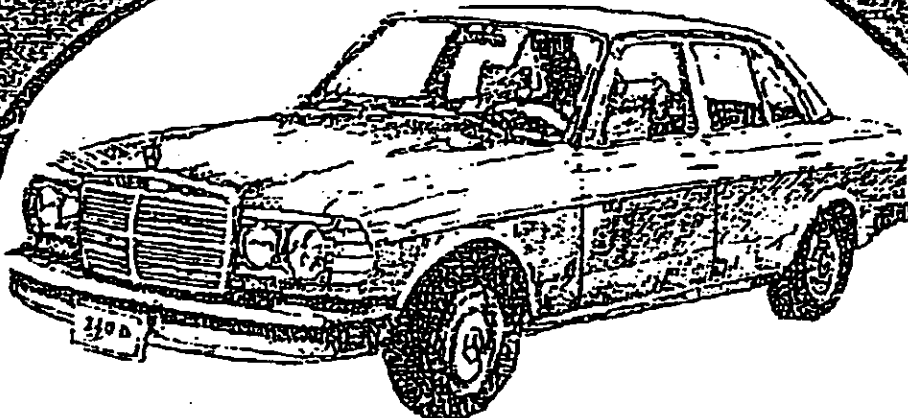
- (1) a statement that the transaction advertised is a lease;
- (2) the total amount of any payment (such as security deposit or capitalized cost reduction) required at the beginning of the lease, or a statement that no such payment is required;
- (3) the number, amounts, due dates, or periods of scheduled payments, and the total of such payments under the lease;
- (4) a statement of whether the customer has the option to purchase the leased property and at what time and price (the method of determining the price may be substituted for disclosure of the price); and
- (5) a statement of the amount (or method of determining the amount) of any liabilities the lease imposes upon the customer at the

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LEASE



You can now **LEASE** a **Luxurious Mercedes-Benz 240 Diesel** for Less . . .

only . . . **\$283¹⁸** per month

WITH AIR CONDITIONING, AM/FM RADIO, CENTER ARM REST, 4 SPEED TRANSMISSION

SALES TAX & TAGS NOT INCLUDED

36 PAYMENTS AT \$283 PER MO.

Oldsmobile • Datsun • Mercedes-Benz



Important
Terms

Requires
disclosure
needed

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end of the term; and, if the customer has such liability, a statement that the customer shall be liable for any difference between the estimated value of the leased property and its realized value at the end of the lease term.

Sample Disclosures

The following is an example of the required disclosures for a consumer lease advertisement which would comply with the Truth in Lending Act *if printed clearly and conspicuously*:

"36 month lease. No payments at the beginning of the lease, 36 monthly payments of \$128 totaling \$4,608. Customer has no option to purchase at the end of the lease. Customer will have no further liability unless auto has depreciated to less than 40% of its new car price. If so, customer is liable for that additional depreciation."

Catalog and Multi-Page Advertisements

Consumer lease advertisements which appear in catalogs or other multi-page advertisements are subject to the special provisions described on page 16 of this manual.

Merchandise Tags and Multiple Item Leases

If a merchandise tag for an item normally included in a multiple item lease contains any triggering term, it must either (a) include all required disclosures or (b) *clearly and conspicuously* refer to a sign or display prominently posted in the lessor's showroom which includes all required disclosures.

The State of South Carolina
Department of Consumer Affairs



STEVEN W. HAMM
ADMINISTRATOR
AND
CONSUMER ADVOCATE

2801 DEVINE STREET
P. O. BOX 5757
COLUMBIA, S.C. 29250-5757

EXHIBIT C

CLERK OF THE COURT
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GREENWILE
LONNIE RABDOLPH, JR.
COLUMBIA
JOHN T. CAMPBELL
COLUMBIA
BOBBY T. JONES
CAMDEN
THOMAS L. MOORE
GREENWATER
W. LEWIS BURKE
COLUMBIA
RICHARD C. MOORE
GREENWILE
TIMOTHY P. ROGERS
COLUMBIA

October 20, 1988

fy 934-9365

Daniel F. Norfleet, Esquire
Waldman & Associates
Remount Square
1861 Remount Road, Suite 204
PO Box 90466
North Charleston, SC 29410-1466

RE: Closing Fees

Dear Mr. Norfleet:

Administrator Steven W. Hamm has referred your letter of August 11, 1988 to me for reply. Please excuse this tardy response.

This Department has consistently taken the position both with regard to consumer credit sales and consumer loans, that if the additional charge provisions of S.C. Code Ann. §937-2-202 and 37-3-202 (1976 as amended) do not allow for a fee or charge to be assessed as a permissible additional charge, that fee or charge must be considered part of the finance charge for credit service charge unless it is specifically prohibited.

While I cannot comment on nor identify any dealership presently under investigation, I can comment in general terms. We have received some information that such fees are being charged ostensibly as additional charges for the service of document preparation, notary fees, "follow-up" calls and the like.

There are two problems with the charging of such fees in connection with consumer credit sales of automobiles. First, there is no provision for them in §37-2-202. We are not certain whether they are charged on cash and credit contracts alike. Even so, certain "closing costs" fees are specifically allowed by §37-2-202 (1) (d) for real estate secured transactions. By negative implication, they are not allowed for non-real estate secured transactions. In addition, I am aware of no provision for such fees as part of the amount financed under the federal Truth in Lending Act 15 U.S.C. §1601 et seq.

Furthermore, it would appear that certain dealerships are advertising cash prices of automobiles in full page advertisements without including the so called closing fee in the cash price. Because the fee is an easily ascertainable element of the overall

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CONSUMER COMPLAINTS

NOTICE 02011

price of the vehicle, it should be included in the cash price the same as elements such as "destination charges." A copy of Mr. Hamm's advertising guidelines are included for your information. So is a copy of the recent opinion of the Maryland Attorney General's office based on substantially the same grounds.

I hope this is sufficiently responsive to your inquiry.

Sincerely,

Philip S. Porter
Counsel to Administrator

PSP:dfnab

Steve Hanna

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EXHIBIT D

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

SOUTH CAROLINA
DEPARTMENT OF CONSUMER AFFAIRS

S.C. DEPARTMENT OF CONSUMER
AFFAIRS,

ASSURANCE
OF
DISCONTINUANCE

Petitioner,

vs.

ACTION CHEVROLET, INC.

Respondent.

In accordance with provisions of the South Carolina Consumer Protection Code § 37-1-101 et seq., S.C. Code Ann. § 37-1-101 et seq. (amended 1976), Petitioner and Respondent hereby agree to the provisions of this Assurance of Discontinuance as set forth below. In entering this Assurance, Respondent makes no admission of unlawful or wrongful conduct. Respondent recognizes and understands, however, that any violation of the provisions herein shall constitute a prima facie violation of the South Carolina Consumer Protection Code and shall subject Respondent to the penalties as set forth therein.

In order to resolve this matter Respondent consents to this Assurance.

WHEREFORE, the Respondent does freely, voluntarily and knowingly give and assure the S.C. Department of Consumer Affairs, that

1. Respondent will not engage in any activity, conduct or practice designed to mislead or deceive the public as to the price, quality or guarantee applicable to any product for sale by

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Respondent.

2. Respondent will not advertise, print, display, publish, distribute, broadcast, or cause to be advertised, printed, displayed, published, distributed, or broadcast in any manner any statement of representation that is false, misleading, or deceptive to the consumer.

3. All advertisements by Respondent will accurately reflect the manner in which the product is sold.

4. The advertised price in an advertisement for a vehicle shall be the delivered cash price which the customer shall pay, except for taxes and tag fees. The Respondent will not use add-ons in the advertisement such as freight, protection packages, documentary fees, or dealer options in addition to the advertised price. However, the actual sales transaction may include add-ons such as protection package and options, in addition to the advertised price if the consumer requests them. The Respondent will not add "fees" to the buyer's contract.

5. The Respondent will not use asterisks in a manner that make advertisements unclear or ambiguous so as to mislead the consumer.

6. All advertising shall comply with Regulation Z of the Federal Truth in Lending Act and Federal Trade Commission Act.

7. Factory rebates on cars purchased from Respondent must be accounted for and disclosed in the buyer's contract. The buyer's contract must be a true and clear accounting of the sales transaction between the Respondent and the consumer.

8. The Respondent may not use advertising that implies

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the Respondent is selling vehicles in a manner other than through normal retail channels.

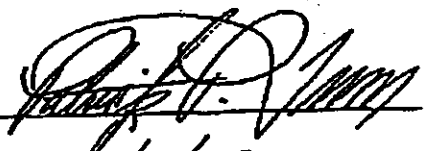
9. Any automobile the Respondent advertises for sale at dealer invoice must be sold at dealer invoice. The dealer invoice price includes freight and national advertising. Dealer invoice is the manufacturer's initial invoice amount to the dealer. It is indicated as the invoice amount at the bottom of the invoice. No other charges may be added to this price except taxes and tags.

10. The Respondent agrees to pay the sum of ten thousand dollars (\$10,000) to the Department as a complete settlement of the matters contained in this Assurance of Discontinuance.

11. The Respondent and the Department agree that this Assurance is an Assurance of Discontinuance made pursuant to S.C. Code Ann. 537-6-109 (1976 as amended).

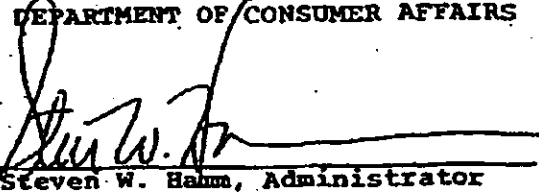
In consideration of the foregoing, the Petitioner agrees to forego further proceedings in this matter. However, it is specifically understood that the Administrator, Steven W. Hamm may reopen this matter if Action Chevrolet should engage in any of the conduct noted in this Assurance.

ACTION CHEVROLET, INC.

By: 

Date: 1/4/89

S.C. DEPARTMENT OF CONSUMER AFFAIRS

By: 

Steven W. Hamm, Administrator

Date: 1-11-89

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STEVEN W. HAMM
ADMINISTRATOR
AND
CONSUMER ADVOCATE

The State of South Carolina

Department of Consumer Affairs

2801 DEVINE STREET
P. O. BOX 5757
COLUMBIA, S.C. 29250-5757

July 12, 1989

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COLUMBIA
A. CLARK JENNINS
JONES ISLAND
GENE MCCASKILL
CAMDEN

Robert F. Williams
3136 North Pleasantburg Dr.
Greenville, SC 29609

RE: Additional Costs or Fees in Auto Sales

Dear Mr. Williams:

Recently you have asked how to treat a fee that you call a procurement fee. As I understand it this fee is to cover the costs of closing the sale, doing the paperwork, and transporting or sending the documents to the Highway Department. If this fee serves a different purpose, please let me know because it may change what I say.

The Department's position is that such charges may not be charged or advertised. They may not be put on the buyer's order, the retail sales contract, or the window sticker. The Department feels strongly enough about this position that we have filed a lawsuit against one dealer, and this type of charge is the basis for one of the causes of action. This does not mean that you cannot take your expenses into consideration when pricing an auto or negotiating a sale. These expenses are part of the expense associated with the operation of an auto dealership and are to be treated the same as any other type of overhead expense. That is, you must determine how low you can go when you are negotiating the price and still make a profit. If you want to recoup an additional \$89.00, then you should not reduce the price as much during negotiations.

For at least two years, this Department has been informing dealers of the problem with using such a fee in connection with the advertising of the purchase price of an auto. The problem, as it relates to advertising, arises when an auto is advertised at a cash price and then when the deal has been reached this additional charge is added to the price. The amount of this charge is predetermined or can be determined easily. It appears that the only purpose for not including the fee in the advertised price is to make the consumer think he is getting a better deal than he actually is getting. Therefore, if an auto is advertised for a cash price and the fee is added later, the price advertisement is deceptive and misleading.

Not only is the fee not permitted in advertisements, but also the fee is improper in any financed consumer transaction, unless the charge is specifically permitted by the South Carolina Consumer

ADMINISTRATION
734-9458
TELEPHONES (AREA CODE 803)

PUBLIC INFORMATION
734-9452

CONSUMER COMPLAINTS
734-9452
WATS 1-800-922-1594

NOTIFICATION
734-5461
0088

CONSUMER ADVOCACY
734-9458
EQUAL OPPORTUNITY EMPLOYER

02016

Protection Code. The legal basis for this position can be seen by evaluating those provisions of the Code that set forth the permissible charges on a financed transaction. These provisions are found in Part 2 of Chapter 2 of the Code (§§37-2-201 through 210) in the case of credit sales, and in Part 2 of Chapter 3 (§§37-3-200 through 210) in the case of consumer loans. Since the present context is auto sales, I will confine my evaluation to credit sales.

Very briefly, Part 2 of Chapter 2 provides for various types of additional charges. The type of charges that are authorized are as follows:

- \$37-2-201 -- finance charges
- \$37-2-202 -- permissible additional charges
- \$37-2-203 -- delinquency charges
- \$37-2-204 -- deferral charges
- \$37-2-205 -- service charge on refinancing
- \$37-2-206 -- service charge on consolidation
- \$37-2-207 -- service charge for revolving charge accounts
- \$37-2-208 -- advances to perform covenants of the buyer

The only other sections of Part 2 do not permit any type of charges. In fact, the remaining sections give certain rights to the buyers.

- \$37-2-209 -- gives the buyer the right to prepay the debt
- \$37-2-210 -- provides for the rebate due to the buyer upon prepayment

Of these possible charges it would seem that only two may apply. Those two are §§37-2-201 and 37-2-202. Section 37-2-201 provides that a seller making a consumer credit sale may properly contract for and receive a finance charge as permitted in the provisions of §37-2-201. As I understand it, you do not want this fee to be considered a finance charge. If my understanding is incorrect, please let me know.

Section 37-2-202 provides for certain additional charges that may properly be made. I am attaching a copy of this code section for your convenience. This section is divided into three parts. The first part, §37-2-202(1), provides for five specified types of charges. The second part, §37-2-202(2), provides for the permissible insurance charges. The third part, §37-2-202(3), provides for permissible additional charges when the buyer assumes an existing obligation. Neither the second nor the third part of this code section apply to the procurement fee. Therefore, unless one of the specified additional charges in the first part authorizes the procurement fee it is not permitted. These permissible charges are:

- (a) Official fees and taxes;
- (b) Charges for insurance as described in subsection (2);
- (c) Annual charges for the privilege of using a credit card, when the card and the charges meet the conditions set forth;

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(d) Closing costs when the debt is to be secured by an interest in land if the costs are bona fide and paid to third parties;

(e) Charges for other benefits conferred on the buyer if these charges meet the criteria set forth in this subsection.

The first three types of charges do not apply to the procurement fee. Official fees and taxes are charges made by and paid to the government. There is no question that the procurement fee is not a government fee. Therefore, this part does not make the fee permissible. Also, there is no question that the procurement fee is not for insurance, so the insurance provision does not authorize the procurement fee. Finally, there is no question that the fee does not relate to a charge for the privilege of using a credit card, and, as a result, that this part does not authorize the fee. Therefore, only the fourth or fifth parts of the subsection could possibly authorize the fee.

Part four is for closing costs. Many of the dealers that want to charge what you call a procurement fee call the fee a closing fee. Part four does not authorize such a fee in the sale of an automobile because the fee is permitted only when the debt is secured by an interest in land. This paragraph, §37-2-202(1)(d), lists five types of closing costs that may be made when the debt is secured by an interest in land. The first of these charges is for title examinations and title insurance. Due to the nature of establishing title to real estate, a title examination is essential. The second type of closing cost that is permitted is a fee for the preparation of the deed and other documents. This fee is permissible only if the fee is paid to a third party who is not related to the creditor. The third type of closing cost is escrows for future payment of taxes, insurance and such like. The fourth type of closing cost is fees for notarizing deeds and other documents. This type of fee is permitted only if the fee is paid to a third party who is not related to the creditor. The fifth type of closing cost is fees for real estate appraisals when the real estate is the property that is the subject of the sale. This type of cost is permitted only if the fee is paid to a third party who is not related to the creditor. While some of these type costs may appear to be similar to the purpose of your procurement fee, they are quite different in some cases, and they are not permitted if paid to the creditor in the cases that would be similar. Since the procurement fee is paid directly to the dealer, these closing costs would not authorize the fee as a permissible closing cost even when their use is for purposes similar to the purpose of the procurement fee.

The only remaining possibility is the fifth specified permissible additional charge. This charge is for other benefits conferred on the buyer. To be permissible the charge and the benefits must meet several requirements. I do not believe the fee meets the requirements, but I will identify each of them and give a brief discussion of the reasons why I do not believe the fee is authorized under this part of the Code section.

The first of these requirements is that there must be a benefit conferred on the buyer. It is very doubtful that a procurement fee

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confers any benefit on the buyer. In fact, it would seem that the real benefit of the fee is conferred upon the seller. The second requirement is that the benefit must be of value to the buyer. It is even more doubtful that the procurement fee is of any value to the buyer. The third requirement is that the charge must bear a reasonable relation to the benefit to the buyer. I do not believe that a charge of \$89.00, much less one of \$199.00 as some dealers charge, has any reasonable relation to the benefit that a buyer may receive. The fourth requirement is that such a charge must not be of a type that is for credit. If the charge is of a type that is for credit, then the charge is a finance charge and must be treated as one. The fifth requirement is that the charge must be authorized as permissible by a rule adopted by the Administrator. As of now there are no rules authorizing any additional charges as permissible.

The only permissible charges are those set forth in the Consumer Protection Code, and the procurement fee, regardless of the name actually given to the fee, is not authorized by the Code. Therefore, the fee is an illegal excess charge and cannot be charged.

I have tried to state our position and the basis for it as clearly as I can. If you have questions or want to discuss this matter further, please let us know. We would be happy to try to arrange a meeting with you, the Dealers' Association, and your attorneys if you desire.

With best regards, I am

Sincerely,

S/

Danny R. Collins
Staff Counsel

cc: Patrick E. Watson,
Executive Vice-President of
the South Carolina Automobile
and Truck Dealers' Association

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02019



STEVEN W. HAMM
ADMINISTRATOR
AND
CONSUMER ADVOCATE

The State of South Carolina

Department of Consumer Affairs

2801 DEVINE STREET
P. O. BOX 5757
COLUMBIA, S.C. 29250-5757

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JONES ISLAND
GENE MCCASKILL
CAMDEN

June 5, 1989

Fritz Waidner
Fritz Pontiac-Cadillac-Buick, Inc.
P. O. Box 878
Newberry, SC 29108

RE: Auto Advertising Standards and Guidelines

Dear Mr. Waidner:

As you are aware the S.C. Department of Consumer Affairs has worked with South Carolina auto dealers to obtain voluntary compliance with reasonable and lawful standards in automobile advertising. We have endeavored to maintain an open line of communication in order to be available to assist dealers who may have questions about the legality of certain types of advertising. We appreciate the cooperation and assistance that our Department has received from dealers all across South Carolina.

Enclosed is a copy of the S.C. Department of Consumer Affairs auto advertising standards and guidelines.

In your recent television advertisement, the use of fees in addition to the advertised price is a violation of state and federal law.

A dealer may not use add-ons such as documentary fees, administration fees, closing fees, or any fees in addition to the advertised price.

Your cooperation and assistance in voluntary compliance with lawful advertising standards is appreciated. Further advertising problems brought to the attention of the Department of Consumer Affairs will not be treated as oversights, but as intentional violations.

I would appreciate your written acknowledgement within ten (10) days of the date of this letter indicating your understanding of

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ADMINISTRATION
734-9458
OFFICE OF THE ATTORNEY GENERAL

PUBLIC INFORMATION
734-9462

CONSUMER COMPLAINTS
734-9452
TELEPHONE 1-800-937-1534

NOTIFICATION
734-9461

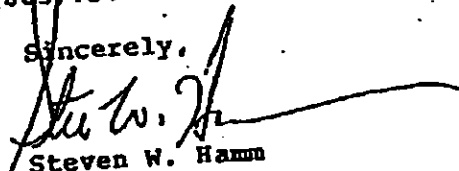
CONSUMER ADVOCACY
734-9464
OFFICE OF THE ATTORNEY GENERAL

02020

June 5, 1989
Page 2

and voluntary compliance with the law as set forth in this letter.
If you have any questions about this letter, please feel free to
call the Department at (803) 734-9460.

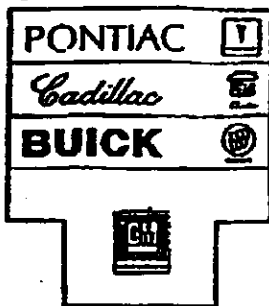
Sincerely,


Steven W. Hamm
Administrator

SWH/cam
enclosures

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02021



RECEIVED
JUN 20 1989
Fritz's
Pontiac-Cadillac-Buick Inc.

"WE'RE HERE TO SERVE YOU"

4010 College Street Extn.
Newberry, South Carolina 29108

DEPARTMENT OF
CONSUMER AFFAIRS

(803) 276-8970 (Newberry)
(803) 254-5131 (Columbia)
1-800-428-7433

June 17, 1989

Dear Steve,

Thank you for your letter of June 5th. This area of advertising, guidelines, etc. is somewhat unclear to us and I would like to meet with you at your office when its convenient to you to discuss the situation.

Thanks,

Fritz Wachs

P.S.

Home # 345-2777

Business # 254-5131

1-276-8970

We got a meeting with Conny Collins June 27th so you don't have to reply to this letter.

0094

02022

MEMORANDUM

TO: File
FROM: Danny Collins
RE: Meeting with Fritz Waidner
DATE: June 28, 1989

On June 27, 1989, several members of the Staff met with Fritz Waidner to discuss various matters. Those attending were Danny Collins, Helen Fennell, Annette Murphy and Karen Yongue, as well as Fritz Waidner. Three primary issues were discussed at the meeting: closing costs (documentary fees, procurement fees or administrative fees), secondary financing and an active complaint filed against the dealership.

Closing Costs

After some discussion, I think Mr. Waidner understood our position on closing costs as an excess, unpermitted additional charge. We gave him a copy of §37-2-202, and explained that if a charge was not specifically permitted by that section, it would be considered an excess charge. Mr. Waidner wanted to know why the bank could make him a loan and add different types of charges. We explained that certain additional charges are specifically permitted in loans secured by real property. Mr. Waidner countered that the loan was not secured by realty but by equipment. We explained that that was a commercial transaction (business to business) and was not governed by the Consumer Protection Code. Mr. Waidner once again countered that he was personally liable on the loan. We explained that the purpose of the loan was still a business purpose and was not governed by the Code.

Secondary Financing

After our discussion of the method of secondary financing used by Mr. Waidner, it appears that he has no hidden finance problems. We asked Mr. Waidner to describe the operation of the high-risk financing he uses. He told us that when a person was turned down by the primary source of financing, then the credit application would be given to another company. The negotiated terms would remain the same, except for the changes made necessary by a higher finance charge. The higher finance charge is disclosed and there is no extra fee that is charged to accept the high risk customer. We explained to Mr. Waidner that if that is how they operated, then there was probably no problem with respect to additional charges or hidden finance charges.

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Hunter Complaint

After discussing the first two matters, we briefly discussed the complaint filed by Dennis and Charlotte Hunter. Mr. Waidner confirmed that he was aware of the problem, and he added that this particular matter was one that he felt strongly enough about to hold his ground, even when it meant that he would be kicked out of Autocap. We informed Mr. Waidner that we felt this complaint had to be resolved. This is one of the few times where a dealer, instead of the consumer, would be bound by a contract he wanted to break, and our position was the same as it would be if the consumer wanted out of the contract -- i.e. the contract is binding and must be performed. Mr. Waidner relies on a clause in the agreement that attempts to make the contract binding only if the financing is approved. The contract form provides a signature line immediately below this condition precedent, but the consumer never signed the line. After some discussion, Mr. Waidner agreed that he would try to resolve this complaint. If he is unable to reach a resolution, we agreed to offer a proposal that may help resolve the matter.

0096

02024



STEVEN W. HAMM
ADMINISTRATOR
AND
CONSUMER ADVOCATE

The State of South Carolina

Department of Consumer Affairs

2881 DEVINE STREET
P. O. BOX 5757
COLUMBIA, S.C. 29250-5757

July 26, 1990

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COLUMBIA
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JONES ISLAND
GENE McCASKILL
CAMDEN

Fritz Waidner
Fritz Pontiac-Cadillac-Buick, Inc.
P. O. Box 878
Newberry, SC 29108

RE: Auto Advertising Standards and Guidelines

Dear Mr. Waidner:

As you are aware, the S.C. Department of Consumer Affairs has worked with South Carolina auto dealers to obtain voluntary compliance with reasonable and lawful standards in automobile advertising.

If a rebate is indicated as being part of an advertised price, the amount of the rebate must be shown in the main body of the advertisement (close to the advertised price). Enclosed is a copy of one of your ads not in compliance with this rebate advertising guideline.

Please note a dealer may not use add-ons such as documentary fees, administration fees, closing fees, or any fees in addition to the purchase price. Enclosed is a copy of the S.C. Department of Consumer Affairs Automobile Advertising Guidelines and Standards. Your cooperation and assistance in voluntary compliance with lawful advertising standards is appreciated. I would appreciate your written acknowledgement within ten (10) days of the date of this letter indicating your understanding of and voluntary compliance with the law as set forth in this letter. If you have any questions about this letter, please feel free to call the Department at (803) 734-9460.

Sincerely,

Danny R. Collins

Danny R. Collins
Counsel/Enforcement Unit

DRC/cam

enclosures

0097

ADMINISTRATION
734-9458

PUBLIC INFORMATION
734-9452

CONSUMER COMPLAINTS
734-9452
WATS 1-800-822-1554

NOTIFICATION
734-9451

CONSUMER ADVOCACY
734-9464
EQUAL OPPORTUNITY EMPLOYER

02025

EXHIBIT “C”

4-2005 15:58 FROM: CENTURY BMW SERVICE 8642975929

TO: 18832275603

P.1

CENTURYBMW CENTURYMINI		RETAIL BUYER'S ORDER	
2730 LAURENS ROAD • GREENVILLE, SC 29607 PHONE (864) 234-6437 www.centurybmw.com • www.centurymini.com		Name <u>Michael M. Watts or Christine M. Watts</u> Address <u>210 Providence Sq. 8642138458</u> City <u>Greenville</u> State <u>SC</u> Zip <u>29615</u> County _____ Employer _____ E-mail Address <u>864-2707396</u>	
Date <u>6-25-05</u> Stock No. <u>15514</u> Subdescription <u>Elizabet/L Courtney</u>		Year _____ Make <u>Bmw</u> Body Type <u>24</u> Cylinders <u>4</u> Serial No. <u>4115BT33554L550759</u> COLOR <u>Exterior / Interior</u> Options <u>15514</u>	
PURCHASE ☐ NEW ☐ DEMO ☐ PRE-OWNED ☐ FACTORY CAR ☐ PREMIUM PACKAGE ☐ ACTIVITY PACKAGE ☐ PREMIUM SOUND ☐ ON BOARD COMPUTER ☐ SPORTS PREMIUM PACKAGE ☐ CONVENIENCE PACKAGE ☐ IN DASH CD ☐ ALLOY WHEELS ☐ SPORTS PACKAGE ☐ MOON ROOF ☐ CD CHANGER ☐ CRUISE CONTROL ☐ COLD WEATHER PACKAGE ☐ LEATHER UPHOLST. ☐ HEATED SEATS ☐ MANUAL Model <u>15514</u>		PRICE: Including taxes, license & dealer charges <u>32980</u> Additional Options: <u>\$1,604.50</u> TOTAL: <u>31375.50</u>	
TRADE Year _____ Make _____ Body Type _____ Series _____ Cylinders _____ Serial No. _____ COLOR <u>Exterior / Interior</u> Options _____		Agreement on Trade-In _____ Cash Difference _____ SC Sales Tax <u>200</u> Balance Due on Trade-In _____ Title and License <u>25</u> Recording & Promoting Fee <u>\$299.50</u> TOTAL: <u>32000</u>	
BALANCE DUE TO: _____ Name & Address: _____ Phone _____ Contact _____ Account # _____ Address # _____ Effective Date _____ Effective Date _____ Insurance Information Company Name _____ Policy # _____ Effective Date _____ Agent _____ Phone _____ Other License # _____ Remarks _____		Service Agreement _____ Insurance _____ TOTAL: _____ Cash on Delivery _____ BALANCE DUE: _____	
READ CAREFULLY: Century BMW / Century Mini agrees to sell and the Buyer(s) agree to purchase the vehicle as above described at the price set forth. The Buyer shall remit full payment of the entire balance due on or before _____. This Buyer's Order constitutes the entire agreement between the parties and may not be changed except by an instrument in writing signed by the party to be charged.			
Buyer _____ Co-Buyer _____		CenturyBMW CenturyMini Must be countersigned by an officer of the Company	

☐ **USED CAR CONTRACTUAL DISCLOSURE STATEMENT:** - This information you see on the limited form (Buyer's Guide) for this vehicle is part of the contract. Information on the vehicle form overrides any contrary provisions in the contract of sale.

☐ **NEW VEHICLE**

DISCLAIMER OF WARRANTIES: - I have read, understood and accept all provisions of the Manufacturer's Warranty Statement covering this new vehicle that I am purchasing. Furthermore, I understand that all warranties on this vehicle are those of the manufacturer. The seller, Century BMW / Century Mini, hereby expressly disclaims all warranties, other expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose and Century BMW / Century Mini, neither assumes nor authorizes any person to assume for it any liability in connection with the sale of this vehicle. This disclaimer in no way affects the provisions of the manufacturer's warranty.

Purchaser's Signature X _____

Purchaser's Signature X _____

This agreement between the undersigned buyer(s) and dealer is incorporated by reference into and is made a part of any separate retail installment or credit sale agreement between the undersigned buyer(s) and dealer ("Retail Financing Agreement"). Notwithstanding anything to the contrary in any other document, if there is a Retail Financing Agreement the undersigned buyer(s) understand and agree that the transaction evidenced by this agreement and the Retail Financing Agreement is contingent upon credit approval by and assignment of the Retail Financing Agreement to a third-party financial institution. If the Retail Financing Agreement is not accepted by a third-party financial institution, you must immediately return the vehicle referred to in this agreement, and the entire transaction evidenced by this agreement and the Retail Financing Agreement and the agreement shall be null and void.

Signed _____ (Buyer) Signed _____ (Dealer)

Signed _____ (Buyer)

02027

334

STATE OF SOUTH CAROLINA

COUNTY OF AIKEN

Heather Herron, et al.,

Plaintiffs,

vs.

CarMax Auto Superstores, Inc., et al.,

Defendants.

IN THE COURT OF COMMON PLEAS
SECOND JUDICIAL CIRCUIT

C.A. No.: 06 CP 02-1230

REPLY MEMORANDUM IN SUPPORT
OF DEFENDANT CENTURY BMW'S
MOTION TO COMPEL ARBITRATION

COPY
ORIGINAL FILED

MAR 28 2007

8:30am

**REPLY MEMORANDUM IN SUPPORT OF CENTURY BMW'S AIKEN COUNTY
MOTION TO COMPEL ARBITRATION AND TO DISMISS CLAIMS OF COURT**

Plaintiff Christine Watts's Response to Defendant Century BMW's Motion to Compel Arbitration argues that the Arbitration Agreement she signed should not be enforced because it violates South Carolina law and because it is an adhesion contract. South Carolina courts have already *rejected* both arguments. Accordingly, the Court should enforce the Arbitration Agreement according to its terms.

A. The Federal Arbitration Act Compels Arbitration of Plaintiff's Claims.

Plaintiff does not contest that: 1) she executed the Arbitration Agreement, 2) the Federal Arbitration Act ("FAA") applies to that agreement, and 3) her claims fall within the scope of the agreement.¹ Consequently, pursuant to the FAA, the Arbitration Agreement is valid and

¹ Plaintiff also does not dispute the strong South Carolina policy favoring arbitration. See *Carolina Care Plan, Inc. v. United Healthcare Servs., Inc.*, 361 S.C. 544, 550 (2004). South Carolina courts give "due regard . . . to the federal policy favoring arbitration," *id.*, and "unless the court can say with positive assurance that the arbitration clause is not susceptible to an interpretation that covers the dispute, arbitration should be ordered." *Zabinski v. Bright Acres Assocs.*, 553 S.E.2d 110, 118 (S.C. 2001) (internal citation omitted). Accordingly, any doubts concerning enforceability "should be resolved in favor of arbitration." *Lackey v. Green Tree Fin. Corp.*, 330 S.C. 388, 397 (S.C. Ct. App. 1998) (internal citation omitted).

enforceable, and Plaintiff's claims must be arbitrated. 9 U.S.C. § 1 *et seq*; see *Green Tree Fin. Corp. – Al. v. Randolph*, 531 U.S. 79 (2000).

B. The FAA Preempts South Carolina's Alleged Notice Requirement.

Without citing the statute, Plaintiff Watts claims the Arbitration Agreement runs afoul of a South Carolina law purportedly requiring a buyer's order to "contain in bold letters or in a stamp a notice that the agreement subject [*sic*] to arbitration."² Pls.' Mem. in Opp'n to Mot. to Dismiss at 30. Both federal and South Carolina precedent foreclose Plaintiff's claim that the Arbitration Agreement is unenforceable for this reason. Although state laws that regulate "contracts generally" can usually be applied to arbitration agreements, a state law that "places arbitration clauses on an unequal footing with contracts generally . . . is preempted if the FAA applies." *Munoz*, 343 S.C. at 539; see also *Doctor's Assocs., Inc. v. Casarotto*, 517 U.S. 681 (1996). Thus, courts may not "invalidate arbitration agreements under state laws applicable *only* to arbitration provisions." *Munoz*, 343 S.C. at 539 (by enacting the FAA, "Congress precluded States from singling out arbitration provisions for suspect status").

In *Doctor's Associates, Inc. v. Casarotto*, 517 U.S. 681 (1996), the Supreme Court of the United States rejected a similar attempt to invalidate an arbitration agreement where a state statute required special notice of arbitration clauses on the first page of a contract and no such notice was provided. The Court held that the statute "directly conflicts" with the FAA because the "law conditions the enforceability of arbitration agreements on compliance with a special notice requirement not applicable to contracts generally." *Doctor's Assocs.*, 517 U.S. at 687.

Thus, in *Soil Remediation Co. v. Nu-Way Environmental, Inc.*, 323 S.C. 454 (1996), the South Carolina Supreme Court, applying *Doctor's Associates*, held that the "FAA preempts"

² Plaintiff is apparently relying upon S.C. Code Ann. § 15-48-10 (notice of arbitration clause must be "in underlined capital letters, or rubber-stamped, . . . on the first page of the contract").

South Carolina's notice requirement for arbitration agreements (S.C. Code Ann. § 15-48-10) – the same statute upon which Plaintiff apparently relies. 323 S.C. at 458, 461 (because the notice requirement “single[d] out arbitration agreements,” it “directly conflict[ed]” with and was preempted by the FAA.); *see also* *Munoz*, 343 S.C. at 539 n.2. Here, Plaintiff's argument mirrors the unsuccessful claims in *Soil Remediation* and *Doctor's Associates*, and the Court should similarly reject it.

C. Plaintiff Has Neither Alleged in the Complaint Nor Established That the Arbitration Agreement is a Contract of Adhesion.

Plaintiff's argument that the Arbitration Agreement is an unenforceable contract of adhesion fails from the start because she does not establish that the Arbitration Agreement is an adhesion contract. An adhesion contract is “a standard form contract offered on a ‘take-it-or-leave-it’ basis,” with non-negotiable terms. *Lackey*, 330 S.C. at 394. To establish that a contract is one of adhesion, a party must demonstrate both that the terms are non-negotiable and that the contracting party is unwilling to waive enforcement in order to deal. *See Wingard v. Exxon Co.*, 819 F. Supp. 497, 503 (D.S.C. 1992); *see also* *Lackey*, 330 S.C. at 394. Here, Plaintiff offers no evidence that the terms of the Agreement were non-negotiable, and no evidence that she would have been unable to purchase the vehicle had she refused to sign the Agreement.

D. The Arbitration Agreement is Enforceable, Even if it is a Contract of Adhesion.

Even if the Arbitration Agreement were an adhesion contract, it is still enforceable.³

Notably, the cases cited in *Plaintiff's* memorandum uniformly hold that an arbitration agreement

³ Plaintiff's vilification of contracts of adhesion contradicts federal and South Carolina law, which recognize both the utility and the ubiquity of such contracts. *See Lackey*, 330 S.C. at 902 (“Form contracts serve a very useful purpose in commerce. . . . The contract of adhesion is a part of the fabric of our society. . . . [S]tandardization of forms for contracts is a rational and economically efficient response to the rapidity of market transaction and the high costs of negotiations.” (internal citation omitted)); *Am. Gen. Life and Acc. Ins. Co. v. Wood*, 429 F.3d 83,

is not per se invalid because it is an adhesion contract. Pls.' Mem. in Opp'n to Mot. to Dismiss at 31 (citing *Munoz*, 343 S.C. at 541 (enforcing arbitration clause in adhesion contract) and *Lackey*, 330 S.C. at 394-96 (enforcing arbitration clause in adhesion contract and noting that "the conclusion that the agreements . . . are adhesion contracts does not render them unenforceable.")). Instead, such contracts are enforced, unless a party can demonstrate that the terms of the agreement are unconscionable. See *Munoz*, 343 S.C. at 541; *Lackey*, 330 S.C. at 394-96; see also *Cherry v. Wertheim Schroder & Co., Inc.*, 868 F. Supp. 830, 836 (D.S.C. 1994); *Wingard* 819 F. Supp. at 503.⁴ Plaintiff has neither alleged nor demonstrated that the Arbitration Agreement is unconscionable, and the Court should enforce the Agreement.

E. Plaintiff's Putative Class Claims Are Not Arbitrable.

Plaintiff does not dispute that the Arbitration Agreement requires resolution of her claims on an individual – and not class – basis. Moreover, Plaintiff provides no legal authority supporting the notion that such a requirement is invalid.⁵ Instead, Plaintiff argues that a collective suit is necessary "because otherwise parties with nominal individual claims . . . would be left with limited avenues for relief." Pls.' Mem. in Opp'n to Mot. to Dismiss at 32.

88 (4th Cir. 2005) ("Since the bulk of contracts signed in this country, if not every major Western nation, are adhesion contracts, a rule automatically invalidating adhesion contracts would be completely unworkable." (internal citation omitted)).

⁴ See also *Osteen v. T.E. Cuttino Constr. Co.*, 315 S.C. 422 (1993) (enforcing arbitration clause in standard form contract between customer and contractor); *Blanton v. Stathos*, 351 S.C. 354 (S.C. Ct. App. 2002) (enforcing arbitration provision in standard form contract between customer and architect).

⁵ Plaintiff's sole legal citation for her argument is a footnote in a case that was reversed by the Supreme Court of the United States. See Pls.' Mem. in Opp'n to Mot. to Dismiss at 30 (quoting *Bazzle v. Green Tree Fin. Corp.*, 351 S.C. 244 (2002), *vacated*, 539 U.S. 444 (2003)). Furthermore, the South Carolina Supreme Court did not find class action waivers invalid, see *Bazzle* 351 S.C. at 244, and, in any event, the issue is one of federal law. See *Snowden v. Checkpoint Check Cashing*, 290 F.3d 631, 638 (4th Cir. 2002) (upholding the validity of arbitration agreement requiring individual – and not class – determinations under the FAA).

Generalized arguments against the relief provided in arbitration, however, cannot invalidate an arbitration agreement. *Randolph*, 531 U.S. at 89-90 (“We have likewise rejected generalized attacks on arbitration that rest on suspicion of arbitration as a method of weakening the protections afforded in the substantive law to would-be complainants.” (internal quotation omitted)). Additionally, Plaintiff bears the burden of demonstrating that the arbitral forum would provide her with inadequate relief. *See id.* Yet Plaintiff makes no such showing. To the contrary, the Arbitration Agreement does not limit Plaintiff’s substantive remedies; it authorizes all “relief allowed by [the] governing law,” including “injunctive or equitable relief,” as well as attorneys’ fees and costs “in accordance with applicable law.” Ex. A. to Century BMW’s Mem. in Support of Mot. to Compel Arbitration; *cf. Snowden v. Checkpoint Check Cashing*, 290 F.3d 631, 638 (4th Cir. 2002) (statutory availability of attorneys’ fees supported validity of class action waiver). As Plaintiff can obtain full relief in arbitration, her attempt to circumvent the terms of the agreement fails.

Courts nationwide have repeatedly upheld arbitration agreements requiring claims to be treated on an individual basis. The Supreme Court of the United States has implicitly acknowledged that such provisions are enforceable. In *Green Tree Financial Corp. v. Bazzle*, 539 U.S. 444 (2003), the Court held that it was for an arbitrator to determine whether the arbitration clause at issue precluded class-wide arbitration. *Id.* at 454. By permitting that arbitrator to decide whether the clause prevented class-wide arbitration, the Supreme Court implicitly recognized that such class preclusion was permissible; after all, if class preclusion were per se invalid, then what would be left for the arbitrator to decide?⁶

⁶ In *Gilmer v. Interstate/Johnson Lane Corp.*, 500 U.S. 20, 31 (1991), the Court explained that “the fact that certain litigation devices may not be available in an arbitration is part and parcel of arbitration’s ability to offer ‘simplicity, informality, and expedition,’ [–] characteristics that

Appellate courts nationwide – including the United States Court of Appeals for the Fourth Circuit – have expressly upheld such provisions. *See, e.g., Snowden v. Checkpoint Check Cashing*, 290 F.3d 631, 638 (4th Cir. 2002) (rejecting the argument that precluding class actions in arbitration would render the plaintiff “unable to maintain her legal representation” given statutory availability of attorneys’ fees); *Tillman v. Commercial Credit Loans, Inc.*, 629 S.E.2d 865, 873 (N.C. Ct. App. 2006) (holding that the “great majority of federal and state courts that have examined and ruled upon” arbitration provisions precluding class arbitration have found them enforceable).⁷ As a result, the Court should enforce the Arbitration Agreement according to its terms.

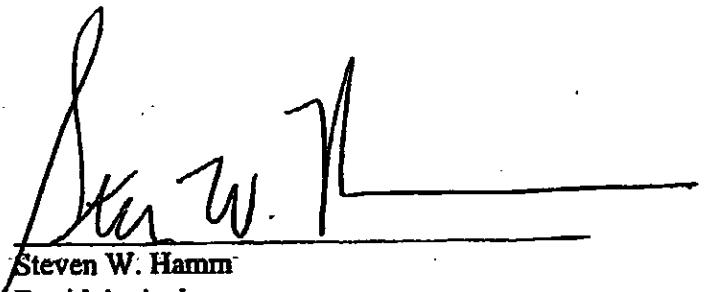
CONCLUSION

For the reasons set forth above, Century BMW respectfully requests that this Court compel arbitration of Ms. Watts’s claims against it in accordance with the terms of the Arbitration Agreement and, accordingly, dismiss those claims currently pending in this Court.

Respectfully submitted,

generally make arbitration an attractive vehicle for the resolution of low-value claims.” *Iberia Credit Bureau v. Cingular Wireless LLC*, 379 F.3d 159, 175 (5th Cir. 2004) (quoting *Gilmer*, 500 U.S. at 31).

⁷ *See also Jenkins v. First Am. Cash Advance of Ga., LLC*, 400 F.3d 868, 878 (11th Cir. 2005), *cert. denied* 126 S. Ct. 1457 (2006), (an arbitration agreement requiring individualized determinations “permit[s] [the plaintiff] and other consumers to vindicate all of their substantive rights in arbitration”); *Iberia Credit Bureau*, 379 F.3d 159, 175 (5th Cir. 2004) (precluding class arbitration “does not leave the plaintiffs without remedies”); *Livingston v. Assocs. Fin., Inc.*, 339 F.3d 553, 559 (7th Cir. 2003); *Johnson v. W. Suburban Bank*, 225 F.3d 366, 374 (3d Cir. 2000) (precluding class arbitration did not prevent “vindication” of plaintiff’s statutory rights “in the arbitral forum”); *Champ v. Siegel Trading Co.*, 55 F.3d 269, 277 (7th Cir. 1995) (“We are thus obliged to enforce the type of arbitration to which these parties agreed, which does not include arbitration on a class basis.”); *Edwards v. Blockbuster, Inc.*, 400 F. Supp. 2d 1305, 1309 (E.D. Okla. 2005) (“Such provisions are a common feature of consumer arbitration agreements, and numerous courts have recognized that they are valid and fully enforceable.”); *Rains v. Found. Health Sys. Life & Health*, 23 P.3d 1249, 1253 (Colo. Ct. App. 2001) (“[A]rbitration clauses are not unenforceable simply because they might render a class action unavailable.”).



Steven W. Hamm
David A. Anderson
C. Jo Anne Wessinger Hill
RICHARDSON, PLOWDEN, CARPENTER
& ROBINSON, P.A.
1900 Barnwell Street
Post Office Drawer 7788
Columbia, South Carolina 29202
(803) 771-4400
(803) 779-0016 facsimile

Dennis M. Black (*pro hac vice*)
Nathan P. Sutton (*pro hac vice*)
Ryan L. VanGrack (*pro hac vice*)
WILLIAMS & CONNOLLY LLP
725 Twelfth St., N.W.
Washington, DC 20005
(202) 434-5000
(202) 434-5029 (facsimile)

Attorneys for Century BMW

March 26, 2007
Columbia, South Carolina

) IN THE COURT OF COMMON PLEAS

1) CIVIL ACTION NO.: 06-CP-02-1230

)

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MAR 28 2007 8:30am

AIKEN COUNTY
CLERK OF COURT

-341-

Richard A. Harpootlian, Esq.
RICHARD A. HARPOOTLIAN, P.A.
PO Box 1090
Columbia, SC 29202

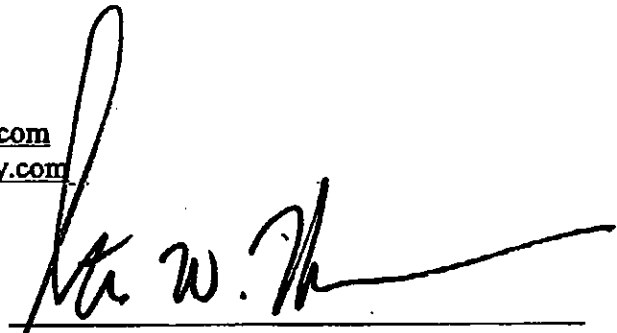
A. Camden Lewis, Esq.
Brady R. Thomas, Esq.
LEWIS & BABCOCK, LLP
PO Box 11208
Columbia, SC 29211

Also served via email to: brt@lblaw.com

And served on co-defendants' counsel by e-mail as follows:

Susan Rosen, Esq. -- srosen@rosen-lawfirm.com
Bradford N. Martin, Esq. - bmartin@bnmlaw.com
Laura Teer, Esq. - lteer@bnmlaw.com
Greg Studemeyer, Esq. -- gesquire@sc.rr.com
Harvey Sanders, Jr., Esq. - hsanders@lwtm.com
Frank M. Cisa, Esq. - frank@cisadodds.com
Ronald J. Tryon, Esq. - rontroyn@parkerpoe.com
Kevin A. Dunlap, Esq. - kevindunlap@parkerpoe.com
J.W. Nelson Chandler, Esq. - jwnelsonchandler@parkerpoe.com
James Y. Becker, Esq. - jbecker@hsblawfirm.com
R. David Proffitt, Esq. - dproffitt@hsblawfirm.com
Matthew Tyler, Esq. - mmt@aikenbridges.com
J. Rutledge Young, Jr. Esq. - ryoung@vcrlaw.com
Capers G. Barr, III, Esq. - cgb@barrungermcintosh.com
William S. Barr, Esq. - wsb@barrungermcintosh.com
T. Alexander Beard, Esq. - beardlaw@bellsouth.net
Henry E. Grimbball, Esq. - hgrimbball@buistmoore.com
Harry Clayton Walker, Jr. - cwalker@walkerreibold.net
B. Rush Smith, III, Esq. - rushsmith@nelsonmullins.com
Richard B. Ness, Esq. - richardness@bellsouth.net
Karl S. Brehmer, Esq. - karl.brehmer@brownandbrehmer.com
Shawn Mercer, Esq. - smercer@dealerlawyer.com
Nathan Sutton, Esq. - nsutton@wc.com
Dennis Black, Esq. - dblack@wc.com
Daniel Katz, Esq. - dkatz@wc.com
Ryan L VanGrack, Esq. - rvangrack@wc.com
Alice Paylor, Esq. - apaylor@rhlaw.com

Paul Infinger, Esq. – paulinfinger@hargray.com
William M. Bowen, Esq. – wilbow@hargray.com



Steven W. Hamm
David A. Anderson
C. Jo Anne Wessinger Hill
RICHARDSON, PLOWDEN, CARPENTER
& ROBINSON, P.A.
1900 Barnwell Street
Post Office Drawer 7788
Columbia, South Carolina 29202
(803) 771-4400
(803) 779-0016 facsimile

March 26, 2007
Charleston, South Carolina

ATTORNEYS FOR DEFENDANTS AS LISTED IN BRIEF

COPY
ORIGINAL FILED

STATE OF SOUTH CAROLINA

COUNTY OF AIKEN

Heather Herron, et al.,

Plaintiffs,

vs.

CarMax Auto Superstores, Inc., et al.,

Defendants.

NOV 28 2007
10 15 AM
AIKEN COUNTY
CLERK OF COURT

C.A. No.: 06 CP 02-1230

**SUPPLEMENTAL MEMORANDUM IN
SUPPORT OF DEFENDANT CENTURY
BMW'S MOTION TO COMPEL
ARBITRATION**

**SUPPLEMENTAL MEMORANDUM IN SUPPORT OF CENTURY BMW'S
MOTION TO COMPEL ARBITRATION AND TO DISMISS CLAIMS**

Both parties previously submitted memoranda regarding Defendant Century BMW's Motion to Compel Arbitration. See Def.'s Mem. & Reply Mem. in Support of Mot. to Compel Arb. (Exs. A and B); Pls.' Mem. in Opp'n to Mot. to Dismiss at 29-35. This Court postponed ruling on the motion in light of the South Carolina Supreme Court's intervening decision in *Simpson v. Myrtle Beach, Inc.*, 373 S.C. 14 (2007), which addressed an arbitration clause in the context of a vehicle transaction. This supplemental memorandum focuses on *Simpson's* impact, if any, on the pending Motion to Compel Arbitration. The arbitration clause in *Simpson* is readily distinguishable from Ms. Watts's Arbitration Agreement. Indeed, *Simpson* underscores the validity of Ms. Watts's agreement, and this Court should dismiss her claims and grant Century BMW's Motion to Compel Arbitration.

A. The Federal Arbitration Act Compels Arbitration of Ms. Watts's Claims.

Ms. Watts does not contest that: (1) she executed the Arbitration Agreement, (2) the Federal Arbitration Act ("FAA") applies to that agreement, and (3) her claims fall within the scope of the agreement. Consequently, pursuant to the FAA, the Arbitration Agreement is valid

and enforceable, and Ms. Watts's claims must be arbitrated. 9 U.S.C. § 1 *et seq*; see *Green Tree Fin. Corp. – Al. v. Randolph*, 531 U.S. 79 (2000).

Ms. Watts also does not dispute the strong South Carolina policy favoring arbitration. See *Carolina Care Plan, Inc. v. United Healthcare Servs., Inc.*, 361 S.C. 544, 550 (2004). South Carolina courts give “due regard . . . to the federal policy favoring arbitration,” *id.*, and “unless the court can say with positive assurance that the arbitration clause is not susceptible to an interpretation that covers the dispute, arbitration should be ordered.” *Zabinski v. Bright Acres Assocs.*, 553 S.E.2d 110, 118 (S.C. 2001) (internal citation omitted). Accordingly, any doubts concerning enforceability “should be resolved in favor of arbitration.” *Lackey v. Green Tree Fin. Corp.*, 330 S.C. 388, 397 (S.C. Ct. App. 1998) (internal citation omitted).

B. The Facts in *Simpson* are Readily Distinguishable From the Circumstances Surrounding Ms. Watts's Arbitration Agreement.

The *Simpson* Court predicated its decision not to enforce the arbitration clause in that case on its finding that the clause contained several unconscionable provisions. 373 S.C. at 25, 34-36. To determine if a contract provision is unconscionable, a court must find both an “absence of meaningful choice on the part of one party due to the one-sided contract provisions” and “terms which are so oppressive that no reasonable person would make them and no fair and honest person would accept them.” *Lackey*, 330 S.C. at 395 (quoting *Fanning v. Fritz's Pontiac-Cadillac-Buick, Inc.*, 322 S.C. 399 (1996)); *Munoz v. Green Tree Finan. Inc.*, 343 S.C. 531, 541 (2001). The *Simpson* Court emphasized “the importance of a case-by-base analysis” when evaluating an arbitration provision for unconscionability to address the unique circumstances and facts inherent in each consumer transaction. 373 S.C. at 36.

1. Ms. Watts did not lack a meaningful choice.

The circumstances surrounding Ms. Watts's transaction differ substantially from the facts in *Simpson*. In *Simpson*, the court found that the plaintiff lacked a meaningful choice in agreeing to arbitrate. 373 S.C. at 25. The court noted five circumstances that, when considered as a whole, demonstrated Simpson had no meaningful choice. First, it found that neither party disputed that the contract was an adhesion contract. *Id.* at 26-27.¹ Second, it observed that the contract between Simpson and the dealer involved a vehicle intended for use as Simpson's "primary transportation." *Simpson*, 373 S.C. at 27. Third, it found that Simpson did "not possess the business judgment necessary to make her aware of the implications of the arbitration agreement." *Id.* Fourth, it noted that the contract "was 'hastily' presented for her signature." *Id.* Finally, it found the arbitration clause "inconspicuous," noting that the clause was written entirely in "small print," on the back of the contract, and was "embedded in paragraph ten (10) of sixteen (16) total paragraphs." *Id.*

Ms. Watts's transaction shares none of the five circumstances found to constitute a lack of meaningful choice in *Simpson*. First, unlike the parties in *Simpson*, Century BMW expressly denies that the Arbitration Agreement is an adhesion contract. An adhesion contract is "a standard form contract offered on a 'take-it-or-leave-it' basis," with non-negotiable terms. *Lackey*, 330 S.C. at 394. To establish that a contract is one of adhesion, a party must demonstrate

¹ It noted, however, that adhesion contracts are not per se unconscionable. *Simpson*, 373 S.C. at 27 (citing *Lackey*, 330 S.C. at 395). South Carolina courts recognize that such contracts are "part of the fabric of our society" and "obviously serve a very useful purpose in commerce" as "a rational and economically efficient response to the rapidity of market transactions and the high costs of negotiations." *Lackey*, 330 S.C. at 395-96 (internal citation omitted); see also *Am. Gen. Life & Acc. Ins. Co. v. Wood*, 429 F.3d 83, 88 (4th Cir. 2005) ("Since the bulk of contracts signed in this country, if not every major Western nation, are adhesion contracts, a rule automatically invalidating adhesion contracts would be completely unworkable.") (internal citation omitted)).

both that the terms are non-negotiable *and* that the contracting party is unwilling to waive enforcement in order to deal. *See Wingard v. Exxon Co.*, 819 F. Supp. 497, 503 (D.S.C. 1992); *see also Lackey*, 330 S.C. at 394. Here, Ms. Watts offers no evidence that the terms of the Agreement were non-negotiable, and no evidence that she would have been unable to purchase the vehicle had she refused to sign the Agreement. Indeed, as the Court is no doubt aware, car purchases are probably the most highly negotiated type of consumer transaction, with haggling and horse-trading being the rule rather than the exception.

Second, Ms. Watts has not established that the vehicle is her primary form of transportation. To the contrary, the record demonstrates that Michael Watts co-signed for the vehicle and that he had recently purchased a vehicle from Toyota of Greenville. *See Ex. C; Am. Compl. § 388.*² Third, Ms. Watts has not established that she lacked the business judgment necessary to make her aware of the implications of the Arbitration Agreement. Instead, the record shows that she was assisted in her purchase by Michael Watts, who had prior experience purchasing vehicles. *See Am. Compl. § 388.* Fourth, she does not allege or present any evidence that the agreement was “hastily” presented for her signature, or that she was pressured or subject to any duress in signing the agreement.

Finally, Ms. Watts’s Arbitration Agreement could not be more conspicuous—in sharp contrast to the *Simpson* Court’s finding with respect to the clause there. *Simpson* agreed to arbitration by signing a buyer’s order that included a single-paragraph arbitration *clause* on the back of the form (embedded within sixteen other clauses), which she was not required to agree independently to or sign. Here, Ms. Watts signed a stand-alone *agreement*, conspicuously

² Even if the vehicle was her primary form of transportation, that alone cannot support a ruling that she lacked a meaningful choice.

entitled "Arbitration Agreement." Ex. C. The full-page agreement required her signature independent of any other document or contract she signed. Moreover, the agreement includes several lines in all capital letters, which highlight the purpose of the document to which she agreed: "IF A DISPUTE IS ARBITRATED, YOU AND WE WILL EACH GIVE UP OUR RIGHT TO A TRIAL BY THE COURT OR BY A JURY." *Id.* The final sentence of the agreement, which is in bold and all capital letters, states: "BY SIGNING BELOW, THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND AGREE TO THE TERMS OF THIS ARBITRATION AGREEMENT." *Id.* Because she signed a stand-alone arbitration agreement, which included unmistakable notice both of what she was signing and the consequences of her signature, Ms. Watts cannot plausibly claim—unlike Simpson—that the Arbitration Agreement was inconspicuous.

Ms. Watts has not established *any* of the five requirements cited in *Simpson* that are necessary to demonstrate a lack of meaningful choice. Because Ms. Watts (1) has not established that the agreement was a contract of adhesion, (2) has not established that the vehicle purchased was her primary transportation, (3) was assisted by Michael Watts in purchasing the vehicle, (4) has neither alleged nor offered evidence she was pressured or forced to sign the agreement, and (5) signed a conspicuous, stand-alone, explicit agreement to arbitrate, her circumstances differ dramatically from those the court found in *Simpson* and fail to establish that she lacked a meaningful choice.

2. **Ms. Watts's Arbitration Agreement lacks any of the oppressive terms that the *Simpson* Court found unconscionable.**

Even were this Court to find somehow that Ms. Watts lacked a meaningful choice, she must also establish that the agreement is riddled with oppressive terms that no reasonable person

would make or accept. The Arbitration Agreement, however, lacks any of what the Supreme Court labeled oppressive terms in the *Simpson* arbitration clause.

The *Simpson* Court found three provisions in the arbitration clause oppressive, and therefore, unconscionable. First, the arbitration clause limited the statutory remedies available in arbitration, providing that in “no event shall the arbitrator be authorized to award punitive, exemplary, double, or treble damages.” *Simpson*, 373 S.C. at 28. This provision precluded the precise remedies in the two statutes at issue—the South Carolina Regulation of Manufacturers, Distributors, and Dealers Act (“Dealers Act”)³ and the South Carolina Uniform Trade Practices Act (“SCUTPA”)—which require the court to award double and treble damages respectively in a case where the plaintiff prevails. The court found this limitation on statutory remedies to be an unconscionable waiver of statutory rights, which—in light of the lack of meaningful choice—the Court found unenforceable.

By contrast, Ms. Watts’s Arbitration Agreement lacks any prohibition or limit on double, treble or punitive damages, or any other statutory remedy. Under the agreement, an arbitrator is free to authorize *any* damages or remedies that the applicable law permits: “The arbitrator shall . . . award only those damages or other relief allowed by such governing law . . . [and] shall have the authority to award fees, costs, injunctive or equitable relief in accordance with this Agreement and applicable law.” Ex. C.

Second, the *Simpson* clause included a provision that lacked mutuality of remedy and superseded the customer’s arbitral remedies. Specifically, the provision provided for an exception to the requirement that all claims between dealer and customer were to be settled in binding arbitration:

³ S.C. Code Ann. § 56-15-110 (2006).

Nothing in this contract shall require the Dealer to submit to arbitration any claims by Dealer against Customer for claim and delivery, repossession, injunctive relief, or monies owed by Consumer in connection with the purchase or lease of any vehicle and *any claims by Dealer for these remedies shall not be stayed pending the outcome of arbitration.*

Simpson, 373 S.C. at 31 (emphasis added). The court first noted that this provision lacked mutuality of remedy, as the Dealer was not required to submit certain claims to arbitration, even though the clause mandated arbitration of all customer claims. It found the italicized portion most egregious, however, because it permitted the dealer's judicial remedies to supersede the customer's arbitral remedies—the dealer could bring a judicial proceeding that completely disregarded any pending customer claims requiring arbitration, and could get a court award even if the customer's arbitration proceeding had not concluded. The court found this later provision oppressive and, in light of what it found to be a lack of meaningful choice, unconscionable.

Ms. Watts's Arbitration Agreement lacks any such provision and provides for complete mutuality of remedy, while not allowing the dealer to supersede the customer's arbitral remedies. Under the agreement, both parties may request arbitration and no special, or any other, remedies are reserved for the dealer: "[O]nce one of the Parties has elected to arbitrate, binding arbitration is the exclusive method for resolving *any and all Claims.*" Ex. C (emphasis added). Moreover, all remedies are stayed pending the outcome of arbitration.

Finally, the *Simpson* Court found that the arbitration clause violated the Magnuson-Moss Warranty Act ("MMWA") because the clause applied to "any and all disputes" including automobile warranties, and specified that such matters were to be resolved only by "binding arbitration." 373 S.C. at 32-33. Although *Simpson* did not allege any violation of the MMWA, the court found that provisions in the arbitration clause implicated the MMWA, and to the extent such provisions violated the MMWA, they were unenforceable. The court noted that rules

promulgated by the Federal Trade Commission ("FTC") state that informal dispute resolution procedures set forth in written warranties under the MMWA are not legally binding. *Simpson*, 373 S.C. at 33. It then concluded, relying on *Boyd v. Homes of Legend, Inc.*, 981 F. Supp. 1423, 1437-38 (M.D. Ala. 1997), that the federal government had "made it clear that parties may not agree to arbitrate" an MMWA claim dealing with a written warranty.⁴ *Id.* Because the *Simpson* clause required binding arbitration for disputes involving written warranties, the court held it violated the MMWA, and therefore, was unconscionable and unenforceable.

The *Simpson* Court's ruling is inapplicable to Ms. Watts's agreement. Ms. Watts does not allege that she agreed to any written warranties in her lease transaction. Thus, any references to warranties in her Arbitration Agreement only pertain to *oral* or *implied* warranties she may have received during the course of the transaction. Under the FTC rules and *Boyd*, oral or implied warranties can be subject to binding arbitration; therefore, Ms. Watts's agreement does not violate the MMWA. *See Boyd*, 981 F. Supp. at 1438. Moreover, the Eleventh Circuit has expressly abrogated *Boyd*'s holding that written warranties cannot be subject to binding arbitration. *Davis v. Southern Energy Homes, Inc.*, 305 F.3d 1268 (11th Cir. 2002). In *Davis*, the Eleventh Circuit overruled the lower court's decision in *Boyd*, holding that the MMWA permits the enforcement of binding arbitration agreements within written warranties. *Id.* at 1278-80. Thus, not only does the *Boyd* ruling on written warranties not apply, it is no longer valid law. Either way, the inclusion of warranties in the Arbitration Agreement does not violate the MMWA, and therefore, is not unconscionable.⁵

⁴ It also concluded, however, that the MMWA does *not* preclude binding arbitration of oral or implied warranty claims. *Boyd*, 981 F. Supp. at 1438.

⁵ Even if the court were to find the agreement's requirement to arbitrate any dispute on an oral or implied warranty somehow violated the MMWA and was unconscionable (in contravention of both *Boyd* and *Davis*), the agreement contains a severability clause to remove any unenforceable

C. *Simpson* Affirms the Enforceability of the Arbitration Agreement's Provision Requiring Individual Treatment of Claims.

Both the *Simpson* arbitration clause and Ms. Watts's Arbitration Agreement contain a provision requiring individual treatment of claims either party has against the other. Just as the *Simpson* Court refused to identify the provision as unconscionable, this Court should find the provision enforceable.

Following courts nationwide, the *Simpson* Court upheld the provision requiring claims to be treated on an individual basis. The last sentence of the arbitration clause in *Simpson* included a provision requiring the individual treatment of claims: "no claims against Dealer shall be consolidated with other claims in the nature of a class action." 373 S.C. at 20-21. The South Carolina Supreme Court did not find this provision unconscionable, noting that the arbitration clause "contained a total of three unconscionable provisions," none of which was the requirement for individual treatment. *Id.* at 35 n.9. The *Simpson* Court stressed throughout its decision that it would not enforce any provision that "is violative of policy, statutory law, or provisions of the Constitution." *Id.* at 33. It went so far as to invalidate the provision pertaining to written warranties, even though *Simpson* did not bring a claim under the MMWA, merely because the MMWA was implicated in the scope of the arbitration clause. Thus, if the provision precluding the consolidation of claims violated statutory law (including the Dealers Act), the court would have found it unconscionable. Having not done so, the Court implicitly confirmed that such provisions are enforceable. Moreover, because the South Carolina Supreme Court did not find that the provision violated the Dealers Act—the statutory basis for Ms. Watts's claims

provision: "If any part of this Agreement shall be deemed or found unenforceable for any reason, the remainder of the Agreement shall remain enforceable." Ex. C.

against Century BMW—she cannot now plausibly allege that the provision requiring individual treatment is unconscionable.

The South Carolina Supreme Court's decision is entirely consistent with courts nationwide, which have repeatedly upheld arbitration agreements requiring claims to be treated on an individual basis. The Supreme Court of the United States has implicitly acknowledged that such provisions are enforceable. In *Green Tree Financial Corp. v. Bazzle*, 539 U.S. 444 (2003), the Court held that it was for an arbitrator to determine whether the arbitration clause at issue precluded class-wide arbitration. *Id.* at 454. By permitting that arbitrator to decide whether the clause prevented class-wide arbitration, the Supreme Court implicitly recognized that such class preclusion was permissible; after all, if class preclusion were per se invalid, then what would be left for the arbitrator to decide?⁶

Appellate courts nationwide—including the United States Court of Appeals for the Fourth Circuit—have expressly upheld such provisions. *See, e.g., Snowden v. Checkpoint Check Cashing*, 290 F.3d 631, 638 (4th Cir. 2002) (rejecting the argument that precluding class actions in arbitration would render the plaintiff “unable to maintain her legal representation” given the statutory availability of attorneys’ fees); *Tillman v. Commercial Credit Loans, Inc.*, 629 S.E.2d 865, 873 (N.C. Ct. App. 2006) (holding that the “great majority of federal and state courts that

⁶ In *Gilmer v. Interstate/Johnson Lane Corp.*, 500 U.S. 20, 31 (1991), the Court explained that “the fact that certain litigation devices may not be available in an arbitration is part and parcel of arbitration’s ability to offer ‘simplicity, informality, and expedition,’ [–] characteristics that generally make arbitration an attractive vehicle for the resolution of low-value claims.” *Iberia Credit Bureau v. Cingular Wireless LLC*, 379 F.3d 159, 175 (5th Cir. 2004) (quoting *Gilmer*, 500 U.S. at 31).

have examined and ruled upon” arbitration provisions precluding class arbitration have found them enforceable).⁷

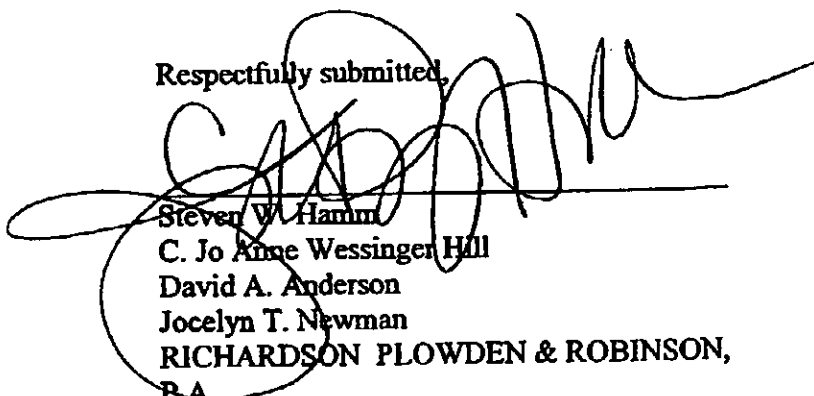
Because Ms. Watts’s Arbitration Agreement lacks any of the unenforceable provisions from *Simpson*, and the South Carolina Supreme Court has never found any of the agreement’s provisions unconscionable, this Court should enforce the Arbitration Agreement according to its terms.

CONCLUSION

For the reasons set forth above, Century BMW respectfully requests that this Court compel arbitration of Ms. Watts’s claims against it in accordance with the terms of the Arbitration Agreement and, accordingly, dismiss those claims currently pending in this Court.

⁷ See also *Jenkins v. First Am. Cash Advance of Ga., LLC*, 400 F.3d 868, 878 (11th Cir. 2005), cert. denied 126 S. Ct. 1457 (2006), (an arbitration agreement requiring individualized determinations “permit[s] [the plaintiff] and other consumers to vindicate all of their substantive rights in arbitration”); *Iberia Credit Bureau*, 379 F.3d 159, 175 (5th Cir. 2004) (precluding class arbitration “does not leave the plaintiffs without remedies”); *Livingston v. Assocs. Fin., Inc.*, 339 F.3d 553, 559 (7th Cir. 2003); *Johnson v. W. Suburban Bank*, 225 F.3d 366, 374 (3d Cir. 2000) (precluding class arbitration did not prevent “vindication” of plaintiff’s statutory rights “in the arbitral forum”); *Champ v. Siegel Trading Co.*, 55 F.3d 269, 277 (7th Cir. 1995) (“We are thus obliged to enforce the type of arbitration to which these parties agreed, which does not include arbitration on a class basis.”); *Edwards v. Blockbuster, Inc.*, 400 F. Supp. 2d 1305, 1309 (E.D. Okla. 2005) (“Such provisions are a common feature of consumer arbitration agreements, and numerous courts have recognized that they are valid and fully enforceable.”); *Rains v. Found. Health Sys. Life & Health*, 23 P.3d 1249, 1253 (Colo. Ct. App. 2001) (“[A]rbitration clauses are not unenforceable simply because they might render a class action unavailable.”).

Respectfully submitted,



Steven W. Hamm

C. Jo Anne Wessinger Hill

David A. Anderson

Jocelyn T. Newman

RICHARDSON PLOWDEN & ROBINSON,
P.A.

1900 Barnwell Street

Post Office Drawer 7788

Columbia, South Carolina 29202

(803) 771-4400

(803) 779-0016 facsimile

Dennis M. Black (*pro hac vice*)

Ryan L. VanGrack (*pro hac vice*)

WILLIAMS & CONNOLLY LLP

725 Twelfth St., N.W.

Washington, DC 20005

(202) 434-5000

(202) 434-5029 (facsimile)

ATTORNEYS FOR DEFENDANT CENTURY BMW,
WHOSE TRUE NAME IS SONIC AUTOMOTIVE 2752
LAURENS RD., GREENVILLE, INC. D/B/A
CENTURY BMW

November 27, 2007
Columbia, South Carolina

EXHIBIT A

STATE OF SOUTH CAROLINA)

COUNTY OF AIKEN)

Heather Herron, et al.,)

Plaintiffs,)

vs.)

CarMax Auto Superstores, Inc., et al.,)

Defendants.)

IN THE COURT OF COMMON PLEAS
SECOND JUDICIAL CIRCUIT

C.A. No.: 06 CP 02-1230

**MEMORANDUM IN SUPPORT OF
DEFENDANT CENTURY BMW'S
MOTION TO COMPEL ARBITRATION**

**MEMORANDUM IN SUPPORT OF CENTURY BMW'S
MOTION TO COMPEL ARBITRATION AND TO DISMISS CLAIMS**

Pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 et seq., and the Arbitration Agreement that Plaintiff Christine Watts executed, Defendant Sonic Automotive 2752 Laurens Rd., Greenville, Inc. d/b/a Century BMW ("Century BMW") respectfully moves this Court to compel arbitration of Plaintiff Christine Watts's claims and to dismiss this action. The Arbitration Agreement is plainly enforceable, and Ms. Watts's claims fall squarely within its scope. Ms. Watts is the only named Plaintiff who alleges he or she purchased a vehicle from Century BMW. See Amended Complaint ¶¶ 374-88. As a result, no other named Plaintiff has standing to sue Century BMW based on his or her purchase from a separate dealership¹ and Century BMW joins the other Defendants in the joint motion and memorandum filed separately moving to dismiss all claims of other named Plaintiffs.

¹ Plaintiff Michael Watts does not allege he purchased a vehicle from Century BMW, see Amended Complaint ¶ 388 (alleging only a purchase from Toyota of Greenville), and lacks standing to assert any claims from that purchase against Century BMW. Mr. Watts co-signed for Ms. Watts's purchase from Century BMW and also signed the same Arbitration Agreement as Ms. Watts in connection with that purchase. See Exhibit A (Arbitration Agreement signed by Christine and Michael Watts). To the extent Mr. Watts seeks to pursue any claims against Century BMW for Ms. Watts's purchase, Century BMW also moves to compel arbitration of his claims.

BACKGROUND

Ms. Watts alleges that in connection with her purchase of a vehicle, Century BMW charged her an administrative fee. See Amended Complaint ¶¶ 384-85.² She acknowledges that S.C. Code Ann. § 37-2-307 authorizes dealerships to charge such a fee, see Amended Complaint ¶¶ 345-48, but alleges that Century BMW did not follow certain statutory requirements without identifying what requirements were not followed, see id. ¶¶ 337-44, 349. She further alleges that even if Century BMW fully complied with § 37-2-307, its charging of a closing fee still violates S.C. Code Ann. § 56-15-10 et. seq. See id. ¶ 350. Based on these allegations, Ms. Watts brings one count for violation of S.C. Code Ann. § 56-15-10 and another count for a declaratory judgment with respect to S.C. Code Ann. § 56-15-10 et. seq. and/or § 37-2-307.³

In connection with her purchase of a vehicle from Century BMW, Ms. Watts and Century BMW entered into an "Arbitration Agreement." See Exhibit A. This Agreement provides that at the request of a party, "any and all Claim(s) shall be decided in binding

² Century BMW references the allegations in the Complaint because they are relevant to this Court's determination of the arbitrability of Ms. Watts's claims. See Vestry & Church Wardens of Church of Holy Cross v. Orkin Exterminating Co., Inc., ___ S.C. ___, 588 S.E.2d 136, 141 (Ct. App. 2003) (deciding motion to compel arbitration by comparing allegations in complaint with subject matter of contract containing contract-specific arbitration clause). Reference to these allegations should not be taken as agreement with them—indeed Defendants dispute many of Plaintiff's allegations and deny liability.

³ Ms. Watts also brings a count for civil conspiracy against other defendants but did not name Century BMW in this count. See Amended Complaint ¶ 403. Even had Ms. Watts named Century BMW, she has failed to state any claim for civil conspiracy, as demonstrated in Defendants' joint motion to dismiss; moreover such a claim would plainly be arbitrable as it is a claim "relating to the vehicle," with respect to the "terms of and enforceability of the sale, lease or financing of the Vehicle," "fraud, or unfair and deceptive trade practices," or "a violation of [a] state or federal statute or regulation." See Exhibit A.

arbitration before the American Arbitration Association.” Id. The Agreement defines the “Claim(s)” that the parties agreed to arbitrate as including:

any and all disputes, claims or controversies between the Parties relating to the Vehicle or arising out of or relating to: (a) the application for and the terms of and enforceability of the sale, lease, or financing of the Vehicle, (b) the purchase or terms of any warranty, service agreement, maintenance plan, paint/undercarriage/interior protection product, anti-theft etching product and warranty, GAP protection, deficiency waiver addendum, or any or other product or insurance, (c) any claims of breach of contract, negligence, misrepresentation, conversion, fraud, or unfair and deceptive trade practices, (d) any claim of a violation of any state or federal statute or regulation, or (e) the Vehicle’s condition, warranty, workmanship, servicing, maintenance or repair.

Id. The Agreement also provides that “once one of the Parties has elected to arbitrate, binding arbitration is the exclusive method for resolving any and all Claims. By entering into this Agreement the Parties are waiving their right to a jury trial and their right to bring or participate in any class action or multi-plaintiff or claimant action in court or through arbitration.” Id.

ARGUMENT

I. PURSUANT TO THE FEDERAL ARBITRATION ACT THIS COURT SHOULD COMPEL ARBITRATION OF PLAINTIFF’S CLAIMS.

Ms. Watts’s claims fall squarely within the scope of the Arbitration Agreement. This Agreement is unremarkable and of the type that numerous courts have upheld time and again. Accordingly, pursuant to the Federal Arbitration Act and applicable federal and South Carolina law, this Court should dismiss Plaintiff’s claims and compel arbitration.

A. The Federal Arbitration Act Applies Here.

The Federal Arbitration Act (“FAA”), 9 U.S.C. § 1 et seq., applies to “contract[s] evidencing a transaction involving commerce,” 9 U.S.C. § 2. A contract to purchase a vehicle clearly is a contract evidencing a transaction involving commerce. Thornton v. Trident Med.

Ctr., L.L.C., 592 S.E.2d 50, 52 (S.C. Ct. App. 2003); see also MS Dealer Service Corp. v. Franklin, 177 F.3d 942 (11th Cir. 1999) (FAA applies to consumer's purchase of automobile); Stout v. Byrider, 50 F. Supp. 2d 733, 735 (N.D. Ohio 1999) (FAA governs in action by used car buyers against seller because "case concerns arbitration agreements involving transactions in interstate commerce"), aff'd, 228 F.3d 709 (6th Cir. 2000); Wolff Motor Co. v. White, 869 So.2d 1129, 1134 (Ala. 2003) ("[m]otor vehicles are 'the quintessential instrumentalities of modern interstate commerce'" and "a transaction involving the sale of an instrumentality of commerce . . . satisfies the FAA's 'involving commerce' test" (quoting United States v. Bishop, 66 F.3d 569, 588-90 (3d Cir. 1995))). Accordingly, The FAA governs the enforceability of the Arbitration Agreement and all questions concerning its scope.

The FAA embodies "the strong federal policy in favor of enforcing arbitration agreements." Dean Witter Reynolds, Inc. v. Byrd, 470 U.S. 213, 217 (1985). Keeping with this "liberal federal policy favoring arbitration agreements," the Supreme Court has mandated that "any doubts concerning the scope of arbitrable issues should be resolved in favor of arbitration." Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp., 460 U.S. 1, 24-25 (1983). Indeed, "the parties' intentions 'are generously construed as to issues of arbitrability,' and any 'ambiguities as to the scope of the arbitration clause itself' must be 'resolved in favor of arbitration.'" Washington Square Secs., Inc. v. Aune, 385 F.3d 432, 436 (4th Cir. 2004) (quoting Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth, 473 U.S. 614, 626 (1985) and Volt Info. Scis., Inc. v. Bd. of Trs. of Leland Stanford Jr. Univ., 489 U.S. 468, 476 (1989)).⁴

⁴ Like the FAA, South Carolina law strongly favors arbitration, and "unless the court can say with positive assurance that the arbitration clause is not susceptible to an interpretation that covers the dispute, arbitration should be ordered." Zabinski v. Bright Acres Assocs., 553 S.E.2d 110, 118 (S.C. 2001) (citing S.C. Pub. Serv. Auth. v. Great W. Coal, 437 S.E.2d 22, 25 (S.C. 1993)); see also South Carolina Uniform Arbitration Act, S.C. Code Ann. § 15-48-10, et seq.

B. Ms. Watts's Allegations Fall Within the Scope of the Arbitration Agreement.

"To decide whether an arbitration agreement covers a particular dispute, the court must determine whether the factual allegations underlying the claim fall within the scope of the agreement, irrespective of the label given to the cause of action." Vestry & Church Wardens of Church of Holy Cross v. Orkin Exterminating Co., Inc., 588 S.E.2d 136, 207 (S.C. Ct. App. 2003) (citing Zabinski, 553 S.E.2d at 597). Applying these principles, all of Ms. Watts's claims fall within the scope of the Arbitration Agreement.

Ms. Watts alleges that Century BMW engaged in the "practice of presenting / advertising car prices in a misleading manner" because it allegedly "fails to include / adequately disclose the fact that [it] will be charging 'administrative fees' that are in addition to the advertised price of the car" and misleads buyers "into believing that administrative fees are mandatory fees required to be paid on every car such as taxes and license fees." Amended Complaint ¶¶ 335, 337, 340. Ms. Watts acknowledges that such fees are specifically authorized by S.C. Code Ann. § 37-2-307, see Amended Complaint ¶¶ 345-48, but she alleges that Century BMW did not comply with the statute, although she does not say how, see id. ¶¶ 337-34, 349. She further alleges that even if Century BMW did fully comply with the South Carolina statute authorizing such fees, it would still be in violation of S.C. Code Ann. § 56-15-10 et seq. See id. ¶ 350.

Each of these allegations clearly falls under the claims that Ms. Watts and Century BMW agreed to arbitrate. The Arbitration Agreement provides that "any and all disputes, claims or controversies between the Parties relating to the Vehicle," including the "terms of and enforceability of the sale, lease or financing of the Vehicle," "breach of contract, negligence, misrepresentation, conversion, fraud, or unfair and deceptive trade practices," and "a violation of any state or federal statute or regulation" are covered under the Agreement. See

Exhibit A. The Agreement expressly encompasses all subjects relating to Ms. Watts's allegations.

C. The Arbitration Clauses are Unremarkable and Not Subject to Challenge.

The Arbitration Agreement signed by Ms. Watts and Century BMW is unremarkable and of a type countless courts have upheld.

1. Allegations Against Other Defendants Do Not Prevent Arbitration.

Ms. Watts cannot avoid arbitration by naming other dealerships, with whom she has no connection, as defendants. As is fully briefed in Defendants' joint motion to dismiss, Ms. Watts lacks standing to bring claims against other defendants with whom she never transacted. Even if Ms. Watts had standing against other Defendants, which she does not, she must arbitrate her dispute with Century BMW pursuant to the Arbitration Agreement. See S.C. Pub. Serv. Auth. v. Great W. Coal (Kentucky), Inc., ___ S.C. ___, 437 S.E.2d 22, 24 (1993) ("[A] party should not be allowed to avoid an arbitration agreement by naming nonsignatory parties in his complaint . . . because this would nullify the rule requiring arbitration.").

2. Putative Class Claims Are Not Subject to Arbitration.

Although Ms. Watts does not allege that she brings her case as a class action pursuant to Rule 23, SCRCP, she purports to represent a class of consumers under S.C. Code Ann. § 56-15-110(2). See, e.g., Amended Complaint ¶¶ 397-99. As shown above, Ms. Watts's individual claims are subject to arbitration. Pursuant to the terms of the Arbitration Agreement, she may not litigate supposed "class" claims because the Arbitration Agreement unequivocally prohibits class arbitrations. It states: "By entering into this Agreement the Parties are waiving their right to a jury trial and their right to bring or participate in any class action or multi-plaintiff

or claimant action in court or through arbitration.” See Exhibit A (emphasis added).⁵ Under the plain text of this provision, Ms. Watts cannot arbitrate her claims on behalf of a class and cannot arbitrate the claims of any purported class. Thus, the Order compelling arbitration of Plaintiff’s individual claim should specify that the arbitration should proceed on an individual, and not a class, basis.⁶

Many courts have found that class arbitration waivers contribute to the “simplicity, informality, and expedition” of arbitration, helping make it “an attractive vehicle for the resolution of low-value claims.”⁷ Iberia Credit Bureau v. Cingular Wireless LLC, 379 F.3d 159, 174 (5th Cir. 2004); accord Caley v. Gulfstream Aerospace Corp., 428 F.3d 1359, 1378 (11th Cir. 2005) (holding that a ban on class arbitrations is “consistent” with the goals of

⁵ The Arbitration Agreement further states: “If a dispute is arbitrated, you will give up your right to participate as a class representative or a class member on any claim you may have against us, including any right to class arbitration or any consolidation of individual arbitrations.” See Exhibit A.

⁶ In Green Tree Fin. Corp. v. Bazzle, 539 U.S. 444, 452-53 (2003) (plurality op.), the Supreme Court held that where a contract is silent as to whether class action arbitration is permitted, it is for the arbitrator rather than a court to decide whether it is permissible. But “where a particular statutory or procedural right is clearly prohibited by an arbitration agreement, the Court need not send the case to arbitration for an arbitrator to determine that question.” In re Cotton Yarn Antitrust Litig., 406 F. Supp. 2d 585, 594 (M.D.N.C. 2005). This case is similar to Gipson v. Cross Country Bank, 354 F. Supp. 2d 1278, 1286 (M.D. Ala. 2005), where the court confronted a clear prohibition on class arbitrations. The court held that the “arbitrator need not interpret the contract’s class action waiver clause, because the contract expressly prohibits class arbitration.” The court explained that “[t]here is no need for anyone to decide whether the contract[] forbid[s] class arbitration. It expressly and unequivocally does.” Id. Likewise, here, there is no need to refer the issue of class arbitrations to an arbitrator.

⁷ Despite the modest value of her claim, Ms. Watts and her counsel still have ample ability and incentive to pursue the action in arbitration because should Ms. Watts prevail on her claims she could recover “double actual damages, the cost of the suit and a reasonable attorney’s fee pursuant to S.C. Code Ann. §56-15-110.” Am. Compl. ¶ 400; see also Exhibit A (The Arbitration Agreement provides that the “arbitrator deciding the Claim(s) shall have the authority to award fees, costs, injunctive or equitable relief in accordance with this Agreement and applicable law.”).

arbitration as articulated in Gilmer, cert. denied 126 S. Ct. 2020 (2006). Courts have expressly rejected the notion that class arbitration waivers somehow prevent plaintiffs from enforcing statutory rights. See, e.g., Snowden v. Checkpoint Check Cashing, 290 F.3d 631, 638 (4th Cir. 2002) (rejecting the argument that the class arbitration waiver would render the plaintiff “unable to maintain her legal representation” given statutory availability of attorneys’ fees).⁸

II. THE COURT SHOULD DISMISS ALL JUDICIAL PROCEEDINGS AGAINST CENTURY BMW.

Pursuant to Section 3 of the FAA, any court of the United States must, at a minimum, stay judicial proceedings involving claims, like those here, that fall within the arbitration provisions of written agreements. See 9 U.S.C. § 3; see also Moses H. Cone, 460 U.S. at 26 (“[S]tate courts, as much as federal courts, are obliged to grant stays of litigation under § 3 of the Arbitration Act.”). “Notwithstanding the terms of § 3, however, dismissal is a proper remedy when all of the issues presented in a lawsuit are arbitrable.” Choice Hotels Int’l, Inc. v. BSR Tropicana Resort, 252 F.3d 707, 709-710 (4th Cir. 2001); see also Alford v. Dean Witter Reynolds, 975 F.2d 1161, 1164 (5th Cir. 1992) (“The weight of authority clearly supports dismissal of the case when all of the issues raised in the district court must be submitted to

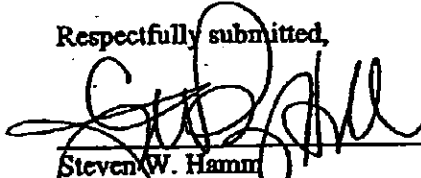
⁸ Indeed, a litany of appellate courts nationwide have upheld class arbitration waivers. See, e.g., Tillman v. Commercial Credit Loans, Inc., 629 S.E.2d 865, 873 (N.C. App. 2006) (holding that the “great majority of federal and state courts that have examined and ruled upon” class action waivers have found them enforceable); Jenkins v. First American Cash Advance of Georgia, LLC, 400 F.3d 868, 878 (11th Cir. 2005), cert. denied 126 S. Ct. 1457 (2006), (holding that an arbitration agreement containing a class waiver “permit[s] [the plaintiff] and other consumers to vindicate all of their substantive rights in arbitration”); Iberia Credit Bureau, 379 F.3d at 175 (5th Cir.) (noting that a class arbitration waiver “does not leave the plaintiffs without remedies”); Johnson v. W. Suburban Bank, 225 F.3d 366, 374 (3d Cir. 2000) (plaintiff cannot argue that a class action waiver prevented “vindication” of his statutory rights “in the arbitral forum”); Champ v. Siegel Trading Co., 55 F.3d 269, 277 (7th Cir. 1995) (“We are thus obliged to enforce the type of arbitration to which these parties agreed, which does not include arbitration on a class basis.”); Rains v. Found. Health Sys. Life & Health, 23 P.3d 1249, 1253 (Colo. Ct. App. 2001) (“[A]rbitration clauses are not unenforceable simply because they might render a class action unavailable.”).

arbitration."); Payton v. Nordstrom, Inc., 462 F.Supp.2d 706, 708 (M.D.N.C. 2006) ("[T]he Fourth Circuit has held that, despite the language of the FAA regarding a stay of arbitration, when all of the claims in a lawsuit are required to be arbitrated, dismissal, rather than a stay, is a proper remedy."). Because all of Plaintiff's claims against Century BMW must be resolved through arbitration, the Court should dismiss her action against Century BMW in this Court.

CONCLUSION

For the reasons set forth above, Century BMW respectfully requests that this Court compel arbitration of Ms. Watts's claims against it and, accordingly, dismiss those claims currently pending in this Court.

Respectfully submitted,



Steven W. Hamm

David A. Anderson

C. Jo Anne Wessinger Hill

RICHARDSON, PLOWDEN, CARPENTER
& ROBINSON, P.A.

1900 Barnwell Street

Post Office Drawer 7788

Columbia, South Carolina 29202

(803) 771-4400

(803) 779-0016 facsimile

Dennis M. Black (*pro hac vice*)

Nathan P. Sutton (*pro hac vice*)

Ryan L. VanGrack (*pro hac vice*)

WILLIAMS & CONNOLLY LLP

725 Twelfth St., N.W.

Washington, DC 20005

(202) 434-5000

(202) 434-5029 (facsimile)

FEBRUARY __, 2007
COLUMBIA, SOUTH CAROLINA.

ATTORNEYS FOR CENTURY BMW, WHOSE TRUE
NAME IS SONIC AUTOMOTIVE 2752 LAURENS
RD., GREENVILLE, INC. D/B/A CENTURY BMW

Exhibit A

ARBITRATION AGREEMENT
(All States Except CA)

DATE: 6.25.05

VIN: 4H5AT3354L52759

In this Arbitration Agreement ("Agreement"), "you" and "your" refers to the customer(s) who sign(s) below. "We", "us", and Dealer refer to the Dealer signing below, and includes the Dealer's employees, agents, and parent and affiliated companies (including, but not limited to, Consumer Acceptance Corporation) and their employees and agents. "Parties" refers to you and us. "Vehicle" refers to the automobile identified by the VIN set forth above. "Claim(s)" includes any and all disputes, claims or controversies between the Parties relating to the Vehicle or arising out of or relating to: (a) the application for and the terms of and enforceability of the sale, lease, or financing of the Vehicle, (b) the purchase or terms of any warranty, service agreement, maintenance plan, paint/undercoating/interior protection product, anti-theft clothing product and warranty, GAP protection, deficiency waiver addendum, or any or other product or insurance, (c) any claims of breach of contract, negligence, misrepresentation, conversion, fraud, or unfair and deceptive trade practices, (d) any claim of a violation of any state or federal statute or regulation, or (e) the Vehicle's condition, warranty, workmanship, servicing, maintenance or repair. All Claims must be brought within the time allowed by the applicable statute(s) of limitation. "Contract(s)" refers to any agreement(s) between you and us regarding the sale, lease, financing, service or maintenance of the Vehicle.

Upon the request of a Party, any and all Claim(s) shall be decided in binding arbitration before the American Arbitration Association (1-800-778-7879/www.adr.org) ("AAA"). The Parties may mutually agree to use another arbitration forum and/or qualified arbitrator. Unless mutually agreed otherwise between the Parties, any arbitration under this Agreement shall be conducted under the commercial arbitration rules of the AAA. To the extent that any Claim is deemed a "consumer dispute", the Parties agree that the fee schedule provided in the rules for consumer disputes of the AAA, if any, will apply. You can get a copy of the rules from the AAA. The arbitration hearing shall be conducted, at your option, in the federal district in which you reside or in which the Vehicle was purchased or leased.

The Parties waive the right to request arbitration for a Claim filed and maintained individually (as opposed to a class action) in your state's small claims court, if any. However, if such a Claim originally brought in small claims court is transferred or removed to a higher state or federal trial court, the Parties reserve their right to request arbitration under this Agreement.

The Parties agree that once one of the Parties has elected to arbitrate, binding arbitration is the exclusive method for resolving any and all Claims. By entering into this Agreement the Parties are waiving their right to a jury trial and their right to bring or participate in any class action or multi-plaintiff or classmate action in court or through arbitration. Until a Party entitled to do so requests arbitration under this Agreement, any party to this Agreement may proceed with all other rights and remedies they may have. Neither you nor we waive our right to request arbitration under this Agreement, even after all Parties have elected to litigate a Claim in court, in the event new Claims are asserted after the initial filing of such litigation in court.

The arbitrator shall be an attorney or retired judge. The arbitrator shall apply and be bound by governing local, state or federal law when making an award, and shall award only those damages or other relief allowed by such governing law. Issues regarding whether a matter is arbitrable shall be made by the arbitrator. The arbitrator shall prepare a written decision stating reasoned findings of fact and conclusions of law. A party may seek entry of a judgment on the award in any court of competent jurisdiction.

If you initiate a Claim for Arbitration under this Agreement, we agree to pay that portion of the AAA's initial filing fee which exceeds the lesser of the court filing fee for the state or federal court located in the jurisdiction in which you reside. If we initiate a Claim for arbitration we will pay the entire initial filing fee. We also agree to pay up to \$1500 of the arbitrator's fees, unless applicable law or the rules of the AAA require otherwise. Unless applicable law or the rules of the AAA require otherwise, the Parties agree to share equally all other costs and fees, including the arbitrator's fees in excess of \$1500. Notwithstanding any other provision of this Agreement, we will also pay any amount of fees or costs that a court or the arbitrator decides we must pay in accordance with applicable law for this Agreement to be enforceable. The arbitrator deciding the Claim(s) shall have the authority to award fees, costs, injunctive or equitable relief in accordance with this Agreement and applicable law. Unless otherwise ordered by the arbitrator in accordance with applicable law or provided otherwise by applicable law, the Parties shall be responsible for the payment of their own attorney's ("") fees.

This Agreement evidences a transaction involving interstate commerce. The Parties acknowledge and agree that the Federal Arbitration Act (9 U.S.C. § 1 et seq.) ("FAA") shall govern any arbitration under this Agreement. The arbitrator's decision shall be final and binding, except for any right of appeal provided by the FAA or the rules of the AAA.

If any part of this Agreement shall be deemed or found unenforceable for any reason, the remainder of the Agreement shall remain enforceable. In the event this Agreement is found void you and we waive our respective rights to a trial by jury, if such waiver is permitted by applicable law.

This Agreement shall survive the repayment of all amounts owed by you with respect to the Vehicle. This Agreement is incorporated into and made a part of all Contract(s) as defined in this Agreement. If there is a separate arbitration agreement in any other Contract, then to the extent this Agreement is inconsistent with any such arbitration agreement this Agreement shall supersede such other arbitration agreement with respect to Claims between you and us, unless otherwise provided by law.

- EITHER YOU OR WE MAY CHOOSE TO HAVE ANY DISPUTE BETWEEN US DECIDED BY ARBITRATION AND NOT IN COURT.
- IF A DISPUTE IS ARBITRATED, YOU AND WE WILL EACH GIVE UP OUR RIGHT TO A TRIAL BY THE COURT OR BY A JURY.
- IF A DISPUTE IS ARBITRATED, YOU WILL GIVE UP YOUR RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR A CLASS MEMBER ON ANY CLASS CLAIM YOU MAY HAVE AGAINST US, INCLUDING ANY RIGHT TO CLASS ARBITRATION OR ANY CONSOLIDATION OF INDIVIDUAL ARBITRATIONS.
- THE INFORMATION YOU AND WE MAY OBTAIN IN DISCOVERY FROM EACH OTHER IN ARBITRATION IS GENERALLY MORE LIMITED THAN IN A LAWSUIT.
- OTHER RIGHTS THAT YOU AND WE WOULD HAVE IN COURT MAY NOT BE AVAILABLE IN ARBITRATION.
- YOUR AND OUR RIGHTS TO APPEAL OR CHANGE AN ARBITRATION AWARD IN COURT ARE VERY LIMITED.

BY SIGNING BELOW, THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND AGREE TO THE TERMS OF THIS ARBITRATION AGREEMENT

Customer: [Signature]

Dealer: [Signature]

Customer: [Signature]

By: _____

IN THE COURT OF COMMON PLEAS

) CIVIL ACTION NO.: 06-CP-02-1230

)

)

CERTIFICATE OF SERVICE

)

)

3

I, the undersigned, an attorney at the firm of Richardson, Plowden, Carpenter and Robinson, P. A., who are attorneys for Gene Reed Imports, Inc. along with the Rosen Law Firm, do hereby certify that I have served the foregoing **MEMORANDUM IN SUPPORT OF DEFENDANT CENTURY BMW'S MOTION TO COMPEL ARBITRATION** on Plaintiffs by causing it to be deposited in a United States Postal Service mailbox a copy of the same, postage prepaid, return address clearly indicated, addressed to the following on February 12, 2007:

ATTORNEYS FOR THE PLAINTIFF

Michael E. Spears, Esq.
MICHAEL E. SPEARS, P.A.
PO Box 5806
Spartanburg, SC 29304

Gedney M. Howe, III, Esq.
GEDNEY M. HOWE, III, PA
PO Box 1034
Charleston, SC 29402

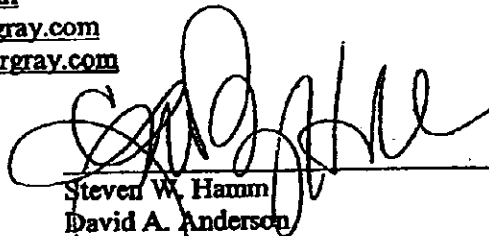
Richard A. Harpootlian, Esq.
RICHARD A. HARPOOTLIAN, P.A.
PO Box 1090
Columbia, SC 29202

**A. Camden Lewis, Esq.
Brady R. Thomas, Esq.
LEWIS & BABCOCK, LLP
PO Box 11208
Columbia, SC 29211**

Also served via email to: brt@lblaw.com

And served on co-defendants' counsel by e-mail as follows:

Susan Rosen, Esq. - srosen@rosen-lawfirm.com
Bradford N. Martin, Esq. - bmartin@bnmlaw.com
Laura Teer, Esq. - lteer@bnmlaw.com
Greg Studemeyer, Esq. - gesquire@sc.rr.com
Harvey Sanders, Jr., Esq. - hsanders@lwtm.com
Frank M. Cisa, Esq. - frank@cisadodds.com
Ronald J. Tryon, Esq. - rontryon@parkerpoe.com
Kevin A. Dunlap, Esq. - kevindunlap@parkerpoe.com
J.W. Nelson Chandler, Esq. - jwnelsonchandler@parkerpoe.com
James Y. Becker, Esq. - jbecker@hsblawfirm.com
R. David Proffitt, Esq. - dproffitt@hsblawfirm.com
Matthew Tyler, Esq. - mmt@aikenbridges.com
J. Rutledge Young, Jr. Esq. - ryoung@ycrlaw.com
Capers G. Barr, III, Esq. - cgb@barrungermcintosh.com
William S. Barr, Esq. - wsb@barrungermcintosh.com
T. Alexander Beard, Esq. - beardlaw@bellsouth.net
Henry E. Grimbail, Esq. - hgrimbail@buistmoore.com
Harry Clayton Walker, Jr. - cwalker@walkerreibold.net
B. Rush Smith, III, Esq. - rushsmith@nelsonmullins.com
Richard B. Ness, Esq. - richardness@bellsouth.net
Karl S. Brehmer, Esq. - karl.brehmer@brownandbrehmer.com
Shawn Mercer, Esq. - smercerc@dealerlawyer.com
Nathan Sutton, Esq. - nsutton@wc.com
Dennis Black, Esq. - dblack@wc.com
Ryan L. VanGrack, Esq. - rvangrack@wc.com
Alice Paylor, Esq. - apaylor@rrhlaw.com
Paul Infinger, Esq. - paulinfinger@hargray.com
William M. Bowen, Esq. - wilbow@hargray.com



Steven W. Hamm
David A. Anderson
C. Jo Anne Wessinger Hill
RICHARDSON, PLOWDEN, CARPENTER
& ROBINSON, P.A.

Post Office Drawer 7788
Columbia, South Carolina 29202
(803) 771-4400
(803) 779-0016 facsimile

ATTORNEYS FOR CENTURY BMW, WHOSE TRUE
NAME IS SONIC AUTOMOTIVE 2752 LAURENS
RD., GREENVILLE, INC. D/B/A CENTURY BMW

February 12, 2007
COLUMBIA, SOUTH CAROLINA.

EXHIBIT B

STATE OF SOUTH CAROLINA
COUNTY OF AIKEN
Heather Herron, et al.,
Plaintiffs,
vs.
CarMax Auto Superstores, Inc., et al.,
Defendants.

IN THE COURT OF COMMON PLEAS
SECOND JUDICIAL CIRCUIT

C.A. No.: 06 CP 02-1230

REPLY MEMORANDUM IN SUPPORT
OF DEFENDANT CENTURY BMW'S
MOTION TO COMPEL ARBITRATION

ORIGINAL FILED

MAR 28 2007

8:30am

**REPLY MEMORANDUM IN SUPPORT OF CENTURY BMW'S
MOTION TO COMPEL ARBITRATION AND TO DISMISS CLAIMS**

Plaintiff Christine Watts's Response to Defendant Century BMW's Motion to Compel Arbitration argues that the Arbitration Agreement she signed should not be enforced because it violates South Carolina law and because it is an adhesion contract. South Carolina courts have already *rejected* both arguments. Accordingly, the Court should enforce the Arbitration Agreement according to its terms.

A. The Federal Arbitration Act Compels Arbitration of Plaintiff's Claims.

Plaintiff does not contest that: 1) she executed the Arbitration Agreement, 2) the Federal Arbitration Act ("FAA") applies to that agreement, and 3) her claims fall within the scope of the agreement.¹ Consequently, pursuant to the FAA, the Arbitration Agreement is valid and

¹ Plaintiff also does not dispute the strong South Carolina policy favoring arbitration. See *Carolina Care Plan, Inc. v. United Healthcare Servs., Inc.*, 361 S.C. 544, 550 (2004). South Carolina courts give "due regard . . . to the federal policy favoring arbitration," *id.*, and "unless the court can say with positive assurance that the arbitration clause is not susceptible to an interpretation that covers the dispute, arbitration should be ordered." *Zabinski v. Bright Acres Assocs.*, 553 S.E.2d 110, 118 (S.C. 2001) (internal citation omitted). Accordingly, any doubts concerning enforceability "should be resolved in favor of arbitration." *Lackey v. Green Tree Fin. Corp.*, 330 S.C. 388, 397 (S.C. Cl. App. 1998) (internal citation omitted).

enforceable, and Plaintiff's claims must be arbitrated. 9 U.S.C. § 1 *et seq*; see *Green Tree Fin. Corp. – Al. v. Randolph*, 531 U.S. 79 (2000).

B. The FAA Preempts South Carolina's Alleged Notice Requirement.

Without citing the statute, Plaintiff Watts claims the Arbitration Agreement runs afoul of a South Carolina law purportedly requiring a buyer's order to "contain in bold letters or in a stamp a notice that the agreement subject [sic] to arbitration."² Pls.' Mem. in Opp'n to Mot. to Dismiss at 30. Both federal and South Carolina precedent foreclose Plaintiff's claim that the Arbitration Agreement is unenforceable for this reason. Although state laws that regulate "contracts generally" can usually be applied to arbitration agreements, a state law that "places arbitration clauses on an unequal footing with contracts generally . . . is preempted if the FAA applies." *Munoz*, 343 S.C. at 539; see also *Doctor's Assocs., Inc. v. Casarotto*, 517 U.S. 681 (1996). Thus, courts may not "invalidate arbitration agreements under state laws applicable *only* to arbitration provisions." *Munoz*, 343 S.C. at 539 (by enacting the FAA, "Congress precluded States from singling out arbitration provisions for suspect status").

In *Doctor's Associates, Inc. v. Casarotto*, 517 U.S. 681 (1996), the Supreme Court of the United States rejected a similar attempt to invalidate an arbitration agreement where a state statute required special notice of arbitration clauses on the first page of a contract and no such notice was provided. The Court held that the statute "directly conflicts" with the FAA because the "law conditions the enforceability of arbitration agreements on compliance with a special notice requirement not applicable to contracts generally." *Doctor's Assocs.*, 517 U.S. at 687.

Thus, in *Soil Remediation Co. v. Nu-Way Environmental, Inc.*, 323 S.C. 454 (1996), the South Carolina Supreme Court, applying *Doctor's Associates*, held that the "FAA preempts"

² Plaintiff is apparently relying upon S.C. Code Ann. § 15-48-10 (notice of arbitration clause must be "in underlined capital letters, or rubber-stamped, . . . on the first page of the contract").

South Carolina's notice requirement for arbitration agreements (S.C. Code Ann. § 15-48-10) – the same statute upon which Plaintiff apparently relies. 323 S.C. at 458, 461 (because the notice requirement “single[d] out arbitration agreements,” it “directly conflict[ed]” with and was preempted by the FAA.); *see also* *Munoz*, 343 S.C. at 539 n.2. Here, Plaintiff's argument mirrors the unsuccessful claims in *Soil Remediation* and *Doctor's Associates*, and the Court should similarly reject it.

C. Plaintiff Has Neither Alleged in the Complaint Nor Established That the Arbitration Agreement is a Contract of Adhesion.

Plaintiff's argument that the Arbitration Agreement is an unenforceable contract of adhesion fails from the start because she does not establish that the Arbitration Agreement is an adhesion contract. An adhesion contract is “a standard form contract offered on a ‘take-it-or-leave-it’ basis,” with non-negotiable terms. *Lackey*, 330 S.C. at 394. To establish that a contract is one of adhesion, a party must demonstrate both that the terms are non-negotiable and that the contracting party is unwilling to waive enforcement in order to deal. *See Wingard v. Exxon Co.*, 819 F. Supp. 497, 503 (D.S.C. 1992); *see also* *Lackey*, 330 S.C. at 394. Here, Plaintiff offers no evidence that the terms of the Agreement were non-negotiable, and no evidence that she would have been unable to purchase the vehicle had she refused to sign the Agreement.

D. The Arbitration Agreement is Enforceable, Even If it is a Contract of Adhesion.

Even if the Arbitration Agreement were an adhesion contract, it is still enforceable.³

Notably, the cases cited in *Plaintiff's* memorandum uniformly hold that an arbitration agreement

³ Plaintiff's vilification of contracts of adhesion contradicts federal and South Carolina law, which recognize both the utility and the ubiquity of such contracts. *See Lackey*, 330 S.C. at 902 (“Form contracts serve a very useful purpose in commerce. . . . The contract of adhesion is a part of the fabric of our society. . . . [S]tandardization of forms for contracts is a rational and economically efficient response to the rapidity of market transaction and the high costs of negotiations.” (internal citation omitted)); *Am. Gen. Life and Acc. Ins. Co. v. Wood*, 429 F.3d 83,

is not per se invalid because it is an adhesion contract. Pls.' Mem. in Opp'n to Mot. to Dismiss at 31 (citing *Munoz*, 343 S.C. at 541 (enforcing arbitration clause in adhesion contract) and *Lackey*, 330 S.C. at 394-96 (enforcing arbitration clause in adhesion contract and noting that "the conclusion that the agreements . . . are adhesion contracts does not render them unenforceable.")). Instead, such contracts are enforced, unless a party can demonstrate that the terms of the agreement are unconscionable. See *Munoz*, 343 S.C. at 541; *Lackey*, 330 S.C. at 394-96; see also *Cherry v. Wertheim Schroder & Co., Inc.*, 868 F. Supp. 830, 836 (D.S.C. 1994); *Wingard* 819 F. Supp. at 503.⁴ Plaintiff has neither alleged nor demonstrated that the Arbitration Agreement is unconscionable, and the Court should enforce the Agreement.

E. Plaintiff's Putative Class Claims Are Not Arbitrable.

Plaintiff does not dispute that the Arbitration Agreement requires resolution of her claims on an individual – and not class – basis. Moreover, Plaintiff provides no legal authority supporting the notion that such a requirement is invalid.⁵ Instead, Plaintiff argues that a collective suit is necessary "because otherwise parties with nominal individual claims . . . would be left with limited avenues for relief." Pls.' Mem. in Opp'n to Mot. to Dismiss at 32.

88 (4th Cir. 2005) ("Since the bulk of contracts signed in this country, if not every major Western nation, are adhesion contracts, a rule automatically invalidating adhesion contracts would be completely unworkable." (internal citation omitted)).

⁴ See also *Osteen v. T.E. Cuttino Constr. Co.*, 315 S.C. 422 (1993) (enforcing arbitration clause in standard form contract between customer and contractor); *Blanton v. Stathos*, 351 S.C. 354 (S.C. Ct. App. 2002) (enforcing arbitration provision in standard form contract between customer and architect).

⁵ Plaintiff's sole legal citation for her argument is a footnote in a case that was reversed by the Supreme Court of the United States. See Pls.' Mem. in Opp'n to Mot. to Dismiss at 30 (quoting *Bazze v. Green Tree Fin. Corp.*, 351 S.C. 244 (2002), vacated, 539 U.S. 444 (2003)). Furthermore, the South Carolina Supreme Court did not find class action waivers invalid, see *Bazze* 351 S.C. at 244, and, in any event, the issue is one of federal law. See *Snowden v. Checkpoint Check Cashing*, 290 F.3d 631, 638 (4th Cir. 2002) (upholding the validity of arbitration agreement requiring individual – and not class – determinations under the FAA).

Generalized arguments against the relief provided in arbitration, however, cannot invalidate an arbitration agreement. *Randolph*, 531 U.S. at 89-90 ("We have likewise rejected generalized attacks on arbitration that rest on suspicion of arbitration as a method of weakening the protections afforded in the substantive law to would-be complainants." (internal quotation omitted)). Additionally, Plaintiff bears the burden of demonstrating that the arbitral forum would provide her with inadequate relief. *See id.* Yet Plaintiff makes no such showing. To the contrary, the Arbitration Agreement does not limit Plaintiff's substantive remedies; it authorizes all "relief allowed by [the] governing law," including "injunctive or equitable relief," as well as attorneys' fees and costs "in accordance with applicable law." Ex. A. to Century BMW's Mem. in Support of Mot. to Compel Arbitration; *cf. Snowden v. Checkpoint Check Cashing*, 290 F.3d 631, 638 (4th Cir. 2002) (statutory availability of attorneys' fees supported validity of class action waiver). As Plaintiff can obtain full relief in arbitration, her attempt to circumvent the terms of the agreement fails.

Courts nationwide have repeatedly upheld arbitration agreements requiring claims to be treated on an individual basis. The Supreme Court of the United States has implicitly acknowledged that such provisions are enforceable. In *Green Tree Financial Corp. v. Bazzle*, 539 U.S. 444 (2003), the Court held that it was for an arbitrator to determine whether the arbitration clause at issue precluded class-wide arbitration. *Id.* at 454. By permitting that arbitrator to decide whether the clause prevented class-wide arbitration, the Supreme Court implicitly recognized that such class preclusion was permissible; after all, if class preclusion were per se invalid, then what would be left for the arbitrator to decide?⁶

⁶ In *Gilmer v. Interstate/Johnson Lane Corp.*, 500 U.S. 20, 31 (1991), the Court explained that "the fact that certain litigation devices may not be available in an arbitration is part and parcel of arbitration's ability to offer 'simplicity, informality, and expedition,' [-] characteristics that

Appellate courts nationwide – including the United States Court of Appeals for the Fourth Circuit – have expressly upheld such provisions. *See, e.g., Snowden v. Checkpoint Check Cashing*, 290 F.3d 631, 638 (4th Cir. 2002) (rejecting the argument that precluding class actions in arbitration would render the plaintiff “unable to maintain her legal representation” given statutory availability of attorneys’ fees); *Tillman v. Commercial Credit Loans, Inc.*, 629 S.E.2d 865, 873 (N.C. Ct. App. 2006) (holding that the “great majority of federal and state courts that have examined and ruled upon” arbitration provisions precluding class arbitration have found them enforceable).⁷ As a result, the Court should enforce the Arbitration Agreement according to its terms.

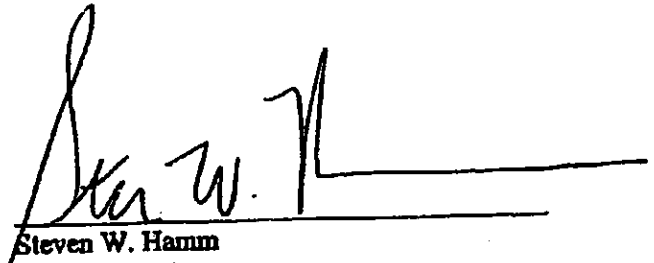
CONCLUSION

For the reasons set forth above, Century BMW respectfully requests that this Court compel arbitration of Ms. Watts’s claims against it in accordance with the terms of the Arbitration Agreement and, accordingly, dismiss those claims currently pending in this Court.

Respectfully submitted,

generally make arbitration an attractive vehicle for the resolution of low-value claims.” *Iberia Credit Bureau v. Cingular Wireless LLC*, 379 F.3d 159, 175 (5th Cir. 2004) (quoting *Gilmer*, 500 U.S. at 31).

⁷ *See also Jenkins v. First Am. Cash Advance of Ga., LLC*, 400 F.3d 868, 878 (11th Cir. 2005), *cert. denied* 126 S. Ct. 1457 (2006), (an arbitration agreement requiring individualized determinations “permit[s] [the plaintiff] and other consumers to vindicate all of their substantive rights in arbitration”); *Iberia Credit Bureau*, 379 F.3d 159, 175 (5th Cir. 2004) (precluding class arbitration “does not leave the plaintiffs without remedies”); *Livingston v. Assocs. Fin., Inc.*, 339 F.3d 553, 559 (7th Cir. 2003); *Johnson v. W. Suburban Bank*, 225 F.3d 366, 374 (3d Cir. 2000) (precluding class arbitration did not prevent “vindication” of plaintiff’s statutory rights “in the arbitral forum”); *Champ v. Siegel Trading Co.*, 55 F.3d 269, 277 (7th Cir. 1995) (“We are thus obliged to enforce the type of arbitration to which these parties agreed, which does not include arbitration on a class basis.”); *Edwards v. Blockbuster, Inc.*, 400 F. Supp. 2d 1305, 1309 (E.D. Okla. 2005) (“Such provisions are a common feature of consumer arbitration agreements, and numerous courts have recognized that they are valid and fully enforceable.”); *Ratins v. Found. Health Sys. Life & Health*, 23 P.3d 1249, 1253 (Colo. Ct. App. 2001) (“[A]rbitration clauses are not unenforceable simply because they might render a class action unavailable.”).



Steven W. Hamm
David A. Anderson
C. Jo Anne Wessinger Hill
RICHARDSON, PLOWDEN, CARPENTER
& ROBINSON, P.A.
1900 Barnwell Street
Post Office Drawer 7788
Columbia, South Carolina 29202
(803) 771-4400
(803) 779-0016 facsimile

Dennis M. Black (*pro hac vice*)
Nathan P. Sutton (*pro hac vice*)
Ryan L. VanGrack (*pro hac vice*)
WILLIAMS & CONNOLLY LLP
725 Twelfth St., N.W.
Washington, DC 20005
(202) 434-5000
(202) 434-5029 (facsimile)

Attorneys for Century BMW

March 26, 2007
Columbia, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF AIKEN

Heather Herron, et al

PLAINTIFFS,

v.

CarMax Auto Superstores, Inc., et al

DEFENDANTS.

) IN THE COURT OF COMMON PLEAS

) CIVIL ACTION NO.: 06-CP-02-1230

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CERTIFICATE OF SERVICE

C O P Y
ORIGINAL FILED

MAR 28 2007 8:30am

AIKEN COUNTY
CLERK OF COURT

I, the undersigned, an attorney at the firm of Richardson, Plowden, Carpenter and Robinson, P. A., who are attorneys for Century BMW, along with the Williams & Connolly LLP law firm, do hereby certify that I have served the foregoing **REPLY MEMORANDUM IN SUPPORT OF CENTURY BM'S MOTION TO COMPEL ARBITRATION AND TO DISMISS CLAIMS** on Plaintiffs by causing it to be deposited in a United States Postal Service mailbox a copy of the same, postage prepaid, return address clearly indicated, addressed to the following:

ATTORNEYS FOR THE PLAINTIFF

Michael E. Spears, Esq.

MICHAEL E. SPEARS, P.A.

PO Box 5806

Spartanburg, SC 29304

Gedney M. Howe, III, Esq.

GEDNEY M. HOWE, III, PA

PO Box 1034

Charleston, SC 29402

Richard A. Harpootlian, Esq.
RICHARD A. HARPOOTLIAN, P.A.
PO Box 1090
Columbia, SC 29202

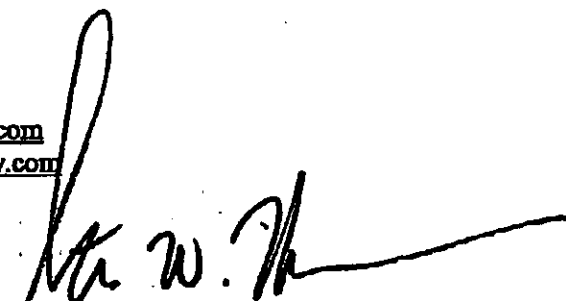
A. Camden Lewis, Esq.
Brady R. Thomas, Esq.
LEWIS & BABCOCK, LLP
PO Box 11208
Columbia, SC 29211

Also served via email to: brt@lblaw.com

And served on co-defendants' counsel by e-mail as follows:

Susan Rosen, Esq. - srosen@rosen-lawfirm.com
Bradford N. Martin, Esq. - bmartin@bnmlaw.com
Laura Teer, Esq. - lteer@bnmlaw.com
Greg Studemeyer, Esq. - gesquire@sc.rr.com
Harvey Sanders, Jr., Esq. - hsanders@lwtm.com
Frank M. Cisa, Esq. - frank@cisadodds.com
Ronald J. Tryon, Esq. - rpontryon@parkerpoe.com
Kevin A. Dunlap, Esq. - kevindunlap@parkerpoe.com
J.W. Nelson Chandler, Esq. - jwnelsonchandler@parkerpoe.com
James Y. Becker, Esq. - jbecker@hsblawfirm.com
R. David Proffitt, Esq. - dproffitt@hsblawfirm.com
Matthew Tyler, Esq. - mmt@aikenbridges.com
J. Rutledge Young, Jr. Esq. - jyoung@yrcrlaw.com
Capers G. Barr, III, Esq. - cgb@barrungermcintosh.com
William S. Barr, Esq. - wsb@barrungermcintosh.com
T. Alexander Beard, Esq. - beardlaw@bellsouth.net
Henry E. Grimbail, Esq. - hgrimbail@buiistmoore.com
Harry Clayton Walker, Jr. - cwalker@walkerreibold.net
B. Rush Smith, III, Esq. - rushsmith@nelsonmullins.com
Richard B. Ness, Esq. - richardness@bellsouth.net
Karl S. Brehmer, Esq. - karl.brehmer@brownandbrehmer.com
Shawn Mercer, Esq. - smercerc@dealerlawyer.com
Nathan Sutton, Esq. - nsutton@wc.com
Dennis Black, Esq. - dblack@wc.com
Daniel Katz, Esq. - dkatz@wc.com
Ryan L. VanGrack, Esq. - rvangrack@wc.com
Alice Paylor, Esq. - apaylor@rrhlaw.com

Pam Infinger, Esq. - paminfinger@hargray.com
William M. Bowen, Esq. - wilbow@hargray.com



Steven W. Hamm
David A. Anderson
C. Jo Anne Wessinger Hill
RICHARDSON, PLOWDEN, CARPENTER
& ROBINSON, P.A.
1900 Barnwell Street
Post Office Drawer 7788
Columbia, South Carolina 29202
(803) 771-4400
(803) 779-0016 facsimile

March 26, 2007
Charleston, South Carolina

ATTORNEYS FOR DEFENDANTS AS LISTED IN BRIEF

EXHIBIT C

A
ARBITRATION AGREEMENT
(All States Except CA)

DATE: 6-25-05

VIN: 4H58T835546520759

In this Arbitration Agreement ("Agreement"), "you" and "your" refers to the customer(s) who sign(s) below. "We", "us", and Dealer refers to the Dealer signing below, and includes the Dealer's employees, agents, and parent and affiliated companies (including, but not limited to, Commerce Acceptance Corporation) and their employees and agents. "Parties" refers to you and us. "Vehicle" refers to the automobile identified by the VIN set forth above. "Claim(s)" includes any and all disputes, claims or controversies between the Parties relating to the Vehicle or arising out of or relating to: (a) the application for and the terms of and enforceability of the sale, lease, or financing of the Vehicle, (b) the purchase or terms of any warranty, service agreement, maintenance plan, paint/undercarriage/interior protection product, and theft etching product and warranty, GAP protection, deficiency waiver addendum, or any or other product or insurance, (c) any claim of breach of contract, negligence, misrepresentation, conversion, fraud, or unfair and deceptive trade practices, (d) any claim of a violation of any state or federal statute or regulation, or (e) the Vehicle's condition, warranty, workmanship, servicing, maintenance or repair. All Claims must be brought within the time allowed by the applicable statute(s) of limitation. "Contract(s)" refers to any agreement(s) between you and us regarding the sale, lease, financing, service or maintenance of the Vehicle.

Upon the request of a Party, any and all Claim(s) shall be decided by binding arbitration before the American Arbitration Association (1-800-778-7879/ww.aaa.org) ("AAA"). The Parties may mutually agree to use another arbitration forum and/or qualified arbitrator. Unless mutually agreed otherwise between the Parties, any arbitration under this Agreement shall be conducted under the commercial arbitration rules of the AAA. To the extent that any Claim is deemed a "consumer dispute", the Parties agree that the fee schedule provided in the rules for consumer disputes of the AAA, if any, will apply. You can get a copy of the rules from the AAA. The arbitration hearing shall be conducted, at your option, in the federal district in which you reside or in which the Vehicle was purchased or leased.

The Parties waive the right to request arbitration for a Claim filed and maintained individually (as opposed to a class action) in your state's small claims court, if any. However, if such a Claim originally brought in small claims court is transferred or removed to a higher state or federal trial court, the Parties reserve their right to request arbitration under this Agreement.

The Parties agree that once one of the Parties has elected to arbitrate, binding arbitration is the exclusive method for resolving any and all Claims. By entering into this Agreement the Parties are waiving their right to a jury trial and their right to bring or participate in any class action or multi-plaintiff or claimant action in court or through arbitration. Until a Party consents to do so requests arbitration under this Agreement, any party to this Agreement may proceed with all other rights and remedies they may have. Neither you nor we waive our right to request arbitration under this Agreement, even after all Parties have elected to litigate a Claim in court, in the event new Claims are asserted after the initial filing of such litigation in court.

The arbitrator shall be an attorney or retired judge. The arbitrator shall apply and be bound by governing local, state or federal law when making an award, and shall award only those damages or other relief allowed by such governing law. Issues regarding whether a matter is arbitrable shall be made by the arbitrator. The arbitrator shall prepare a written decision stating reasoned findings of fact and conclusions of law. A party may seek entry of a judgment on the award in any court of competent jurisdiction.

If you initiate a Claim for Arbitration under this Agreement, we agree to pay that portion of the AAA's initial filing fee which exceeds the lesser of the court filing fee for the state or federal court located in the jurisdiction in which you reside. If we initiate a Claim for arbitration we will pay the entire initial filing fee. We also agree to pay up to \$1500 of the arbitrator's fees, unless applicable law or the rules of the AAA require otherwise. Unless applicable law or the rules of the AAA require otherwise, the Parties agree to share equally all other costs and fees, including the arbitrator's fees in excess of \$1500. Notwithstanding any other provision of this Agreement, we will also pay any amount of fees or costs that a court or the arbitrator decides we must pay in accordance with applicable law for this Agreement to be enforceable. The arbitrator deciding the Claim(s) shall have the authority to award fees, costs, injunctive or equitable relief in accordance with this Agreement and applicable law. Unless otherwise ordered by the arbitrator in accordance with applicable law or provided otherwise by applicable law, the Parties shall be responsible for the payment of their own attorney's ("") fees.

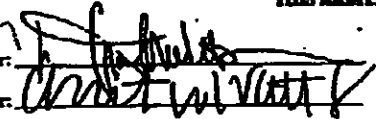
This Agreement evidences a transaction involving interstate commerce. The Parties acknowledge and agree that the Federal Arbitration Act (9 U.S.C. § 1 et seq.) ("FAA") shall govern any arbitration under this Agreement. The arbitrator's decision shall be final and binding, except for any right of appeal provided by the FAA or the rules of the AAA.

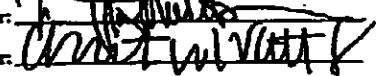
If any part of this Agreement shall be deemed or found unenforceable for any reason, the remainder of the Agreement shall remain enforceable. In the event this Agreement is found void you and we waive our respective rights to a trial by jury, if such waiver is permitted by applicable law.

This Agreement shall survive the repayment of all amounts owed by you with respect to the Vehicle. This Agreement is incorporated into and made a part of all Contract(s) as defined in this Agreement. If there is a separate arbitration agreement in any other Contract, then to the extent this Agreement is inconsistent with any such arbitration agreement this Agreement shall supersede such other arbitration agreement with respect to Claims between you and us, unless otherwise provided by law.

- EITHER YOU OR WE MAY CHOOSE TO HAVE ANY DISPUTE BETWEEN US DECIDED BY ARBITRATION AND NOT IN COURT.
- IF A DISPUTE IS ARBITRATED, YOU AND WE WILL EACH GIVE UP OUR RIGHT TO A TRIAL BY THE COURT OR BY A JURY.
- IF A DISPUTE IS ARBITRATED, YOU WILL GIVE UP YOUR RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR A CLASS MEMBER ON ANY CLASS CLAIM YOU MAY HAVE AGAINST US, INCLUDING ANY RIGHT TO CLASS ARBITRATION OR ANY CONSOLIDATION OF INDIVIDUAL ARBITRATIONS.
- THE INFORMATION YOU AND WE MAY OBTAIN IN DISCOVERY FROM EACH OTHER IN ARBITRATION IS GENERALLY MORE LIMITED THAN IN A LAWSUIT.
- OTHER RIGHTS THAT YOU AND WE WOULD HAVE IN COURT MAY NOT BE AVAILABLE IN ARBITRATION.
- YOUR AND OUR RIGHTS TO APPEAL OR CHANGE AN ARBITRATION AWARD IN COURT ARE VERY LIMITED.

BY SIGNING BELOW, THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND AGREE TO THE TERMS OF THIS ARBITRATION AGREEMENT

Customer: 

Customer: 

Dealer: 

De: 

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF AIKEN	)	SECOND JUDICIAL CIRCUIT
	)	
Howard Adams et al	)	Civil Action No.: 07-CP-02-1232
	)	
PLAINTIFFS,	)	CERTIFICATE OF SERVICE
	)	
v.	)	AUDDIE BROWN MITSUBISHI, WHOSE TRUE
	)	NAME IS AUDDIE BROWN AUTO SALES OF
Action Ford Mercury, Inc., et al,	)	FLORENCE, INC.
	)	
DEFENDANTS.	)	

I, the undersigned, an attorney at the firm of Richardson Plowden and Robinson, P. A., who are attorneys for CENTURY BMW, WHOSE TRUE NAME IS SONIC AUTOMOTIVE 2752 LAURENS RD., GREENVILLE, INC. D/B/A CENTURY BMW. do hereby certify that I have served the foregoing **SUPPLEMENTAL MEMORANDUM IN SUPPORT OF DEFENDANT CENTURY BMW'S MOTION TO COMPEL ARBITRATION** on Plaintiffs by causing it to be deposited in a United States Postal Service mailbox a copy of the same, postage prepaid, return address clearly indicated, addressed to the following:

Michael E. Spears, Esq.
MICHAEL E. SPEARS, P.A.
PO Box 5806
Spartanburg, SC 29304

Gedney M. Howe, III, Esq.
GEDNEY M. HOWE, III, PA
PO Box 1034
Charleston, SC 29402

Richard A. Harpootlian, Esq.
RICHARD A. HARPOOTLIAN, P.A.
PO Box 1090
Columbia, SC 29202

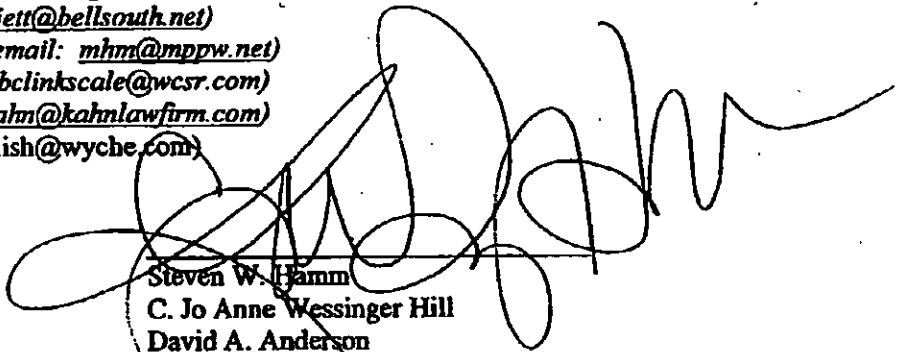
A. Camden Lewis, Esq.
Brady R. Thomas, Esq.
LEWIS & BABCOCK, LLP
PO Box 11208
Columbia, SC 29211

Also served via email to: brt@lewisbabcock.com

And served on co-defendants' counsel by e-mail as follows:

Susan Rosen, Esq., (via email: srosen@rosen-lawfirm.com)
Bradford Martin, Esq. (via email: bmartin@bnmlaw.com)

Laura Teer, Esq. (via email: lteer@bnmlaw.com)
Gregory Studemeyer, Esq. (via email: gesquire@sc.rr.com)
Harvey Sanders, Esq. (via email: hsanders@hwtm.com)
James T. Hewitt, Esq. (via email: jhewitt@hwtm.com)
James Becker, Esq. (via email: jbecker@hsblawfirm.com)
David Proffitt, Esq. (via email: dproffitt@hsblawfirm.com)
Capers G. Barr, Esq. (via email: cgb@barrungermcintosh.com)
William S. Barr, Esq. (via email: wsb@barrungermcintosh.com)
T. Alexander Beard, Esq. (via email: beardlaw@bellsouth.net)
Henry Grimball, Esq. (via email: hgrimball@buistmoore.com)
Clayton Walker, Esq. (via email: cwalker@walkerretbold.net)
Richard B. Ness, Esq. (via email: richardbness@bellsouth.net)
Alice Paylor, Esq. (via email: apaylor@rrhlawfirm.com)
Paul Infinger, Esq. (via email: paulinfinger@hargray.com)
William Bowman, Esq. (via email: wilbow@hargray.com)
Norma Jett, Esq. (via email: normajett@bellsouth.net)
Michael H. Montgomery, Esq. (via email: mhm@mppw.net)
Brent Clinkscales, Esq. (via email: bclinkscale@wcsr.com)
Justin S. Kahn, Esq. (via email: jskahn@kahnlawfirm.com)
Greg English, Esq. (via email: genglish@wyche.com)



Steven W. Hamm
C. Jo Anne Wessinger Hill
David A. Anderson
Jocelyn T. Newman
RICHARDSON PLOWDEN & ROBINSON, P.A.
Post Office Drawer 7788
Columbia, South Carolina 29202
(803) 771-4400
(803) 779-0016 facsimile

ATTORNEYS FOR DEFENDANT CENTURY BMW,
WHOSE TRUE NAME IS SONIC AUTOMOTIVE 2752
LAURENS RD., GREENVILLE, INC. D/B/A CENTURY
BMW

November 27, 2007
Columbia, South Carolina

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF AIKEN	)	CIVIL ACTION NO.: 06-CP-02-1230
	)	
Heather Herron, Natalie Armstrong, Michael	)	
Ritz, Julie Freeman, Christine Watts, Alison	)	
Dannert, Michael Blease, Michael Watts,	)	
Individually and for the Benefit of All Car	)	
Buyers Whom Paid "Administrative Fees" as	)	
Described below to Defendants	)	
	)	
Plaintiffs,	)	
	)	PLAINTIFF CHRISTINE WATTS'S
vs.	)	SUPPLEMENTAL MEMORANDUM
	)	IN OPPOSITION TO CENTURY
Century BMW a/k/a Sonic Automotive; Dick	)	BMW'S MOTION TO COMPEL
Dyer & Associates, Inc.; Galeana Chrysler	)	ARBITRATION
Plymouth, Inc. a/k/a Galeana Chrysler Jeep,	)	
Inc.; J.L.H. Investments, LP a/k/a Hendricks	)	
Honda; Overland, Inc. d/b/a Land Rover of	)	
Columbia; Taylor Toyota a/k/a Taylor	)	
Investments; and Toyota of Greenville, Inc., et	)	
al.	)	
	)	
Defendants.	)	

Plaintiff Christine Watts submits this Supplemental Memorandum in Opposition to Century BMW a/k/a Sonic Automotive's ("Century BMW") Motion to Compel Arbitration. Defendant Century BMW's Motion to Compel Arbitration should be denied because the arbitration agreement at issue is unconscionable and unenforceable.

BACKGROUND

On June 25, 2005, Plaintiff Christine Watts purchased a 2004 BMW from Defendant Century BMW. Exhibit 1, Affidavit of Christine Watts, ¶ 2. Defendant Century BMW charged Plaintiff Watts an illegal "recording & processing fee" in the amount of \$299.50. Exhibit 1, Exhibit A, Retail Buyers Order. The 2004 BMW was purchased to be Plaintiff Watts's primary source of transportation. Exhibit 1, ¶ 3.

At the time of her purchase, Century BMW required Plaintiff Watts to sign other paperwork including an arbitration agreement. Exhibit 1, ¶ 4. The arbitration agreement was not discussed or explained to Plaintiff Watts and was given to her on a "take-it-or-leave-it" basis. Exhibit 1, ¶ 5. Plaintiff Watts did not participate in the drafting of the arbitration agreement and had no voice in the formulation of its terms. Exhibit 1, ¶ 6.

Plaintiff Watts did not understand the implications of arbitration or possess the experience necessary to make her aware of the implication for arbitration. Exhibit 1, ¶ 7. Additionally, Plaintiff Watts did not have a lawyer present to provide her assistance in the execution of the paperwork required by Century BMW to be completed in connection with the purchase. Exhibit 1, ¶ 8.

The arbitration agreement that Century BMW required Plaintiff Watts to sign provides in part:

Upon the request of a Party, any and all Claim(s) shall be decided in binding arbitration before the American Arbitration Association. . . .

The Parties agree that once one of the Parties has elected to arbitrate, binding arbitration is the exclusive method for resolving any and all Claims. By entering into this Agreement, the Parties are waiving their right to a jury trial and their right to bring or participate in any class action or multi-Plaintiff or claimant action in court or through arbitration. . . .

IF A DISPUTE IS ARBITRATED, YOU WILL GIVE UP YOUR RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR A CLASS MEMBER ON ANY CLASS CLAIM YOU MAY HAVE AGAINST US, INCLUDING ANY RIGHTS TO CLASS ARBITRATION OR ANY CONSOLIDATION OF INDIVIDUAL ARBITRATIONS.

Exhibit 1, Exhibit B(emphasis added)

On October 31, 2006, Plaintiff Watts initiated this current action against Defendant Century BMW. This case arises from Defendant Century BMW's charging of illegal administrative fees. In the Amended Complaint, Plaintiff Watts alleged causes of action for

declaratory judgment requesting injunctive relief and disgorgement, civil conspiracy, and violation of the Motor Vehicle Dealers Act.

Plaintiff Watts brought this action on behalf of a group pursuant to S.C. Ann. § 56-15-

110. This statute provides:

- (1) In addition to temporary or permanent injunctive relief as provided in § 56-15-40(3)(c), any person who shall be injured in his business or property by reason of anything by reason of anything forbidden in this chapter may sue therefor in the court of common pleas and shall recover double the actual damage by him sustained, and the cost of suit, including a reasonable attorney's fee.
- (2) When such action is on of common or general interest to many persons or when the parties are numerous and it is impracticable to bring them all before the court, one or more may sue for benefit of the whole, including actions for injunctive relief.
- (3) In an action for money damages, if the jury finds that the Defendant acted maliciously, the jury may award punitive damages not to exceed three times the actual damages.
- (4) A final judgment, order or decree rendered against a person in any civil, criminal or administrative proceeding under the United States antitrust laws, under the Federal Trade Commission Act, or under this chapter shall constitute prima facie evidence against such person subject to the conditions of the United States Antitrust Law (15 U.S.C.16).

S.C. Code Ann. §56-15-110 (emphasis added). This statute creates substantive rights in favor of those affected by violations of the Dealers Act including the right to bring a claim on behalf of a group and the right to obtain injunctive relief on behalf of a group.¹ The statute was "Obviously enacted...because consumers' remedies at common law were deemed inadequate." Kucharski v. Rick Hendrick Chevrolet, LP, 2002 WL 313860990 (SC Ct. App. 2002).

On December 29, 2006, Defendant Century BMW filed a motion to compel arbitration. In its memorandum in support of the motion. Defendant Century BMW requested that the Court render a ruling on the propriety of the arbitration agreement's prohibition of multi-plaintiff or

¹This Court by Order dated July 31, 2007 found that this provision creates substantive rights in favor of those harmed by a violation of the Motor Vehicle Dealers Act.

class action litigation. Exhibit 2, Defendant Century BMW's Memorandum in Support of Arbitration, fn. 6, p. 7 ("[T]here is no need to refer the issue of class arbitrations to an arbitrator.").

Plaintiff Watts briefed these issues as a part of Plaintiffs' Memorandum in Opposition to Motions to Dismiss dated March 9, 2007. Defendant Century BMW submitted further briefing on this issue on March 26, 2007.

Importantly, on March 26, 2007, the South Carolina Supreme Court in Simpson v. MSA of Myrtle Beach, Inc. issued an opinion that directly affects the issues in this motion. Simpson v. MSA of Myrtle Beach, Inc., 373, S.C. 14, 644, S.E.2d 663 (2007).²

Plaintiff Watts hereby submits his supplemental brief to address the Simpson case and its applicability here.

DISCUSSION

I. The Century BMW Arbitration Agreement is Unconscionable and Unenforceable.

This case is just like Simpson v. MSA of Myrtle Beach, Inc. The Simpson Court held that where a car dealer attempts in a form contract to prevent a consumer from prosecuting statutory rights in an arbitration that such contracts are unconscionable and unenforceable. Simpson, 644 S.E.2d at 668-671. The Simpson Court provided the following test for determining whether an arbitration agreement is unconscionable:

In South Carolina, unconscionability is defined as the absence of meaningful choice on the part of one party due to one-sided contract provisions, together with terms that are so oppressive that no reasonable person would make them and no fair and honest person would accept them.

Id.

²The United States Supreme Court denied certiorari on this decision – S.Ct. – 2007 WL 2383424 (U.S.S.C.).

Application of the Simpson test here shows that the Century BMW arbitration agreement is unconscionable and unenforceable.

A. *Absence of Meaningful Choice.*

Plaintiff Watts had no meaningful choice in agreeing to arbitrate and waiver her right to participate in a multi-plaintiff action. The Simpson case describes absence of meaningful choice as follows:

Absence of meaningful choice on the part of one party generally speaks to the fundamental fairness of the bargaining process in the contract at issue. In determining whether a contract was "tainted by an absence of meaningful choice," courts should take into account the nature of the injuries suffered by the plaintiff; whether the plaintiff is a substantial business concern; the relative disparity in the parties' bargaining power; the parties' relative sophistication; whether there is an element of surprise in the inclusion of the challenged clause; and the conspicuousness of the clause.

Simpson v. MSA of Myrtle Beach, Inc. 644 S.E.2d at 669(internal citations omitted).

The Century BMW arbitration agreement is an adhesion contract tainted with the absence of meaningful choice. "[A]n adhesion contract is a standard form contract offered on a 'take-it-or-leave-it' basis with terms that are not negotiable." Simpson, 644 S.E.2d at 669. Adhesion contracts "are standard in the automobile retail industry." Id. Century BMW's arbitration agreement is clearly an adhesion contract. The contract is a standard form contract. The contract has blanks that can be filled in depending on the date of the transaction, the VIN number of the vehicle, the name of the customer, and the name of the dealer. Exhibit 1, Exhibit B.

Additionally, the arbitration agreement was not discussed or explained to Plaintiff Watts and was given to her on a take-it-or-leave-it basis. Exhibit 1, ¶ 5. Plaintiff Watts did not participate in the drafting of the agreement and had no voice in the formulation of its terms. Exhibit 1, ¶ 6.

The Century BMW arbitration agreement is clearly an adhesion contract.³

In determining whether there was an absence of meaningful choice on behalf of Plaintiff Watts, this Court should view the Century BMW contract with "considerable skepticism."

Simpson, 644 S.E.2d at 670(adopting rationale of Ohio Courts in analyzing arbitration agreements by automobile retailers and stating "We...proceed to analyze this contract between a consumer and automobile retailer with 'considerable skepticism'."). Furthermore, because an automobile is a "necessity" in everyday life this factor should be considered in determining "whether a consumer had a meaningful choice in negotiating the arbitration agreement."

Simpson, 644 S.E.2d at 669.

Applying this analysis, the Simpson Court provided as follows:

[T]he contract between Simpson and Addy involved a vehicle intended for use as Simpson's primary transportation, which is critically important in modern day society. Applying the factors considered by the Fourth Circuit in analyzing arbitration clauses, we also acknowledge Simpson's claim that she did not possess the business judgment necessary to make her aware of the implications of the arbitration agreement, and that she did not have a lawyer present to provide any assistance in the matter. *But see Munoz*, 343 S.C. 531, 542 S.E.2d 360 (failing to factor in the weaker party's status as a consumer in analyzing an unconscionability claim in an arbitration agreement between a consumer and a lender). Similarly, we note Simpson's allegation that the contract was "hastily" presented for her signature.

Simpson, 644 S.E.2d at 670. Based on this analysis, the Simpson Court found an absence of meaningful choice in that transaction.

The facts in this case mirror those in Simpson. Plaintiff Watts purchased a vehicle to be her primary source of transportation. Exhibit 1, ¶ 3. Plaintiff Watts did not understand the implications of arbitration nor possess the experience necessary to make her aware of the implications of arbitration. Exhibit 1, ¶ 7. Plaintiff Watts did not have a lawyer present to

³In its earlier briefs, Century BMW did not contest the fact that its arbitration agreement is an adhesion contract.

provide her assistance in the execution of the paperwork required to purchase the BMW.

Exhibit 1, ¶ 8. Additionally, the arbitration agreement was hastily presented to Plaintiff Watts for her signature. Exhibit 1, ¶ 4. These factors, just as they did in Simpson, warrant a finding by the Court that Plaintiff Watts had an absence of meaningful choice when she entered into the arbitration agreement.

Furthermore, the circumstances surrounding Plaintiff Watts's execution of the paperwork associated with her car purchase further support that Plaintiff Watts had absence of meaningful choice. The arbitration agreement was given to Plaintiff Watts along with other paperwork which Century BMW required her to sign. Exhibit 1, ¶ 4. The arbitration agreement was never discussed or explained. Exhibit 1, ¶ 5. The arbitration agreement contains hard to read single-spaced size seven font. There was no negotiation related to the arbitration agreement and this is not a contract between sophisticated business interests in an arms' length transaction.⁴ Essentially, Century BMW snuck a hard to read document which purports to waive important rights in with other paperwork and took advantage of a consumer. In summary, Plaintiff Watts, like the Plaintiff in Simpson, had no meaningful choice in agreeing to arbitrate any claims with Century BMW.

B. Oppressive and One-Sided Terms.

The Century BMW arbitration agreement contains oppressive and one-sided terms. In analyzing this factor, the Simpson Court stated:

⁴Instead, the transaction is between a twenty-three year old girl and a multi-million dollar corporation.

The general rule is that courts will not enforce a contract which is violative of public policy, statutory law, or provisions of the Constitution. *Carolina Care Plan*, 361 S.C. at 555, 606 S.E.2d at 758. In our opinion, this rule has two applications in the present case. First, this arbitration clause violates statutory law because it prevents Simpson from receiving the mandatory statutory remedies to which she may be entitled in her underlying SCUTPA and Dealers Act claims. Second, unconditionally permitting the weaker party to waive these statutory remedies pursuant to an adhesion contract runs contrary to the underlying statutes' very purposes of punishing acts that adversely affect the public interest. Therefore, under the general rule, this provision in the arbitration clause is unenforceable.

Simpson, 644 S.E.2d at 671(citing the "strong public policy notions behind the enactment of the...Dealers Act"). The Simpson case reasoning is equally applicable here.

Oppressive Terms

The arbitration agreement contains Oppressive terms that violate public policy and statutory law. The Century BMW arbitration agreement here, like the arbitration agreement in Simpson impermissibly attempts to take away Plaintiff Watts's statutory rights. The Dealers Act provides substantive rights to those harmed by violations. S.C. Code Ann. §56-15-110(c) provides:

- (2) When such action is on of common or general interest to many persons or when the parties are numerous and it is impracticable to bring them all before the court, one or more may sue for benefit of the whole, including actions for injunctive relief.

S.C. Code Ann. §56-15-110(2) provides statutory rights to Plaintiffs including the right to seek right to bring a claim on behalf of a group and injunctive relief on behalf of a group. The statute was "Obviously enacted...because consumers' remedies at common law were deemed inadequate." See Kucharski v. Rick Hendrick Chevrolet, LP, 2002 WL 313860990 (SC Ct. App. 2002). As stated by the Supreme Court in Simpson, the purpose behind the Dealers Act is to "punish[] acts that adversely affect the public interest." Simpson, 644 S.E.2d at 671. The

Century BMW arbitration agreement's purported waiver of the right to bring an action on behalf of a group undermines the Dealers Act's ability to punish wrongdoers by taking away the ability to prosecute claims collectively (which produces an economic disincentive for bad conduct) and taking away the ability to obtain injunctive relief on behalf of a group (which would stop further bad acts from occurring).

Century BMW arbitration agreement's attempted prohibition of group suits prevents Plaintiff Christine Watts from vindicating her statutory rights in arbitration. The right to bring a claim on behalf of a group under S.C. Code Ann. §56-15-110(2) is significant. This protection provided by the General Assembly is necessary because otherwise parties with nominal individual claims, but significant collective claims, would be left with limited avenues for relief and a wrongdoer car dealer with little checks on its abuses of the law. S.C. Code Ann. § 56-15-110 makes it economical for a car purchaser who has been harmed by violation of the statute to bring claims against a car dealer. Otherwise, car dealers could continually rip off customers for small amounts with no check on their abuses.

Similarly, Plaintiff Christine Watts's statutory right, as one harmed Plaintiff, to seek injunctive relief when an action is of common or general interest to many persons cannot be effectively vindicated under the Century BMW arbitration agreement. S.C. Code Ann. §56-15-110(2) is designed so that one person can stop a car dealers from perpetrating wrongdoing against many car purchasers. This right to injunctive relief was given by the General Assembly to prevent car dealerships from perpetrating mass wrongdoing on the public. This is a significant right that cannot be vindicated in the Century BMW arbitration.

Courts in other jurisdictions have found similar provisions unconscionable and unenforceable. See Cooper v. OC Financial Services, Inc., 503 F.Supp.2d 1266, 1290 (D. Ariz.,

2007); Eagle v. Fred Martin Motor Co., 809 NE2d 1161 (Ohio App. 2004)(concluding provision preventing right to proceed through a class action or as a private attorney general were both against public policy and the underlying purpose of the Consumer Sales Practices Act and thus were unenforceable). Lozada v. Dale Baker Oldsmobile, Inc., 91 F.Supp. 2d 1087 (W.D. Mich. 2000)(arbitration clause involving the sale of automobiles providing for waiver by buyer's or right to proceed by way of a class action was substantially unreasonable and unconscionable); State Ex Rel. Dunlap v. Berger, 567 SE2d 265 (W.Va.2002); Leonard v. Terminex Intern Co., L.P., (Ala. 2002); Powertel v. Bexley, 743 SE2d 570, 576 (Fla. Dist. Ct. App. 1998).

Similarly, the South Carolina Supreme Court has stated that it will not enforce this type of arbitration agreement. "[P]reclusion of class-wide or consolidated arbitration in an adhesion contract, even if explicit, undermines principles favoring expeditious and equitable case disposition absent demonstrated prejudice to the drafter of the adhesion contract." Bazzle v. Green Tree Financial Corporation, 351 S.C. 244, 569, S.E.2d 349 (2002) (*R'vd on other grounds*). Such agreements are unconscionable because they insulate Defendants from significant exposure brought about when otherwise small claims are grouped together.⁵

In effect, the class action waiver is a device that is designed to allow Century BMW to rip-off customers for small amounts of money (like charging a \$299.50 illegal administrative fee) without any real recourse. The multi-plaintiff class action waiver makes it economically

⁵Enforcement of this type of clause severely erodes consumer rights. As one Court noted: "[T]he pervasive use of arbitration agreements in consumer contracts could have the effect of eliminating class actions as an option available to aggrieved consumers. If class actions are no longer an option, the vast majority of consumer claims involving relatively small sums of money on an individual basis will be left without a remedy." In re Knepp, 229 B.R. 821, *842 (Bkrtcy.N.D.Ala.,1999)

impracticable for a consumer to bring an action against Century BMW.⁶ Plaintiff Watts was charged a \$299.50 recording and processing fee. Even with the specter of five times the actual damages, this amounts to \$1,497.50. As alleged in the Amended Complaint, Century BMW makes several hundred thousand dollars a year from this one line item. Thus, the economic benefit to Century BMW from charging illegal administrative fees substantially outweighs the risk of a consumer bringing a claim for approximately \$1,500.00 and spending time and money in going through the AAA arbitration process. This is contrary to the "strong public policy reasons" behind the enactment of the Dealers Act and contrary to the Dealers Act's purpose of "punishing acts that adversely affect the public's interest." Simpson, 644 S.E.2d at 671.

One-Sided Terms

The prohibition of multi-plaintiff and class actions in the Century BMW arbitration agreement is manifestly one-sided. Although styled as a mutual prohibition on representative or class actions, it is difficult to envision the circumstances on which the provision might negatively impact Century BMW, because car dealers typically do not sue their customers in class action

⁶Other Courts have recognized that similar arbitration clauses are intentionally designed to limit liability and are unconscionable. The California Court of Appeals's reasoning in Szetela for finding a similar clause unconscionable is equally persuasive here. The Szetela Court stated: "This provision is clearly meant to prevent customers, such as Szetela and those he seeks to represent, from seeking redress for relatively small amounts of money, such as the \$29 sought by Szetela. Fully aware that few customers will go to the time and trouble of suing in small claims court, Discover has instead sought to create for itself virtual immunity from class or representative actions despite their potential merit, while suffering no similar detriment to its own rights. [¶] ... The clause is not only harsh and unfair to Discover customers who might be owed a relatively small sum of money, but it also serves as a disincentive for Discover to avoid the type of conduct that might lead to class action litigation in the first place. By imposing this clause on its customers, Discover has essentially granted itself a license to push the boundaries of good business practices to their furthest limits, fully aware that relatively few, if any, customers will seek legal remedies, and that any remedies obtained will only pertain to that single customer without collateral estoppel effect. The potential for millions of customers to be overcharged small amounts without an effective method of redress cannot be ignored. Therefore, the provision violates fundamental notions of fairness. [¶] ... This is not only substantively unconscionable, it violates public policy by granting Discover a 'get out of jail free' card while compromising important consumer rights." Szetela v. Discover Bank, 97 Cal.App. 4th 1094 (2002).

lawsuit. Such a one-sided contract in a contract of adhesion is unconscionable. See Kinkel v. Cingular Wireless, LLC, 828 NE2d 812, 820-821 (Ill.App. 5 Dist., 2005) ("cellular telephone service providers typically do not sue their customers in class action lawsuits. Thus, Cingular's provision barring class arbitrations is a one-sided limitation on its customers' ability to seek relief...such a one-sided limitation that could effectively deny plaintiffs their day in court is substantively unconscionable."). See also Szetela v. Discover Bank, 97 Cal.App. 4th 1094 (2002) (holding a similar clause unconscionable and one-sided because "credit card companies typically do not sue their customers in class action lawsuits.").

Quite simply, the Dealers Act is designed to protect the public and the right to bring a group action and obtain group injunctive relief is an important statutory right. Century BMW should not be permitted to circumvent these statutory rights by sneaking them in an arbitration agreement in the form of an adhesion contract and to do so would be against public policy.

II. In Any Event, the Multi-Plaintiff/Class Action Waiver is Unconscionable.

This Court should not compel arbitration that does not allow class action arbitration because to do so is contrary to S.C. Code Section 56-15-110 (C)(2) and the basis for the enactment of Section 56-15-110(C)(2) and because there is an inherent conflict between arbitration on an individual basis only and the underlying purposes of Section 56-15-10 (C)(2).

CONCLUSION

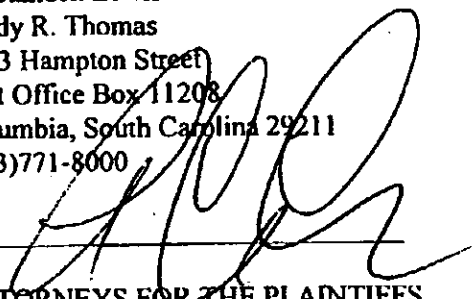
For the foregoing reasons, Plaintiff Watts respectfully requests that the Court find the arbitration clause unconscionable and unenforceable in its entirety.

MICHAEL SPEARS, PA
Michael E. Spears
Post Office 5806
Spartanburg, South Carolina 29304
(864)583-3235

GEDNEY M. HOWE, III, PA
Gedney M. Howe, III
Post Office Box 1034
Charleston, South Carolina 29402
(843)722-8048

RICHARD A. HARPOOTLIAN, PA
Richard A. Harpootlian
Post Office Box 1090
Columbia, South Carolina 29202
(803)252-4848

LEWIS & BABCOCK, L.L.P.
A. Camden Lewis
Brady R. Thomas
1513 Hampton Street
Post Office Box 11208
Columbia, South Carolina 29211
(803)771-8000

By: 

ATTORNEYS FOR THE PLAINTIFFS.

November 28, 2007

EXHIBIT 1

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF AIKEN	)	CIVIL ACTION NO.: 06-CP-02-1230
	)	
HEATHER HERRON, ET. AL	)	
	)	
Plaintiffs,	)	AFFIDAVIT OF CHRISTINE
	)	WATTS
vs.	)	
	)	
CARMAX AUTO SUPERSTORES, INC., ET.	)	
AL.	)	
	)	
Defendants.	)	

PERSONALLY APPEARED before me, Christine Watts, being duly sworn, deposes and states that:

1. I am a named Plaintiff in this action and am competent to testify to the matters stated herein.
2. On June 25, 2005 I purchased a 2004 BMW from Defendant Sonic Automotive, Inc. d/b/a Century BMW. A copy of my Retail Buyer's Order is attached as Exhibit A.
3. The 2004 BMW was purchased to be and is my primary source of transportation.
4. I was hastily given other paperwork which the dealership required me to sign. This paperwork included the "Arbitration Agreement" that is attached as Exhibit B.
5. The "Arbitration Agreement" was not discussed or explained to me and was given to me on a "take it or leave it" basis.
6. I did not participate in the drafting of the "Arbitration Agreement" and had no

voice in the formulation of its terms.

7. At the time of my purchase I did not understand the implications of arbitration or possess the experience necessary to make me aware of the implications of arbitration.
8. I did not have a lawyer present to provide me assistance in the execution of the paperwork required to purchase the 2004 BMW.

Further affiant sayeth not.

SWORN TO AND SUBSCRIBED BEFORE ME)

this ____ day of April 3, 2007)

Cynthia J. Speed)
Notary Public for the State of South Carolina)
My Commission Expires: 12-5-15)

Christine Watts
Christine Watts

EXHIBIT A

02030

24-2005 15:58 FROM:CENTURY BMW SERVICE 8642975929

TO:18032275603

P.1

CENTURYBMW CENTURYMINI		RETAIL BUYER'S ORDER	
2750 LAURENS ROAD • GREENVILLE, SC 29607 PHONE (864) 234-6437 www.century-bmw.com • www.century-mini.com		Name: <u>Michael M Watts or Christine M. Watts</u>	
Date: <u>6-25-05</u> Stock No: <u>15514</u>		Address: <u>210 Providence Sq. Greenville SC 29615</u>	
Salesperson: <u>Elizabeth Courtney</u>		Phone: <u>864-270-7396</u>	
☐ NEW ☐ DEMO ☐ PRE-OWNED ☐ FACTORY CAR Cylinders: <u>4</u> Make: <u>BMW</u> Body Type: <u>24</u> Series: <u>24</u> Serial No: <u>4U5BT33654L550759</u> COLOR: <u>Exterior</u> / <u>Interior</u>		PRICE: (including taxes, license & service charges) <u>32980</u>	
OPTIONS: ☐ PREMIUM PACKAGE ☐ ACTIVITY PACKAGE ☐ PREMIUM SOUND ☐ ON BOARD COMPUTER ☐ SPORTS PREMIUM PACKAGE ☐ CONVENIENCE PACKAGE ☐ IN DASH CD ☐ ALLOY WHEELS ☐ SPORTS PACKAGE ☐ MOON ROOF ☐ CD CHANGER ☐ CRUISE CONTROL ☐ TRANSMISSION: ☐ COLD WEATHER PACKAGE ☐ LEATHER UPHOLST. ☐ HEATED SEATS ☐ AUTOMATIC ☐ MANUAL		Additional Options: <u>#1604.50</u>	
Mileage: <u>15514</u>		TOTAL: <u>31375.50</u>	
Year: <u>2005</u> Make: <u>BMW</u> Body Type: <u>24</u> Series: <u>24</u>		Alliance on Trade-In	
Cylinders: <u>4</u> Serial No: <u>4U5BT33654L550759</u> COLOR: <u>Exterior</u> / <u>Interior</u>		Cash Off-Invoice	
Mileage: <u>15514</u> Options: <u>15514</u>		SC Sales Tax: <u>2300</u>	
BALANCE OWED TO: Name & Address: _____		Balance Owed on Trade-In	
LEAD: Name & Address: _____		Title and License: <u>25</u>	
Phone: _____ Contact: _____		Recording & Processing Fees: <u>\$299.50</u>	
Fax: _____ Account # _____		TOTAL: <u>32000</u>	
Effective Dates: _____ Effective Dates: _____		Service Agreement:	
INSURANCE INFORMATION: Company Name: _____ Policy # _____ Effective Dates: _____		Insurance:	
Agent: _____ Phone: _____ Drivers License # _____		TOTAL:	
Remarks: _____		Cash on Delivery:	
		BALANCE DUE:	

READ CAREFULLY: Century BMW / Century Mini agrees to sell and the Buyer(s) agree to purchase the vehicle as above described at the price set forth. The Buyer shall remit full payment of the entire balance due on or before _____. This Buyer's Order constitutes the entire agreement between the parties and may not be changed except by an instrument in writing signed by the party to be charged.

Buyer: _____ X _____ Co-Buyer: _____

Must be signed by an officer of the Company

☐ USED CAR CONTRACTUAL DISCLOSURE STATEMENT: - The information just set on the window form (Buyer's Guide) for this vehicle is part of the contract. Information on the window form overrides any contrary provisions in the contract of sale.

☐ NEW VEHICLE

Purchaser's Signature X _____

DISCLAIMER OF WARRANTIES: - I have read, understood and accept all provisions of the Manufacturer's Warranty Statement covering this new vehicle that I am purchasing. Furthermore, I understand that all warranties on this vehicle are those of the manufacturer. The seller, Century BMW / Century Mini, hereby expressly disclaims all warranties, either expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose and Century BMW / Century Mini, neither assumes nor authorizes any person to assume for it any liability in connection with the sale of this vehicle. This disclaimer in no way affects the provisions of the manufacturer's warranty.

Purchaser's Signature X _____

This agreement between the undersigned buyer(s) and dealer is incorporated by reference into and is made a part of any separate retail installment or credit sale agreement between the undersigned buyer(s) and dealer ("Retail Financing Agreement"). Notwithstanding anything to the contrary in any other document, if there is a Retail Financing Agreement the undersigned buyer(s) understand and agree that the transaction evidenced by this agreement and the Retail Financing Agreement is contingent upon credit approval by, and assignment of the Retail Financing Agreement to, a third-party financial institution. If the Retail Financing Agreement is not accepted by a third-party financial institution, you must immediately return the vehicle referred to in this agreement, and the entire transaction evidenced by this agreement and the Retail Financing Agreement and this agreement shall be null and void.

Signed _____ (Buyer) Signed _____ (Dealer)
Signed _____ (Buyer)

02031

EXHIBIT B

02032

ARBITRATION AGREEMENT
(All States Except CA)

DATE: 6.25.05

VIN: 4H58T3314L532759

In this Arbitration Agreement ("Agreement"), "you" and "your" refers to the customer(s) who sign(s) below. "We", "us", and Dealer refer to the Dealer signing below, and includes the Dealer's employees, agents, and parent and affiliated companies (including, but not limited to, Chertstone Acceptance Corporation) and their employees and agents. "Parties" refers to you and us. "Vehicle" refers to the automobile identified by the VIN set forth above. "Claim(s)" includes any and all disputes, claims or controversies between the Parties relating to the Vehicle or arising out of or relating to: (a) the application for and the terms of and enforceability of the sale, lease, or financing of the Vehicle, (b) the purchase or terms of any warranty, service agreement, maintenance plan, paint/undercarriage/interior protection product, anti-theft etching product and warranty, GAP protection, deficiency waiver addendum, or any or other product or insurance, (c) any claims of breach of contract, negligence, misrepresentation, conversion, fraud, or unfair and deceptive trade practices, (d) any claim of a violation of any state or federal statute or regulation, or (e) the Vehicle's condition, warranty, workmanship, servicing, maintenance or repair. All Claims must be brought within the time allowed by the applicable statute(s) of limitation. "Contract(s)" refers to any agreement(s) between you and us regarding the sale, lease, financing, service or maintenance of the Vehicle.

Upon the request of a Party, any and all Claim(s) shall be decided in binding arbitration before the American Arbitration Association (1-800-778-7879/www.adr.org) ("AAA"). The Parties may mutually agree to use another arbitration forum and/or qualified arbitrator. Unless mutually agreed otherwise between the Parties, any arbitration under this Agreement shall be conducted under the commercial arbitration rules of the AAA. To the extent that any Claim is deemed a "consumer dispute", the Parties agree that the fee schedule provided in the rules for consumer disputes of the AAA, if any, will apply. You can get a copy of the rules from the AAA. The arbitration hearing shall be conducted, at your option, in the federal district in which you reside or in which the Vehicle was purchased or leased.

The Parties waive the right to request arbitration for a Claim filed and maintained individually (as opposed to a class action) in your state's small claims court, if any. However, if such a Claim originally brought in small claims court is transferred or removed to a higher state or federal trial court, the Parties reserve their right to request arbitration under this Agreement.

The Parties agree that once one of the Parties has elected to arbitrate, binding arbitration is the exclusive method for resolving any and all Claims. By entering into this Agreement the Parties are waiving their right to a jury trial and their right to bring or participate in any class action or multi-plaintiff or claimant action in court or through arbitration. Until a Party entitled to do so requests arbitration under this Agreement, any party to this Agreement may proceed with all other rights and remedies they may have. Neither you nor we waive our right to request arbitration under this Agreement, even after all Parties have elected to litigate a Claim in court, in the event new Claims are asserted after the initial filing of such litigation in court.

The arbitrator shall be an attorney or retired judge. The arbitrator shall apply and be bound by governing local, state or federal law when making an award, and shall award only those damages or other relief allowed by such governing law. Issues regarding whether a matter is arbitrable shall be made by the arbitrator. The arbitrator shall prepare a written decision stating reasoned findings of fact and conclusions of law. A party may seek entry of a judgment on the award in any court of competent jurisdiction.

If you initiate a Claim for Arbitration under this Agreement, we agree to pay that portion of the AAA's initial filing fee which exceeds the lesser of the court filing fee for the state or federal court located in the jurisdiction in which you reside. If we initiate a Claim for arbitration we will pay the entire initial filing fee. We also agree to pay up to \$1500 of the arbitrator's fees, unless applicable law or the rules of the AAA require otherwise. Unless applicable law or the rules of the AAA require otherwise, the Parties agree to share equally all other costs and fees, including the arbitrator's fees in excess of \$1500. Notwithstanding any other provision of this Agreement, we will also pay any amount of fees or costs that a court or the arbitrator decides we must pay in accordance with applicable law for this Agreement to be enforceable. The arbitrator deciding the Claim(s) shall have the authority to award fees, costs, injunctive or equitable relief in accordance with this Agreement and applicable law. Unless otherwise ordered by the arbitrator in accordance with applicable law or provided otherwise by applicable law, the Parties shall be responsible for the payment of their own attorney's ("") fees.

This Agreement evidences a transaction involving interstate commerce. The Parties acknowledge and agree that the Federal Arbitration Act (9 U.S.C. § 1 et seq.) ("FAA") shall govern any arbitration under this Agreement. The arbitrator's decision shall be final and binding, except for any right of appeal provided by the FAA or the rules of the AAA.

If any part of this Agreement shall be deemed or found unenforceable for any reason, the remainder of the Agreement shall remain enforceable. In the event this Agreement is found void you and we waive our respective rights to a trial by jury, if such waiver is permitted by applicable law.

This Agreement shall survive the repayment of all amounts owed by you with respect to the Vehicle. This Agreement is incorporated into and made a part of all Contract(s) as defined in this Agreement. If there is a separate arbitration agreement in any other Contract, then to the extent this Agreement is inconsistent with any such arbitration agreement this Agreement shall supersede such other arbitration agreement with respect to Claims between you and us, unless otherwise provided by law.

- EITHER YOU OR WE MAY CHOOSE TO HAVE ANY DISPUTE BETWEEN US DECIDED BY ARBITRATION AND NOT IN COURT.
- IF A DISPUTE IS ARBITRATED, YOU AND WE WILL EACH GIVE UP OUR RIGHT TO A TRIAL BY THE COURT OR BY A JURY.
- IF A DISPUTE IS ARBITRATED, YOU WILL GIVE UP YOUR RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR A CLASS MEMBER ON ANY CLASS CLAIM YOU MAY HAVE AGAINST US, INCLUDING ANY RIGHT TO CLASS ARBITRATION OR ANY CONSOLIDATION OF INDIVIDUAL ARBITRATIONS.
- THE INFORMATION YOU AND WE MAY OBTAIN IN DISCOVERY FROM EACH OTHER IN ARBITRATION IS GENERALLY MORE LIMITED THAN IN A LAWSUIT.
- OTHER RIGHTS THAT YOU AND WE WOULD HAVE IN COURT MAY NOT BE AVAILABLE IN ARBITRATION.
- YOUR AND OUR RIGHTS TO APPEAL OR CHANGE AN ARBITRATION AWARD IN COURT ARE VERY LIMITED.

BY SIGNING BELOW, THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND AGREE TO THE TERMS OF THIS ARBITRATION AGREEMENT

Customer:

Customer:

Dealer:

Dr:

02033

EXHIBIT 2

BACKGROUND

Ms. Watts alleges that in connection with her purchase of a vehicle, Century BMW charged her an administrative fee. See Amended Complaint ¶¶ 384-85.² She acknowledges that S.C. Code Ann. § 37-2-307 authorizes dealerships to charge such a fee, see Amended Complaint ¶¶ 345-48, but alleges that Century BMW did not follow certain statutory requirements without identifying what requirements were not followed, see id. ¶¶ 337-44, 349. She further alleges that even if Century BMW fully complied with § 37-2-307, its charging of a closing fee still violates S.C. Code Ann. § 56-15-10 et. seq. See id. ¶ 350. Based on these allegations, Ms. Watts brings one count for violation of S.C. Code Ann. § 56-15-10 and another count for a declaratory judgment with respect to S.C. Code Ann. § 56-15-10 et. seq. and/or § 37-2-307.³

In connection with her purchase of a vehicle from Century BMW, Ms. Watts and Century BMW entered into an "Arbitration Agreement." See Exhibit A. This Agreement provides that at the request of a party, "any and all Claim(s) shall be decided in binding

² Century BMW references the allegations in the Complaint because they are relevant to this Court's determination of the arbitrability of Ms. Watts's claims. See Vestry & Church Wardens of Church of Holy Cross v. Orkin Exterminating Co., Inc., ___ S.C. ___, 588 S.E.2d 136, 141 (Ct. App. 2003) (deciding motion to compel arbitration by comparing allegations in complaint with subject matter of contract containing contract-specific arbitration clause). Reference to these allegations should not be taken as agreement with them—indeed Defendants dispute many of Plaintiff's allegations and deny liability.

³ Ms. Watts also brings a count for civil conspiracy against other defendants but did not name Century BMW in this count. See Amended Complaint ¶ 403. Even had Ms. Watts named Century BMW, she has failed to state any claim for civil conspiracy, as demonstrated in Defendants' joint motion to dismiss; moreover such a claim would plainly be arbitrable as it is a claim "relating to the vehicle," with respect to the "terms of and enforceability of the sale, lease or financing of the Vehicle," "fraud, or unfair and deceptive trade practices," or "a violation of [a] state or federal statute or regulation." See Exhibit A.

arbitration before the American Arbitration Association.” Id. The Agreement defines the “Claim(s)” that the parties agreed to arbitrate as including:

any and all disputes, claims or controversies between the Parties relating to the Vehicle or arising out of or relating to: (a) the application for and the terms of and enforceability of the sale, lease, or financing of the Vehicle, (b) the purchase or terms of any warranty, service agreement, maintenance plan, paint/undercarriage/interior protection product, anti-theft etching product and warranty, GAP protection, deficiency waiver addendum, or any or other product or insurance, (c) any claims of breach of contract, negligence, misrepresentation, conversion, fraud, or unfair and deceptive trade practices, (d) any claim of a violation of any state or federal statute or regulation, or (e) the Vehicle’s condition, warranty, workmanship, servicing, maintenance or repair.

Id. The Agreement also provides that “once one of the Parties has elected to arbitrate, binding arbitration is the exclusive method for resolving any and all Claims. By entering into this Agreement the Parties are waiving their right to a jury trial and their right to bring or participate in any class action or multi-plaintiff or claimant action in court or through arbitration.” Id.

ARGUMENT

I. PURSUANT TO THE FEDERAL ARBITRATION ACT THIS COURT SHOULD COMPEL ARBITRATION OF PLAINTIFF’S CLAIMS.

Ms. Watts’s claims fall squarely within the scope of the Arbitration Agreement. This Agreement is unremarkable and of the type that numerous courts have upheld time and again. Accordingly, pursuant to the Federal Arbitration Act and applicable federal and South Carolina law, this Court should dismiss Plaintiff’s claims and compel arbitration.

A. The Federal Arbitration Act Applies Here.

The Federal Arbitration Act (“FAA”), 9 U.S.C. § 1 et seq., applies to “contract[s] evidencing a transaction involving commerce,” 9 U.S.C. § 2. A contract to purchase a vehicle clearly is a contract evidencing a transaction involving commerce. Thornton v. Trident Med.

Ctr., L.L.C., 592 S.E.2d 50, 52 (S.C. Ct. App. 2003); see also MS Dealer Service Corp. v. Franklin, 177 F.3d 942 (11th Cir. 1999) (FAA applies to consumer's purchase of automobile); Stout v. Byrider, 50 F. Supp. 2d 733, 735 (N.D. Ohio 1999) (FAA governs in action by used car buyers against seller because "case concerns arbitration agreements involving transactions in interstate commerce"), aff'd, 228 F.3d 709 (6th Cir. 2000); Wolff Motor Co. v. White, 869 So.2d 1129, 1134 (Ala. 2003) ("[m]otor vehicles are 'the quintessential instrumentalities of modern interstate commerce'" and "a transaction involving the sale of an instrumentality of commerce ... satisfies the FAA's 'involving commerce' test" (quoting United States v. Bishop, 66 F.3d 569, 588-90 (3d Cir. 1995))). Accordingly, The FAA governs the enforceability of the Arbitration Agreement and all questions concerning its scope.

The FAA embodies "the strong federal policy in favor of enforcing arbitration agreements." Dean Witter Reynolds, Inc. v. Byrd, 470 U.S. 213, 217 (1985). Keeping with this "liberal federal policy favoring arbitration agreements," the Supreme Court has mandated that "any doubts concerning the scope of arbitrable issues should be resolved in favor of arbitration." Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp., 460 U.S. 1, 24-25 (1983). Indeed, "the parties' intentions 'are generously construed as to issues of arbitrability,' and any 'ambiguities as to the scope of the arbitration clause itself' must be 'resolved in favor of arbitration.'" Washington Square Secs., Inc. v. Aune, 385 F.3d 432, 436 (4th Cir. 2004) (quoting Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth, 473 U.S. 614, 626 (1985) and Volt Info. Scis., Inc. v. Bd. of Trs. of Leland Stanford Jr. Univ., 489 U.S. 468, 476 (1989)).⁴

⁴ Like the FAA, South Carolina law strongly favors arbitration, and "unless the court can say with positive assurance that the arbitration clause is not susceptible to an interpretation that covers the dispute, arbitration should be ordered." Zabinski v. Bright Acres Assocs., 553 S.E.2d 110, 118 (S.C. 2001) (citing S.C. Pub. Serv. Auth. v. Great W. Coal, 437 S.E.2d 22, 25 (S.C. 1993)); see also South Carolina Uniform Arbitration Act, S.C. Code Ann. § 15-48-10, et seq.

B. Ms. Watts's Allegations Fall Within the Scope of the Arbitration Agreement.

"To decide whether an arbitration agreement covers a particular dispute, the court must determine whether the factual allegations underlying the claim fall within the scope of the agreement, irrespective of the label given to the cause of action." Vestry & Church Wardens of Church of Holy Cross v. Orkin Exterminating Co., Inc., 588 S.E.2d 136, 207 (S.C. Ct. App. 2003) (citing Zabinski, 553 S.E.2d at 597). Applying these principles, all of Ms. Watts's claims fall within the scope of the Arbitration Agreement.

Ms. Watts alleges that Century BMW engaged in the "practice of presenting / advertising car prices in a misleading manner" because it allegedly "fails to include / adequately disclose the fact that [it] will be charging 'administrative fees' that are in addition to the advertised price of the car" and misleads buyers "into believing that administrative fees are mandatory fees required to be paid on every car such as taxes and license fees." Amended Complaint ¶¶ 335, 337, 340. Ms. Watts acknowledges that such fees are specifically authorized by S.C. Code Ann. § 37-2-307, see Amended Complaint ¶¶ 345-48, but she alleges that Century BMW did not comply with the statute, although she does not say how, see id. ¶¶ 337-34, 349. She further alleges that even if Century BMW did fully comply with the South Carolina statute authorizing such fees, it would still be in violation of S.C. Code Ann. § 56-15-10 et seq. See id. ¶ 350.

Each of these allegations clearly falls under the claims that Ms. Watts and Century BMW agreed to arbitrate. The Arbitration Agreement provides that "any and all disputes, claims or controversies between the Parties relating to the Vehicle," including the "terms of and enforceability of the sale, lease or financing of the Vehicle," "breach of contract, negligence, misrepresentation, conversion, fraud, or unfair and deceptive trade practices," and "a violation of any state or federal statute or regulation" are covered under the Agreement. See

Exhibit A. The Agreement expressly encompasses all subjects relating to Ms. Watts's allegations.

C. The Arbitration Clauses are Unremarkable and Not Subject to Challenge.

The Arbitration Agreement signed by Ms. Watts and Century BMW is unremarkable and of a type countless courts have upheld.

1. Allegations Against Other Defendants Do Not Prevent Arbitration.

Ms. Watts cannot avoid arbitration by naming other dealerships, with whom she has no connection, as defendants. As is fully briefed in Defendants' joint motion to dismiss, Ms. Watts lacks standing to bring claims against other defendants with whom she never transacted. Even if Ms. Watts had standing against other Defendants, which she does not, she must arbitrate her dispute with Century BMW pursuant to the Arbitration Agreement. See S.C. Pub. Serv. Auth. v. Great W. Coal (Kentucky), Inc., ___ S.C. ___, 437 S.E.2d 22, 24 (1993) ("[A] party should not be allowed to avoid an arbitration agreement by naming nonsignatory parties in his complaint . . . because this would nullify the rule requiring arbitration.").

2. Putative Class Claims Are Not Subject to Arbitration.

Although Ms. Watts does not allege that she brings her case as a class action pursuant to Rule 23, SCRCP, she purports to represent a class of consumers under S.C. Code Ann. § 56-15-110(2). See, e.g., Amended Complaint ¶¶ 397-99. As shown above, Ms. Watts's individual claims are subject to arbitration. Pursuant to the terms of the Arbitration Agreement, she may not litigate supposed "class" claims because the Arbitration Agreement unequivocally prohibits class arbitrations. It states: "By entering into this Agreement the Parties are waiving their right to a jury trial and their right to bring or participate in any class action or multi-plaintiff

or claimant action in court or through arbitration.” See Exhibit A (emphasis added).⁵ Under the plain text of this provision, Ms. Watts cannot arbitrate her claims on behalf of a class and cannot arbitrate the claims of any purported class. Thus, the Order compelling arbitration of Plaintiff’s individual claim should specify that the arbitration should proceed on an individual, and not a class, basis.⁶

Many courts have found that class arbitration waivers contribute to the “simplicity, informality, and expedition” of arbitration, helping make it “an attractive vehicle for the resolution of low-value claims.”⁷ Iberia Credit Bureau v. Cingular Wireless LLC, 379 F.3d 159, 174 (5th Cir. 2004); accord Caley v. Gulfstream Aerospace Corp., 428 F.3d 1359, 1378 (11th Cir. 2005) (holding that a ban on class arbitrations is “consistent” with the goals of

⁵ The Arbitration Agreement further states: “If a dispute is arbitrated, you will give up your right to participate as a class representative or a class member on any claim you may have against us, including any right to class arbitration or any consolidation of individual arbitrations.” See Exhibit A.

⁶ In Green Tree Fin. Corp. v. Bazzle, 539 U.S. 444, 452-53 (2003) (plurality op.), the Supreme Court held that where a contract is silent as to whether class action arbitration is permitted, it is for the arbitrator rather than a court to decide whether it is permissible. But “where a particular statutory or procedural right is clearly prohibited by an arbitration agreement, the Court need not send the case to arbitration for an arbitrator to determine that question.” In re Cotton Yarn Antitrust Litig., 406 F. Supp. 2d 585, 594 (M.D.N.C. 2005). This case is similar to Gipson v. Cross-Country Bank, 354 F. Supp. 2d 1278, 1286 (M.D. Ala. 2005), where the court confronted a clear prohibition on class arbitrations. The court held that the “arbitrator need not interpret the contract’s class action waiver clause, because the contract expressly prohibits class arbitration.” The court explained that “[t]here is no need for anyone to decide whether the contract[] forbid[s] class arbitration. It expressly and unequivocally does.” *Id.* Likewise, here, there is no need to refer the issue of class arbitrations to an arbitrator.

⁷ Despite the modest value of her claim, Ms. Watts and her counsel still have ample ability and incentive to pursue the action in arbitration because should Ms. Watts prevail on her claims she could recover “double actual damages, the cost of the suit and a reasonable attorney’s fee pursuant to S.C. Code Ann. §56-15-110.” Am. Compl. ¶ 400; see also Exhibit A (The Arbitration Agreement provides that the “arbitrator deciding the Claim(s) shall have the authority to award fees, costs, injunctive or equitable relief in accordance with this Agreement and applicable law.”).

arbitration as articulated in Gilmer, cert. denied 126 S. Ct. 2020 (2006). Courts have expressly rejected the notion that class arbitration waivers somehow prevent plaintiffs from enforcing statutory rights. See, e.g., Snowden v. Checkpoint Check Cashing, 290 F.3d 631, 638 (4th Cir. 2002) (rejecting the argument that the class arbitration waiver would render the plaintiff "unable to maintain her legal representation" given statutory availability of attorneys' fees).⁸

II. THE COURT SHOULD DISMISS ALL JUDICIAL PROCEEDINGS AGAINST CENTURY BMW.

Pursuant to Section 3 of the FAA, any court of the United States must, at a minimum, stay judicial proceedings involving claims, like those here, that fall within the arbitration provisions of written agreements. See 9 U.S.C. § 3; see also Moses H. Cone, 460 U.S. at 26 ("[S]tate courts, as much as federal courts, are obliged to grant stays of litigation under § 3 of the Arbitration Act."). "Notwithstanding the terms of § 3, however, dismissal is a proper remedy when all of the issues presented in a lawsuit are arbitrable." Choice Hotels Int'l, Inc. v. BSR Tropicana Resort, 252 F.3d 707, 709-710 (4th Cir. 2001); see also Alford v. Dean Witter Reynolds, 975 F.2d 1161, 1164 (5th Cir. 1992) ("The weight of authority clearly supports dismissal of the case when all of the issues raised in the district court must be submitted to

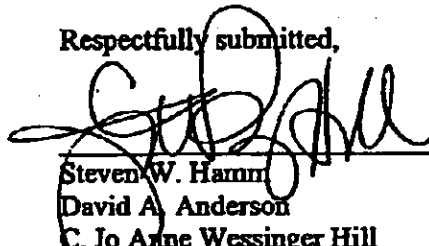
⁸ Indeed, a litany of appellate courts nationwide have upheld class arbitration waivers. See, e.g., Tillman v. Commercial Credit Loans, Inc., 629 S.E.2d 865, 873 (N.C. App. 2006) (holding that the "great majority of federal and state courts that have examined and ruled upon" class action waivers have found them enforceable); Jenkins v. First American Cash Advance of Georgia, LLC, 400 F.3d 868, 878 (11th Cir. 2005), cert. denied 126 S. Ct. 1457 (2006), (holding that an arbitration agreement containing a class waiver "permit[s] [the plaintiff] and other consumers to vindicate all of their substantive rights in arbitration"); Iberia Credit Bureau, 379 F.3d at 175 (5th Cir.) (noting that a class arbitration waiver "does not leave the plaintiffs without remedies"); Johnson v. W. Suburban Bank, 225 F.3d 366, 374 (3d Cir. 2000) (plaintiff cannot argue that a class action waiver prevented "vindication" of his statutory rights "in the arbitral forum"); Champ v. Siegel Trading Co., 55 F.3d 269, 277 (7th Cir. 1995) ("We are thus obliged to enforce the type of arbitration to which these parties agreed, which does not include arbitration on a class basis."); Rains v. Found. Health Sys. Life & Health, 23 P.3d 1249, 1253 (Colo. Ct. App. 2001) ("[A]rbitration clauses are not unenforceable simply because they might render a class action unavailable.").

arbitration.”); Payton v. Nordstrom, Inc., 462 F.Supp.2d 706, 708 (M.D.N.C. 2006) (“[T]he Fourth Circuit has held that, despite the language of the FAA regarding a stay of arbitration, when all of the claims in a lawsuit are required to be arbitrated, dismissal, rather than a stay, is a proper remedy.”). Because all of Plaintiff’s claims against Century BMW must be resolved through arbitration, the Court should dismiss her action against Century BMW in this Court.

CONCLUSION

For the reasons set forth above, Century BMW respectfully requests that this Court compel arbitration of Ms. Watts’s claims against it and, accordingly, dismiss those claims currently pending in this Court.

Respectfully submitted,



Steven W. Hamm
David A. Anderson
C. Jo Anne Wessinger Hill
RICHARDSON, PLOWDEN, CARPENTER
& ROBINSON, P.A.
1900 Barnwell Street
Post Office Drawer 7788
Columbia, South Carolina 29202
(803) 771-4400
(803) 779-0016 facsimile

Dennis M. Black (*pro hac vice*)
Nathan P. Sutton (*pro hac vice*)
Ryan L. VanGrack (*pro hac vice*)
WILLIAMS & CONNOLLY LLP
725 Twelfth St., N.W.
Washington, DC 20005
(202) 434-5000
(202) 434-5029 (facsimile)

FEBRUARY __, 2007
COLUMBIA, SOUTH CAROLINA.

ATTORNEYS FOR CENTURY BMW, WHOSE TRUE
NAME IS SONIC AUTOMOTIVE 2752 LAURENS
RD., GREENVILLE, INC. D/B/A CENTURY BMW

Exhibit A

ARBITRATION AGREEMENT
(All States Except CA)

DATE: 6.25.95

VIN: 4U5ATF33XVLS587259

In this Arbitration Agreement ("Agreement"), "you" and "your" refers to the customer(s) who sign(s) below. "We", "us", and Dealer refer to the Dealer signing below, and includes the Dealer's employees, agents, and parent and affiliated companies (including, but not limited to, Corcoran Acceptance Corporation) and their employees and agents. "Parties" refers to you and us. "Vehicle" refers to the automobile identified by the VIN set forth above. "Claim(s)" includes any and all disputes, claims or controversies between the Parties relating to the Vehicle or arising out of or relating to: (a) the application for and the terms of and enforceability of the sale, lease, or financing of the Vehicle, (b) the purchase or terms of any warranty, service agreement, maintenance plan, paint/undercarriage/interior protection product, anti-theft cloning product and warranty, GAP protection, deficiency waiver addendum, or any or other product or insurance, (c) any claims of breach of contract, negligence, misrepresentation, conversion, fraud, or unfair and deceptive trade practices, (d) any claim of a violation of any state or federal statute or regulation, or (e) the Vehicle's condition, warranty, workmanship, servicing, maintenance or repair. All Claims must be brought within the time allowed by the applicable statute(s) of limitation. "Contract(s)" refers to any agreement(s) between you and us regarding the sale, lease, financing, service or maintenance of the Vehicle.

Upon the request of a Party, any and all Claim(s) shall be decided in binding arbitration before the American Arbitration Association (1-800-778-7879/www.adr.org) ("AAA"). The Parties may mutually agree to use another arbitration forum and/or qualified arbitrator. Unless mutually agreed otherwise between the Parties, any arbitration under this Agreement shall be conducted under the commercial arbitration rules of the AAA. To the extent that any Claim is deemed a "consumer dispute", the Parties agree that the fee schedule provided in the rules for consumer disputes of the AAA, if any, will apply. You can get a copy of the rules from the AAA. The arbitration hearing shall be conducted, at your option, in the federal district in which you reside or in which the Vehicle was purchased or leased.

The Parties waive the right to request arbitration for a Claim filed and maintained individually (as opposed to a class action) in your state's small claims court, if any. However, if such a Claim originally brought in small claims court is transferred or removed to a higher state or federal trial court, the Parties reserve their right to request arbitration under this Agreement.

The Parties agree that once one of the Parties has elected to arbitrate, binding arbitration is the exclusive method for resolving any and all Claims. By entering into this Agreement the Parties are waiving their right to a jury trial and their right to bring or participate in any class action or multi-plaintiff or classmate action in court or through arbitration. Until a Party entitled to do so requests arbitration under this Agreement, any party to this Agreement may proceed with all other rights and remedies they may have. Neither you nor we waive our right to request arbitration under this Agreement, even after all Parties have elected to litigate a Claim in court, in the event new Claims are asserted after the initial filing of such litigation in court.

The arbitrator shall be an attorney or retired judge. The arbitrator shall apply and be bound by governing local, state or federal law when making an award, and shall award only those damages or other relief allowed by such governing law. Issues regarding whether a matter is arbitrable shall be made by the arbitrator. The arbitrator shall prepare a written decision stating reasoned findings of fact and conclusions of law. A party may seek entry of a judgment on the award in any court of competent jurisdiction.

If you initiate a Claim for Arbitration under this Agreement, we agree to pay that portion of the AAA's initial filing fee which exceeds the lesser of the court filing fee for the state or federal court located in the jurisdiction in which you reside. If we initiate a Claim for arbitration we will pay the entire initial filing fee. We also agree to pay up to \$1500 of the arbitrator's fees, unless applicable law or the rules of the AAA require otherwise. Unless applicable law or the rules of the AAA require otherwise, the Parties agree to share equally all other costs and fees, including the arbitrator's fees in excess of \$1500. Notwithstanding any other provision of this Agreement, we will also pay any amount of fees or costs that a court or the arbitrator decides we must pay in accordance with applicable law for this Agreement to be enforceable. The arbitrator deciding the Claim(s) shall have the authority to award fees, costs, injunctive or equitable relief in accordance with this Agreement and applicable law. Unless otherwise ordered by the arbitrator in accordance with applicable law or provided otherwise by applicable law, the Parties shall be responsible for the payment of their own attorney's ("") fees.

This Agreement evidences a transaction involving interstate commerce. The Parties acknowledge and agree that the Federal Arbitration Act (9 U.S.C. § 1 et seq.) ("FAA") shall govern any arbitration under this Agreement. The arbitrator's decision shall be final and binding, except for any right of appeal provided by the FAA or the rules of the AAA.

If any part of this Agreement shall be deemed or found unenforceable for any reason, the remainder of the Agreement shall remain enforceable. In the event this Agreement is found void you and we waive our respective rights to a trial by jury, if such waiver is permitted by applicable law.

This Agreement shall survive the repayment of all amounts owed by you with respect to the Vehicle. This Agreement is incorporated into and made a part of all Contract(s) as defined in this Agreement. If there is a separate arbitration agreement in any other Contract, then to the extent this Agreement is inconsistent with any such arbitration agreement this Agreement shall supersede such other arbitration agreement with respect to Claims between you and us, unless otherwise provided by law.

- EITHER YOU OR WE MAY CHOOSE TO HAVE ANY DISPUTE BETWEEN US DECIDED BY ARBITRATION AND NOT IN COURT.
- IF A DISPUTE IS ARBITRATED, YOU AND WE WILL EACH GIVE UP OUR RIGHT TO A TRIAL BY THE COURT OR BY A JURY.
- IF A DISPUTE IS ARBITRATED, YOU WILL GIVE UP YOUR RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR A CLASS MEMBER ON ANY CLASS CLAIM YOU MAY HAVE AGAINST US, INCLUDING ANY RIGHT TO CLASS ARBITRATION OR ANY CONSOLIDATION OF INDIVIDUAL ARBITRATIONS.
- THE INFORMATION YOU AND WE MAY OBTAIN IN DISCOVERY FROM EACH OTHER IN ARBITRATION IS GENERALLY MORE LIMITED THAN IN A LAWSUIT.
- OTHER RIGHTS THAT YOU AND WE WOULD HAVE IN COURT MAY NOT BE AVAILABLE IN ARBITRATION.
- YOUR AND OUR RIGHTS TO APPEAL OR CHANGE AN ARBITRATION AWARD IN COURT ARE VERY LIMITED.

BY SIGNING BELOW, THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND AGREE TO THE TERMS OF THIS ARBITRATION AGREEMENT

Customer: [Signature]

Dealer: [Signature]

Customer: [Signature]

Dr. [Signature]

STATE OF SOUTH CAROLINA

COUNTY OF AIKEN

Heather Herron, et al

PLAINTIFFS,

v.

CarMax Auto Superstores, Inc., et al

DEFENDANTS.

) IN THE COURT OF COMMON PLEAS

) CIVIL ACTION NO.: 06-CP-02-1230

)

)

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)

)

CERTIFICATE OF SERVICE

I, the undersigned, an attorney at the firm of Richardson, Plowden, Carpenter and Robinson, P. A., who are attorneys for Gene Reed Imports, Inc. along with the Rosen Law Firm, do hereby certify that I have served the foregoing **MEMORANDUM IN SUPPORT OF DEFENDANT CENTURY BMW'S MOTION TO COMPEL ARBITRATION** on Plaintiffs by causing it to be deposited in a United States Postal Service mailbox a copy of the same, postage prepaid, return address clearly indicated, addressed to the following on February 12, 2007:

ATTORNEYS FOR THE PLAINTIFF

Michael E. Spears, Esq.
MICHAEL E. SPEARS, P.A.
PO Box 5806
Spartanburg, SC 29304

Gedney M. Howe, III, Esq.
GEDNEY M. HOWE, III, PA
PO Box 1034
Charleston, SC 29402

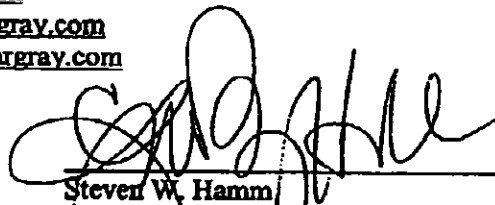
Richard A. Harpootlian, Esq.
RICHARD A. HARPOOTLIAN, P.A.
PO Box 1090
Columbia, SC 29202

A. Camden Lewis, Esq.
Brady R. Thomas, Esq.
LEWIS & BABCOCK, LLP
PO Box 11208
Columbia, SC 29211

Also served via email to: brt@lblaw.com

And served on co-defendants' counsel by e-mail as follows:

Susan Rosen, Esq. -- srosen@rosen-lawfirm.com
Bradford N. Martin, Esq. - bmartin@bnmlaw.com
Laura Teer, Esq. - lteer@bnmlaw.com
Greg Studemeyer, Esq. -- gesquire@sc.rr.com
Harvey Sanders, Jr., Esq. -- hsanders@lwtm.com
Frank M. Cisa, Esq. - frank@cisadodds.com
Ronald J. Tryon, Esq. - rontroyn@parkerpoe.com
Kevin A. Dunlap, Esq. - kevindunlap@parkerpoe.com
J.W. Nelson Chandler, Esq. - jwnelsonchandler@parkerpoe.com
James Y. Becker, Esq. - jbecker@hsblawfirm.com
R. David Proffitt, Esq. - dproffitt@hsblawfirm.com
Matthew Tyler, Esq. - mmt@aikenbridges.com
J. Rutledge Young, Jr. Esq. - ryoung@ycrlaw.com
Capers G. Barr, III, Esq. - cgb@barrungermcintosh.com
William S. Barr, Esq. - wsb@barrungermcintosh.com
T. Alexander Beard, Esq. - beardlaw@bellsouth.net
Henry E. Grimbail, Esq. - hgrimbail@buiistmoore.com
Harry Clayton Walker, Jr. - cwalker@walkerreibold.net
B. Rush Smith, III, Esq. - rushsmith@nelsonmullins.com
Richard B. Ness, Esq. - richardness@bellsouth.net
Karl S. Brehmer, Esq. - karl.brehmer@brownandbrehmer.com
Shawn Mercer, Esq. - smercerc@dealerlawyer.com
Nathan Sutton, Esq. - nsutton@wc.com
Dennis Black, Esq. - dblack@wc.com
Ryan L. VanGrack, Esq. - rvangrack@wc.com
Alice Paylor, Esq. - apaylor@rhlaw.com
Paul Infinger, Esq. - paulinfinger@hargray.com
William M. Bowen, Esq. - wilbow@hargray.com



Steven W. Hamm
David A. Anderson
C. Jo Anne Wessinger Hill
RICHARDSON, PLOWDEN, CARPENTER
& ROBINSON, P.A.

Post Office Drawer 7788
Columbia, South Carolina 29202
(803) 771-4400
(803) 779-0016 facsimile

ATTORNEYS FOR CENTURY BMW, WHOSE TRUE
NAME IS SONIC AUTOMOTIVE 2752 LAURENS
RD., GREENVILLE, INC. D/B/A CENTURY BMW

February 12, 2007
COLUMBIA, SOUTH CAROLINA.

CERTIFICATE OF SERVICE

I, Melanie B. Blease, paralegal for the law firm of Lewis & Babcock, L.L.P., hereby certify that I have served a copy of Plaintiff Christine Watt's Supplemental Memorandum in Opposition to Century BMW's Motion to Compel Arbitration upon opposing counsel and/or their registered agents, by mailing a copy of same, postage prepaid and return address clearly indicated on said envelope, to said parties at the following address:

William S. Barr, Esquire
Capers G. Barr, III, Esquire
Barr, Unger & McIntosh, L.L.C.
P.O. Box 1037
Charleston, South Carolina 29401

J. Gregory Studemeyer, Esquire
Attorney at Law
Post Office Box 12201
Columbia, South Carolina 29211

Susan C. Rosen, Esquire
Rosen Law Firm, LLC
18 Broad Street, Suite 201
Charleston, South Carolina 29401

Ronald J. Tyron, Esquire
Parker Poe Adams & Bernstein, L.L.P.
1201 Main Street, Suite 1450
Columbia, South Carolina 29202-1509

James Y. Becker, Esquire
R. David Profit, Esquire
Haynsworth Sinkler Boyd, P.A.
1201 Main Street, 22nd Floor
Columbia, South Carolina 29201

Karl S. Brehmer, Esquire
Brown & Brehmer
Post Office Box 7966
Columbia, South Carolina 29202

Brad Martin, Esquire
Bradford, Neal, Martin & Associates, PA
Post Office Box 10410
Greenville, South Carolina 29603

Steve W. Hamm, Esquire
C. Jo Anne Wessinger Hill, Esquire
Richardson, Plowden, Carpenter & Robinson, P.A.
P.O. Drawer 7788
Columbia, South Carolina 29202

Henry E. Grimball
Buist, Moore, Smythe, McGee, P.A.
5 Exchange Street
Charleston, South Carolina 29401

Clay Walker
Walker & Reibold
P.O. Box 61140
Columbia, South Carolina 29260

Harvey G. Sanders, Jr.
Leatherwood Walker Todd & Mann, PC
300 East McBee Avenue, Suite 500
Greenville, South Carolina 29601

T. Alexander Beard, Esquire
Beard Law Offices
1002 Anna Knapp Blvd., Suite 6
Mt. Pleasant, South Carolina 29465

C. E. Hardin, Jr.
Merritt, Flebonte, Wilson, Webb & Caruso, PLLC
1122 Lady Street, 4th Floor
Columbia, South Carolina 29211

Robert L. Reibold
PO Box 61140
Columbia, South Carolina 29260

Paul H. Infinger, Esquire
Post Office Box 1537
Beaufort, South Carolina 29901

William M. Bowen, P.A.
Attorney At Law
Post Office Drawer 6128
Hilton Head Island, South Carolina 29938

Frank S. Potts, Esquire
Post Office Box 11886
Columbia, South Carolina 29211

Grover "Beau" Seaton, IV
Post Office Box 38
Monks Corner, SC 29461

Alice F. Paylor, Esquire
Rosen, Rosen & Hagood, LLC
P.O. Box 893
Charleston, SC 29402

Columbia, South Carolina
November 28, 2007


Melanie B. Blease

STATE OF SOUTH CAROLINA)
)
COUNTY OF AIKEN)
)
Heather Herron, et al.,)
)
Plaintiffs,)
)
vs.)
)
Dick Dyer & Associates, Inc., et al.,)
)
Defendants.)

IN THE COURT OF COMMON PLEAS
SECOND JUDICIAL CIRCUIT

C.A. No.: 06 CP 02-1230

SECOND SUPPLEMENTAL
MEMORANDUM IN SUPPORT OF
DEFENDANT CENTURY BMW'S
MOTION TO COMPEL ARBITRATION

COPY
ORIGINAL FILED

FEB 21 2008

7:30 AM
AIKEN COUNTY
CLERK OF COURT

**SECOND SUPPLEMENTAL MEMORANDUM IN SUPPORT OF CENTURY BMW'S
MOTION TO COMPEL ARBITRATION AND TO DISMISS CLAIMS**

Both parties previously submitted multiple memoranda regarding Defendant Century BMW's Motion to Compel Arbitration and the Court heard oral argument on the motion on November 30, 2007. In light of Plaintiff's submission of Christine Watts's affidavit, the Court permitted three depositions—of Christine Watts, Michael Watts, and a Century BMW 30(b)(6) witness—before ruling on the motion. This limited discovery has concluded, and Century BMW now submits this second supplemental memorandum addressing the facts and circumstances the depositions revealed.

I. Michael and Christine Watts Are Sophisticated Consumers and Were Not Required to Sign the Arbitration Agreement.

Michael and Christine Watts brought a great deal of intelligence, experience, and sophistication to their transaction with Century BMW. Michael, Christine's father, is a fifty-two-year-old sales manager with extensive experience purchasing vehicles; in fact, he has purchased a dozen cars from dealerships in his lifetime. Michael Watts Dep. 16:1-21:2, Jan. 29, 2008 (Attached as Exhibit A). From this experience, he knows that he can negotiate the price of any vehicle, that there are many places from which he can purchase a vehicle, that he does not

have to buy additional product enhancements from the dealership, and that he can obtain financing from sources other than the dealership. *Id.* at 20, 22, 24, 32, 44.

Christine Watts is a twenty-six-year-old auditor with a bachelor's and master's degree in accounting. Christine Watts Dep. 9:10-14:2, Jan. 29, 2008 (Attached as Exhibit B). At the time of the transaction, Christine had interned at the renowned accounting firm of PricewaterhouseCoopers ("PWC")—where she was set to work upon graduation—and was on the verge of completing her master's degree. *Id.* at 11:4-13:4. As an auditor, Christine spends much of her time examining documents and working with numbers, and has been trained to review documents carefully. *Id.* at 60:11-61:7.

In the spring of 2005, Michael and Christine were looking for a car for Christine as a graduation present. *Id.* at 20:22-24. Although Christine was driving a fully operable Mitsubishi Montero, she wanted a luxury convertible. *Id.* at 60:1-10; Michael Dep. 24:4. Before visiting Century BMW, they researched vehicles for two months and unsuccessfully made an offer for a Ford Mustang at a different dealership. Christine Dep. 21:9-23:21; Michael Dep. 25:13-26:16.

This was not their first visit to Century BMW. Six months earlier, Christine test-drove a BMW 3 Series but left without making a purchase. Michael Dep. 28:11-29:10. They returned this second time to search for Christine's graduation gift and test-drove a BMW Z4 convertible. *Id.* at 29:11-31:19. Satisfied with the car, they left the dealership to deliberate on the Z4 purchase and check on financing with Michael's credit union. *Id.* at 31:20-24.

Michael's broad experience negotiating with dealerships then came into play. First, he obtained outside financing from his credit union. *Id.* at 38:6-18. Then, from the comfort of his home, he telephoned the saleswoman to engage in price negotiations; Christine did not participate in the negotiations. Michael Dep. 33:18-36:7; Christine Dep. 27:23-24, 30:25-31:2.

Michael had multiple phone calls with the saleswoman, hoping to pay no more than \$32,000, which he had established as their bottom-line. Michael Dep. 36:10-38:5; Christine Dep. 30:25-32:19. In conducting these negotiations, Michael knew he could walk away at anytime, as he had done in the past, if any of the terms and conditions the dealership offered were not to his liking. Michael Dep. 36:19-24. Ultimately, they agreed on a bottom-line price of \$32,000 that included any taxes, fees, and additional charges. Christine Dep. 33:10-12.

A few days later, Michael and Christine returned to Century BMW to go through the paperwork with an F&I manager. Michael Dep. 40:11-18; Christine Dep. 34:1-38:13.¹ As with the price negotiations, Michael did all of the talking while Christine served as a detached observer. Christine Dep. 39:10-14. Michael and Christine knew they could negotiate with the F&I manager and refused to purchase any of the additional products the manager offered. Michael Dep. 50:15-17.

The F&I manager did not overload Michael and Christine with many documents to sign. Michael testified that he recalled signing five or six documents, while Christine signed six documents. Michael Dep. 50:18-24; Christine Dep. 46:15-17. Moreover, there were only fourteen different documents handed to Michael and Christine during their meeting with the F&I manager. Bobby Bishop Dep. 65:14-15, 67:18-20, 68:3-4, 82:13-86:3, Jan. 30, 2008 (Attached as Exhibit C).

Nor did the F&I manager place any duress on Michael or Christine. The F&I manager did not prevent Michael and Christine from reading the documents and did not otherwise pressure them to sign anything. Michael Dep. 50:13-51:17; Christine Dep. 44:17-19. To the extent anyone was in a rush, it was Michael and Christine. Both explained they were "eager" to

¹ Phyllis Watts—Michael's wife and Christine's mother—accompanied them but was not present during the signing of documents. Christine Dep. 34:13-25.

leave the dealership and tried to keep the meeting as short as possible. Michael Dep. 50:1-14, 53:13-18; Christine Dep. 40:19-23, 46:18-22. Neither objected to, complained about, or questioned any of the documents given to them. Christine Dep. 46:18-47:7; Michael Dep. 54:13-55:4. Christine was particularly disassociated with the process, admitting she was eager to leave and did not object to signing the documents because she “just wanted the car.” Christine Dep. 40:19-21, 46:18-47:7. She claims to have not read *any* of the six documents she signed and did not participate in the meeting with the F&I manager. *Id.* at 43:16-22, 44:14-19.

As to the arbitration agreement, Michael and Christine agree that no one ever stated that they were required to sign the arbitration agreement in order to purchase the car. Christine Dep. 47:12-19; Michael Dep. 54:6-9. Nor did anyone prevent them from reading the arbitration agreement. Michael Dep. 53:21-55:4; Christine Dep. 44:17-19. Nevertheless, in their haste to leave the dealership, they did not ask questions about it, did not object to it, and allegedly failed to read it. Michael Dep. 53:15-55:4.

Indeed, they were fully capable of reading and understanding the arbitration agreement. Michael admits that the caption “ARBITRATION AGREEMENT” is easy to read, that the bullet points—highlighting certain provisions in all capital letters—are perfectly readable, and that the agreement itself is not difficult to read. *Id.* at 51:14-52:21. Nevertheless, despite their ability and opportunity to read the arbitration agreement, neither did so because they “wanted to get in and out as quickly as possible.” *Id.* at 50:5-7.

II. The Testimony From the Depositions Contradicts Christine Watts’s Supplemental Memorandum and Affidavit.

Christine Watts’s supplemental memorandum opposing Century BMW’s motion to compel arbitration, and her accompanying affidavit, misrepresent the facts surrounding the transaction and directly contradict the testimony from the three depositions.

In her memorandum, Christine self-servingly describes her \$32,000 BMW Z4 convertible as a "necessity" because it is her primary source of transportation.² Her testimony, however, reveals that she was driving a perfectly operable Mitsubishi Montero before upgrading to the BMW. She admits that she could have continued driving the Montero and did not need to buy a luxury convertible. Christine Dep. 59:24-60:10. Both she and Michael admit there was no "necessity" to buy a two-seater German luxury convertible, with leather seats, rain sensor and auto headlight, heated front seats, and a hi-fi sound system. See Ex. D (Vehicle History Report listing features).

The memorandum's claims that Christine lacked the "experience necessary to make her aware of the implication for arbitration" and that the transaction was "between a twenty-three year old girl and a multi-million dollar corporation" are also misleading. Pl.'s Supp. Memo. at 6, 7 n.4. Both the memorandum and Christine's affidavit entirely omit Michael's integral presence during the transaction. In fact, Christine's level of sophistication is irrelevant because Michael conducted all of the price negotiations for the vehicle, obtained the financing for the vehicle, and led all of the discussions during the meeting with the F&I manager.

Moreover, Michael and Christine were hardly the uneducated, unsophisticated consumers unable to review and understand the arbitration agreement; Michael has a long history purchasing vehicles and Christine is a highly educated auditor. Indeed, Michael and Christine did nearly everything a leading consumer's group recommends that car buyers do when making a vehicle purchase, including (1) researching a variety of models, (2) test driving the vehicle, (3) negotiating by phone, (4) negotiating below the sticker price, (5) obtaining outside financing, (6)

² Plaintiff Christine Watts's Supplemental Memo. in Opp'n to Century BMW's Mot. to Compel Arbitration ("Pl.'s Supp. Memo.") at 6.

refusing to purchase additional features, and (7) selling the prior vehicle (Montero Mitsubishi) to an independent buyer rather than trading it in, Michael Dep. 57:5-9.³

Additionally, Christine's memorandum and affidavit are entirely misleading in their description of the circumstances surrounding the arbitration agreement. The memorandum contends that the arbitration agreement is difficult to read, Pl.'s Supp. Memo. at 7, but Michael admits that the heading—"ARBITRATION AGREEMENT"—and the agreement are perfectly readable. Michael Dep. 51:14-52:21. Moreover, neither says that they could not have understood the agreement had they read it.

In fact, any failure to comprehend the arbitration agreement is solely attributable to their own inattention. The F&I manager did nothing to prevent them from reading the agreement and put no undue pressure on them to sign it. Rather, Michael and Christine were in a hurry to leave and decided not to read the documents they signed.

Their testimony also contradicts Christine's memorandum and affidavit regarding the presentation of the arbitration agreement. Throughout her memorandum and affidavit, Christine alleges she was "required" to sign the arbitration agreement. Pl.'s Supp. Memo at 2, 7; Christine Watts Affid. at ¶ 4. She also claims the agreement was "hastily" presented and given on a "take it or leave it" basis. Pl.'s Supp. Memo. at 7; Christine Watts Affid. at ¶¶ 4-5. At their depositions, however, Michael and Christine acknowledged that the F&I manager never stated they were required to sign the arbitration agreement. Christine Dep. 47:16-19; Michael Dep. 54:6-9. And Century BMW's policy is, and was, that if someone refuses to sign an arbitration agreement, the dealership still sells them the vehicle. Bishop Dep. 22:24-23:10,

³ See generally ConsumerReports.org on Yahoo! Autos, *10 common car-buying mistakes*, http://autos.yahoo.com/consumerreports/article/common_car_buying_mistakes.html (last visited Feb. 14, 2008). Century BMW disagrees with some of what the article says, but notes that Michael seems to have followed most of the article's suggestions.

86:4-88:5. Additionally, neither Michael nor Christine testified that the F&I manager hastily presented the agreement to them since any rush to sign the paperwork was entirely self-imposed. Michael Dep. 50:1-14, 53:13-18; Christine Dep. 40:19-23, 46:18-22. Christine also decries in the memorandum that she had no voice in the formulation of the agreement, Pl.'s Supp. Memo. at 2, but she admits that she failed to examine *any* of the documents presented that day, including the arbitration agreement. Christine Dep. 43:20-22, 46:18-47:15.

Far from feeling pressure to sign additional documents, Michael and Christine exhibited no hesitation to decline many agreements offered by the F&I Manager. They refused at least ten different agreements, including rejecting any service contracts and any dealership financing. Michael Dep. 41:3-45:9; *See* Ex. E (Menu of Investment Enhancements). In fact, if they really thought the arbitration agreement was non-negotiable, then it would appear to be the only aspect of the entire transaction they viewed in that way because they negotiated nearly everything else.

Furthermore, Christine's testimony lacks credibility. Her statements often contradicted those of her father and the corporate representative, and occasionally defied common sense. To start, she conveniently forgot about not discussing the depositions with her father the Sunday night before the depositions (a conversation less than 48 hours prior to her deposition). *Compare* Michael Dep. 9:1-10:17 *with* Christine Dep. 7:19-23. As to the documents, Christine's testimony was filled with exaggerations and contradictions. She claims to have spent ten to fifteen minutes signing her name to documents and estimates it takes her an implausible *thirty seconds* to sign her name. Christine Dep. 43:11-25. Based on those exaggerated estimates, Christine would have signed between twenty and thirty documents. *Id.* at 44:3-12. She later confirmed, however, that she only signed six different documents while at the dealership, which

could not possibly have taken “ten to fifteen minutes” since she says she read none of them. *Id.* at 46:15-17, 43:20-22.

Her description of her interaction with the F&I manager is also dubious. She claims to have received a big packet full of documents that had little flags denoting where to sign. *Id.* at 51:13, 24-25. That claim directly contradicts her father, the corporate representative, and the record. Unlike Christine, Michael did not receive a large stack of documents. Michael Dep. 51:4-6. The corporate representative confirmed that the documents were presented one at a time—not in a large stack—and that the documents were not flagged. Bishop Dep. 11:9-17. He also confirmed that Christine and Michael received only fourteen different documents during their transaction. Bishop Dep. 82-86. Tellingly, under leading questioning from her attorney, Christine claims that she did not want to sign the transfer of title document, only signing it because she “thought [she] had to to get the car.” Christine Dep. 49:2-3. Would she prefer that title to the vehicle had remained with Century BMW?

III. Unlike *Simpson*, Michael and Christine Did Not Lack a Meaningful Choice in Agreeing to Arbitrate.

The testimony from all three depositions confirms that Michael and Christine did not lack a meaningful choice when signing the arbitration agreement. To find a contract provision unconscionable, a court must first find an “absence of meaningful choice on the part of one party.” *Simpson v. Myrtle Beach*, 373 S.C. 14, 25 (2007).⁴ In *Simpson*, the court noted five circumstances that, when considered as a whole, demonstrated Simpson had no meaningful choice. First, it found that neither party disputed that the contract was an adhesion contract. *Id.* at

⁴ Christine must also establish that the terms in the agreement are oppressive. *Simpson v. Myrtle Beach*, 373 S.C. 14, 25 (2007). As explained in Century BMW’s initial supplemental brief—and at oral argument—the Arbitration Agreement lacks any of what the South Carolina Supreme Court labeled oppressive terms in the *Simpson* arbitration clause. Century BMW Supp. Memo. at 6.

25-27. Second, it observed that the contract between Simpson and the dealer involved a necessity. *Id.*, at 27. Third, it found that Simpson did “not possess the business judgment necessary to make her aware of the implications of the arbitration agreement.” *Id.* Fourth, it noted that the contract “was ‘hastily’ presented for her signature.” *Id.* Finally, it found the arbitration clause “inconspicuous,” noting it was written entirely in “small print,” on the back of the contract, and was “embedded in paragraph ten (10) of sixteen (16) total paragraphs.” *Id.*

The testimony from the depositions confirms that the Watts transaction shares *none* of the five circumstances. First, all three depositions establish that the arbitration agreement was not an adhesion contract. An adhesion contract is “a standard form contract offered on a ‘take-it-or-leave-it’ basis,” with non-negotiable terms. *Lackey v. Green Tree Fin. Corp.*, 330 S.C. 388, 394 (S.C. Ct. App. 1998). To establish that a contract is one of adhesion, a party must demonstrate both that the terms are non-negotiable *and* that the contracting party is unwilling to waive enforcement in order to deal. *See Wingard v. Exxon Co.*, 819 F. Supp. 497, 503 (D.S.C. 1992); *see also Lackey*, 330 S.C. at 394.

Here, Michael and Christine have not established, and cannot establish, that the arbitration agreement was an adhesion contract. The Watts transaction was thoroughly negotiated as Michael and Christine declined multiple agreements with the dealership, haggled extensively over price, and obtained outside financing. Moreover, the arbitration agreement was *not* presented on a “take it or leave it basis.” An offeree faced with an adhesion contract has two choices: “complete adherence or outright rejection.” *Lackey*, 330 S.C. at 394. Here, Michael and Christine never faced such a choice. Despite Christine’s affidavit to the contrary, all three depositions establish that the arbitration agreement was not required to complete the deal. Both Christine and Michael admit that no one ever told them they were required to sign the arbitration

agreement. Furthermore, they point to no affirmative action whatsoever demonstrating that their signatures were required or establishing that Century BMW was unwilling to waive enforcement. Indeed, the corporate representative confirmed that Century BMW's policy is not to insist on the arbitration agreement if a customer refuses to sign it and that the dealership has in fact had customers not sign the arbitration agreement and still purchase a vehicle. Bishop Dep. 22:24-23:18, 86:4-88:5.

Second, the purchase of the Z4 BMW convertible was not a necessity. Christine had a working vehicle and did not need to buy a luxury convertible to get to and from work. Moreover, Christine and Michael were well aware that they had other options in purchasing a vehicle, having visited other dealerships in their search for this graduation gift.

Third, Michael and Christine are well-educated, savvy consumers with sufficient business judgment to be aware of the implications of the arbitration agreement. Despite plaintiffs' counsel's attempt to portray otherwise, the record demonstrates that Christine was not alone during her transaction but accompanied by her father, who had purchased nearly a dozen vehicles from other dealerships. Yet Michael's presence was not necessary because Christine is a highly educated auditor with a master's degree in accounting and a career founded upon the careful examination of documents. Still, Michael was no shrinking violet during the transaction, negotiating below the sticker price, refusing all additional product enhancements, and obtaining outside financing.

Fourth, both Michael and Christine admit that any haste in signing the documents came from them alone. They were in a rush to get out of the dealership "as quickly as possible" and the F&I manager put no pressure on them to sign the documents. Michael Dep. 50:2-14. To the

extent Michael and Christine were unaware of the implications of the arbitration agreement, they have solely themselves to blame; nothing prevented them from reading the agreement.

Finally, as Christine's supplemental memorandum does not contest,⁵ the arbitration agreement is conspicuous. It is an easily identifiable, easy-to-read, free-standing document that contains portions bolded, underlined, and in all capital letters. Michael admits that the document is easily identifiable as an arbitration agreement, that the bullet points highlighting that "YOU WILL GIVE UP YOUR RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR A CLASS MEMBER ON ANY CLASS CLAIM YOU MAY HAVE AGAINST US" are clear, and that it would not have been difficult to read the entire agreement. *Id.* at 51:14-52:21. Thus, had Michael and Christine taken the time to read the agreement, they would have been aware of its consequences.

The practical consequences of invalidating this arbitration agreement are particularly troubling. Allowing Michael and Christine to avoid enforcement of the agreement because they decided not to read it would create the perverse incentive to be inattentive when signing a contract. A party who claims to have not read an agreement he signed could later choose not to enforce it under the guise of being naïve, while a party who read the agreement would be bound by it. What other aspects of the transaction could Michael and Christine contest under this theory—the purchase of the vehicle itself? After all, Christine claims to have not read *any* of the documents she signed. Christine Dep. 43:20-22. Parties should not be allowed to pick and choose after the fact what provisions they like and do not like simply because they chose not to read what they signed. Moreover, their position directly contradicts long-standing South Carolina precedent, which recognizes that every contracting party has a duty to read a contract

⁵ See Pl.'s Supp. Memo.

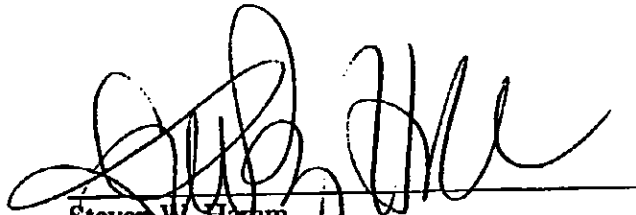
and learn its contents before signing it. *See, e.g., Burwell v. S.C. Nat'l Bank*, 288 S.C. 34 (1986); *Stanley Smith & Sons v. D.M.R. Inc.*, 307 S.C. 413 (S.C. Ct. App. 1992).

This bedrock principle of contract law is no less valid in the context of arbitration agreements. In *Munoz v. Green Tree Fin. Corp.*, 343 S.C. 531 (2001), the South Carolina Supreme Court found an arbitration clause was not unconscionable. The plaintiffs based their claim, in part, on the fact that they were not advised that the clause was included in the contract. *Id.* at 541. The court rejected plaintiffs' argument, holding that "a person who can read is bound to read an agreement before signing it." *Id.* The court further noted that, consistent with federal law, arbitration agreements "will not be set aside on the ground the arbitration clause was not noticed or explained since the party signing the agreement is presumed to have read it." *Id.* at 541 n.6. Thus, Christine's argument—that the arbitration agreement is unenforceable because the dealership supposedly never discussed or explained it—is precluded by South Carolina precedent. Because Michael and Christine were not prevented from reading the arbitration agreement—and were fully capable of reading it—they are deemed to know, and are bound by, its terms.

CONCLUSION

For the reasons set forth above, Century BMW respectfully requests that this Court compel arbitration of Christine Watts's claims against it in accordance with the terms of the arbitration agreement and, accordingly, dismiss those claims currently pending in this Court.

Respectfully submitted,



Steven W. Hamm

C. Jo Anne Wessinger Hill

David A. Anderson

RICHARDSON PLOWDEN & ROBINSON, P.A.

1909 Barnwell Street

Post Office Drawer 7788

Columbia, South Carolina 29202

(803) 771-4400

(803) 779-0016 facsimile

Dennis M. Black (*pro hac vice*)

Ryan L. VanGrack (*pro hac vice*)

WILLIAMS & CONNOLLY LLP

725 Twelfth St., N.W.

Washington, DC 20005

(202) 434-5000

(202) 434-5029 (facsimile)

Attorneys for Century BMW

February 18, 2008
Columbia, South Carolina

IN THE COURT OF COMMON PLEAS

CIVIL ACTION NO.: 06-CP-02-1230

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)
) **CERTIFICATE OF SERVICE**

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-434-

A. Camden Lewis, Esq.
Brady R. Thomas, Esq.
LEWIS & BABCOCK, LLP
PO Box 11208
Columbia, SC 29211

Also served via email to: brt@lewisbabcock.com

And served on co-defendants' counsel by e-mail as follows:

Gregory Studemeyer, Esq. (via email: gesquire@sc.rr.com)

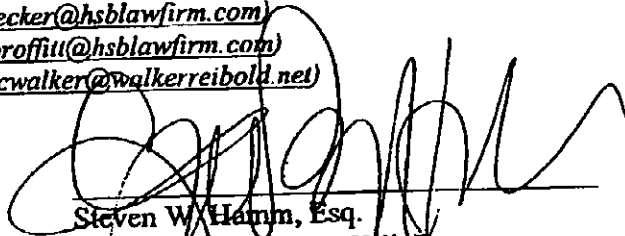
Harvey Sanders, Esq. (via email: hsanders@lwtm.com)

James T. Hewitt, Esq. (via email: jhewitt@lwtm.com)

James Becker, Esq. (via email: jbecker@hsblawfirm.com)

David Proffitt, Esq. (via email: dproffitt@hsblawfirm.com)

Clayton Walker, Esq. (via email: cwalker@walkerreibold.net)



Steven W. Hamm, Esq.

C. JoAnne Wessinger Hill, Esq.

David A. Anderson, Esq.

Richardson Plowden Carpenter & Robinson, P.A.

1908 Barnwell Street

PO Drawer 7788

Columbia, SC 29202

(803) 771-4400

ATTORNEYS FOR DEFENDANT CENTURY BMW, WHOSE
TRUE NAME IS SONIC AUTOMOTIVE 2752 LAURENS RD.,
GREENVILLE, INC. D/B/A CENTURY BMW

February 18, 2008
Columbia, South Carolina

STATE OF SOUTH CAROLINA

COURT OF COMMON PLEAS

COUNTY OF AIKEN

HERRON, et al.,

Plaintiffs,

Case No.
2006-CP-02-1230

vs.

DICK DYER & ASSOCIATES, INC., et al,

Defendants.

DEPOSITION OF: MICHAEL WATTS

DATE: January 29, 2008

TIME: 9:08 a.m.

LOCATION: LEATHERWOOD WALKER TODD & MANN, P.C.
300 East McBee Avenue, Suite 500
Greenville, South Carolina

TAKEN BY: Counsel for Defendant,
CENTURY BMW

REPORTED BY: KATHY P. TAYLOR,
Registered Professional Reporter

Computer-Aided Transcription By:

A. WILLIAM ROBERTS, JR. & ASSOCIATES

Charleston, SC
(843) 722-8414

Myrtle Beach, SC
(843) 839-3376

Columbia, SC
(803) 731-5224

Greenville, SC
(864) 234-7030

Charlotte, NC
(704) 573-3919



1 APPEARANCES OF COUNSEL
 2 ATTORNEYS FOR THE PLAINTIFF/WITNESS:
 3 LEWIS & BABCOCK, L.L.P.
 4 BY: BRADY THOMAS, ESQ.
 5 1513 Hampton Street
 6 Columbia, South Carolina 29201
 7 (803) 771-8000
 8 MB@LEWISBABCOCK.COM

9 ATTORNEYS FOR DEFENDANT,
 10 CENTURY BMW:
 11 WILLIAMS & CONNOLLY, L.L.P.
 12 BY: DENNIS M. BLACK, ESQ.
 13 725 Twelfth Street, N.W.
 14 Washington, D.C. 20005
 15 (202) 434-5000
 16 dblack@wc.com

17 WILLIAMS & CONNOLLY, L.L.P.
 18 BY: RYAN L. VANGRACK, ESQ.
 19 725 Twelfth Street, N.W.
 20 Washington, D.C. 20005
 21 (202) 434-5000
 22 rvangrack@wc.com
 23 RICHARDSON, PLOWDEN, CARPENTER &
 24 ROBINSON, P.A.
 25 BY: STEVEN W. HAMM, ESQ.
 1900 Barnwell Street
 Columbia, South Carolina 29201
 (803) 771-4400
 shamm@richardsonplowden.com
 RICHARDSON, PLOWDEN, CARPENTER &
 ROBINSON, P.A.
 BY: C. JO ANNE WESSINGER HILL, ESQ.
 1900 Barnwell Street
 Columbia, South Carolina 29201
 (803) 771-4400
 jhill@richardsonplowden.com

STIPULATION

1 It is stipulated by and between Counsel
 2 that this deposition is being taken in accordance
 3 with the South Carolina Rules of Civil Procedure,
 4 Rule 30; that all objections as to Notice of this
 5 deposition are hereby waived; that all objections
 6 except as to form are reserved until the time of
 7 trial; and that the deponent does not waive reading
 8 and signing of this deposition.
 9 * * * * *

10 MICHAEL WATTS,
 11 being first duly sworn, testified as follows:
 12 EXAMINATION

13 BY MR. BLACK:

14 Q. Good morning, Mr. Watts. Could you state
 15 your name and address for the record.

16 A. Michael M. Watts. 210 Providence Square,
 17 Greenville, South Carolina 29615.

18 Q. And, Mr. Watts, my name is Dennis Black.
 19 I'm from a law firm called Williams & Connolly. And
 20 do you understand I represent Century BMW in this
 21 case?
 22

23 A. Correct.

24 Q. Okay. The other counsel at the table, just
 25 so you know, also represent others, either Century

1 ATTORNEYS FOR DEFENDANT,
 2 TOYOTA OF GREENVILLE:

3 LEATHERWOOD WALKER TODD & MANN, P.C.
 4 BY: JAMES T. HEWITT, ESQ.
 5 300 East McBee, Suite 500
 6 Greenville, South Carolina 29601
 7 (864) 242-6440
 8 jhewitt@lwtn.com

9 ATTORNEYS FOR DEFENDANT,
 10 HENDRICK DEALERSHIPS AND GALEANA
 11 CHRYSLER JEEP, INC., et al.:
 12 HAYNSWORTH SINKLER BOYD, P.A.
 13 BY: R. DAVID PROFFITT, ESQ.
 14 1201 Main Street, 22nd Floor
 15 Columbia, South Carolina 29201
 16 (803) 779-3080
 17 dproffitt@hsblawfirm.com

18 ALSO PRESENT:
 19 MELANTE BLEASE, Paralegal

20 (Index at rear of transcript)

1 BMW or other defendants in the case. And you have
 2 your counsel here?

3 A. Yes.

4 Q. Okay. Have you ever had your deposition
 5 taken before?

6 A. One time.

7 Q. And when was that?

8 A. About 20 years ago.

9 Q. And was that in a business dispute, a
 10 personal dispute?

11 A. It was a workers' comp dispute.

12 Q. Just to give you a little refresher course
 13 after 20 years, I'll be asking a series of questions
 14 today. Hopefully you'll be answering them. If you
 15 can try to answer the questions aloud and with
 16 words, because the court reporter can't take down
 17 nods and shakes and shrugs.

18 A. Okay.

19 Q. Is that acceptable?

20 A. It's -- yes.

21 Q. And try to avoid saying uh-huh or huh-uh in
 22 response to my questions, because they look very
 23 similar on the transcript, and it will be hard to
 24 decipher later. Is that --

25 A. Yes, sir.

1 Q. If you don't understand any of my
2 questions, please ask me to clarify or explain any
3 problem you have with the question. And if you have
4 a problem or need clarification, please direct your
5 request for clarification to me and not to your
6 counsel.

7 A. Yes, sir.

8 Q. Is that okay?

9 A. (Witness nods head.)

10 Q. And under the rules, just so you know,
11 you're not allowed to talk to your counsel about
12 this deposition or the case from now until when we
13 conclude the deposition, even if we take a break.
14 Is that acceptable?

15 A. Yes, sir.

16 Q. And if -- this isn't an endurance contest,
17 so if at any time you need to take a break for any
18 reason, feel free to ask, and we'll take a break.

19 A. Yes, sir.

20 Q. Okay. What did you do to prepare for your
21 deposition today?

22 A. I met with counsel on Sunday night. I got
23 the time and place where we were going to meet, and
24 we briefly looked at the paperwork.

25 Q. And what -- when you say the paperwork,

1 A. Approximately 30, 35 minutes.

2 Q. And where did it take place?

3 A. Took place at my wife's office. Land
4 America.

5 Q. And there's Christine Watts that's also a
6 plaintiff in this case. Is that your daughter?

7 A. Yes, sir.

8 Q. And have you talked with her about the case
9 or your transaction in preparation for the
10 deposition?

11 A. Yes, sir.

12 Q. Uh-huh. And when was that?

13 A. Sunday night when we met.

14 Q. Okay. Was -- was she present for your
15 meeting with counsel?

16 A. Yes, sir.

17 Q. Was anyone else present?

18 A. Melanie Blease.

19 Q. And is that the young lady sitting over
20 here?

21 A. Yes, sir.

22 Q. Is she also a plaintiff in the case --

23 A. No, sir.

24 Q. -- do you know? No? The -- anyone else?

25 A. No, sir.

1 what paperwork was that?

2 A. The sale paperwork. The information for
3 the bill of sale when we bought the car.

4 Q. How many documents would you say you looked
5 at?

6 A. 20. Approximately 20.

7 Q. And without getting into the substance of
8 what was said, did you have a chance to discuss
9 those documents with your counsel?

10 A. Briefly.

11 Q. Had you seen all the documents you were
12 shown before?

13 A. No, sir.

14 Q. Did it include -- I sent over last week to
15 your counsel a -- the dealership's file on the
16 transaction. Were those the documents you reviewed?

17 A. Yes, sir.

18 Q. Okay. And did you review any of them
19 outside the presence of your counsel?

20 A. No, sir.

21 Q. Okay. So to the extent you had discussions
22 about the documents, it was only with your counsel?

23 A. Yes, sir.

24 Q. How long was your meeting on Sunday night
25 with your counsel?

1 Q. Did you have any discussions with your
2 daughter, Christine Watts, outside the presence of
3 your counsel about the transaction or this case?

4 A. Yes, sir.

5 Q. Oh, okay. And when was that?

6 A. Sunday night, on the way home.

7 Q. All right. And what did you discuss with
8 her on the way home?

9 A. We discussed primarily the taking of a
10 deposition, what it involved and, you know, you
11 would be asking me questions. And I was trying to
12 rehash the deposition process.

13 Q. Uh-huh.

14 A. And --

15 Q. And has Christine had her deposition taken
16 before?

17 A. No, sir.

18 Q. Did you dis- -- rehash any of the details
19 of the negotiation of the car deal or the
20 transaction at Century BMW in this conversation
21 outside the presence of your counsel?

22 A. Yes, sir.

23 Q. And tell me about that. What was said on
24 that subject?

25 A. We discussed -- I could not remember what

1 we bought the car for, the purchase of the car,
2 because it was primarily for her as a graduation
3 present. And all the steps.

4 Q. And by all the steps, you mean all the
5 steps --

6 A. All the steps in the process, trying to
7 review the purchase of the car.

8 Q. And did the two of you refresh each other's
9 recollections as to what went on?

10 A. She told me how much money we paid for the
11 car. We were talk- -- I couldn't even remember the
12 purchase price.

13 Q. Uh-huh. Did she refresh your recollection
14 about any other details of the transaction?

15 A. No. It was pretty much the conversation
16 was towards the purchase price and how we financed
17 the car.

18 Q. Was there anything that she didn't remember
19 that you were able to refresh her recollection
20 about?

21 A. I'm thinking of the conversation, because
22 it was brief. She just mentioned that on the last
23 page, the -- the commission statement on the car,
24 you know, how much profit was made on the car.

25 Q. And I take it that was something you didn't

1 A. Yeah.

2 Q. Okay. And prior to Sunday night, within
3 the last couple of months, have you had any
4 discussions with your daughter about the case or the
5 deposition?

6 A. We have not really talked about it.

7 Q. Does she live at the same address as you?

8 A. No, sir.

9 Q. I'd like to talk a little about your
10 educational background. Could you describe any
11 education you've had since high school?

12 A. I graduated the University of South
13 Carolina with a major in journalism.

14 Q. And what year did you graduate?

15 A. '78.

16 Q. And that's the University of South Carolina
17 in Columbia?

18 A. Columbia.

19 Q. And was that a bachelor's degree?

20 A. Yes, sir.

21 Q. And since getting your bachelor's degree in
22 1978, have you done any further education?

23 A. No, sir.

24 Q. Could you -- starting with when you
25 graduated from University of South Carolina, could

1 know until --

2 A. I had no idea. That's not my business.

3 Q. And the dealership didn't provide you with
4 that information at the time of the transaction?

5 A. No, sir.

6 Q. Okay. And what did she have to say on that
7 subject?

8 A. That was -- they did pretty good.

9 Q. Did you have any other discussions about
10 the transaction or the case in this ride home with
11 your daughter on Sunday night?

12 A. The only other thing that I can remember
13 was that I told her I couldn't remember some of the
14 paperwork that we had looked at.

15 Q. And that was some of the paperwork you had
16 had the opportunity to discuss with counsel earlier
17 in the evening?

18 A. Yes, sir.

19 Q. Okay. And since that drive home Sunday
20 night, have you talked to her any further about the
21 case or the transaction?

22 A. The only thing that we talked about was
23 last night, that we both were nervous about the
24 deposition.

25 Q. No need to be nervous.

1 you just -- what was your first job after college?

2 A. First job was working for Wallace Business
3 Forms as a salesman. Oh, I worked for J.M. Fields
4 as an appliance manager prior to Wallace Business
5 Forms, while I was looking for a full-time job.

6 Q. Okay. And J.M. Fields is what type of
7 business?

8 A. It was a retail store, similar to like a
9 Sears. They're out of business now.

10 Q. Okay. And your job was with respect to
11 appliances?

12 A. I was selling appliances.

13 Q. Okay. And was that selling appliances to
14 consumers rather than businesses?

15 A. Consumers.

16 Q. Did you also sell like extended warranties
17 and the like?

18 A. No, sir.

19 Q. And then you went to work for Wallace
20 Business Forms?

21 A. Correct.

22 Q. And what was your position there?

23 A. Sales rep.

24 Q. And what was the business of Wallace
25 Business Forms?

1 A. They designed and sold computer forms to
2 companies.
3 Q. And by computer forms, that would be what
4 type of forms?
5 A. Continuous custom-made business forms, such
6 as invoices.
7 Q. And how long did you remain in the position
8 as a sales rep for them?
9 A. Approximately two years.
10 Q. So up to about 1980?
11 A. Yes, sir.
12 Q. And what was your next job position?
13 A. I worked for Spartan Express. They're a
14 transportation company. As a sales rep.
15 Q. And what would you have been selling?
16 A. Transportation services.
17 Q. Is that like trucking or --
18 A. Trucking.
19 Q. And how long did you remain in that
20 position?
21 A. Approximately two, two and a half years.
22 Q. So we're up to about 1983ish?
23 A. Give or take, yes, sir.
24 Q. And what was your next job position?
25 A. I went to work for AAA Cooper

1 Q. Did you also manage them --
2 A. I man- --
3 Q. -- once you hired them?
4 A. I managed the employees. I was responsible
5 for the entire operation.
6 Q. And how many employees were you responsible
7 for at the terminal?
8 A. 45.
9 Q. And how long did you remain in the position
10 as terminal manager?
11 A. Until nineteen-ninety- -- 1999.
12 Approximately.
13 Q. And what did you -- what position did you
14 take on in 1999?
15 A. Sales manager for environmental
16 accessories.
17 Q. And what type of environmental accessories
18 are you referring to?
19 A. Environmental accessories, we sold -- we
20 were a broker, and we sold services to industry for
21 handling their non-haz and hazardous materials.
22 Q. And how long were you in that position?
23 A. To 2004. Approximately.
24 Q. Okay. And what was your next position?
25 A. I went to work for W.W. Grainger.

1 Transportation, trucking company, sales rep.
2 Q. And were you again selling trucking
3 services?
4 A. Yes, sir.
5 Q. And how long were you in that position?
6 A. I was in that position for four to five
7 years.
8 Q. So we're up to 1988ish?
9 A. Yeah.
10 Q. And then what did you do?
11 A. I moved to Columbia with AAA Cooper. I was
12 still working for AAA Cooper.
13 Q. Oh, okay. And when you moved to Columbia,
14 did you take on a different position?
15 A. I was primarily in sales for the first
16 year. It was a new territory.
17 Q. And you said for the first year. Did
18 you -- did you change positions after a year?
19 A. They opened a terminal, and I became
20 terminal manager.
21 Q. And that was about 1989?
22 A. Yes, sir. Approximately, you know.
23 Q. What were your job responsibilities as
24 terminal manager?
25 A. To hire employees.

1 Q. And what business are they in?
2 A. Industrial sales.
3 Q. And what was your position with W.W.
4 Grainger?
5 A. Government sales.
6 Q. And what would you have been selling?
7 A. Nuts, bolts. Industrial maintenance
8 supplies.
9 Q. And I thought I had heard you say before
10 that you still work for AAA Cooper today.
11 A. No, sir.
12 Q. Okay. I misheard. How long were you
13 with -- or are you still with W.W. Grainger?
14 A. No, sir.
15 Q. Okay. What was your next position?
16 A. Next position, I left W.W. Grainger, and I
17 presently work for Bilt Rite Corporation.
18 Q. Bilt Rite?
19 A. Bilt Rite. Yeah.
20 Q. And how do you spell Bilt Rite?
21 A. B-I-L-T, R-I-T-E.
22 Q. Two words?
23 A. Two words.
24 Q. And what was your first position with Bilt
25 Rite?

1 A. I'm a sales rep, and manager in Greenville.
 2 Q. And what is the business of Bilt Rite?
 3 A. I call on contractors and sell garage
 4 doors.
 5 Q. And is that garage doors for residential?
 6 A. Residential.
 7 Q. And that's your position today?
 8 A. Correct.
 9 Q. Aside from working for Bilt Rite, do you do
 10 any other work?
 11 A. I teach fly fishing.
 12 Q. And where do you teach that?
 13 A. Clemson University.
 14 Q. And how long have you done that?
 15 A. Two weeks.
 16 Q. Aside from your recent two-week stint
 17 teaching fly fishing, have you ever taught any
 18 courses before?
 19 A. Not besides fly fishing.
 20 Q. Okay. But you've taught fly fishing
 21 before?
 22 A. I've taught fly fishing classes.
 23 Q. And what department is fly fishing in at
 24 Clemson?
 25 A. Leisure Skills.

1 Q. And I think you said you're married?
 2 A. Yes, sir.
 3 Q. And your wife's name is Phyllis?
 4 A. Correct.
 5 Q. And is she employed?
 6 A. She is employed with Land America.
 7 Q. And what does she do?
 8 A. She's a branch manager.
 9 Q. And what business is Land America in?
 10 A. Title insurance.
 11 Q. How did you first come to meet the lawyers
 12 who are representing you in this case?
 13 A. Melanie Blease was my daughter's roommate
 14 at the College of Charleston.
 15 Q. And Ms. Blease is, I understand, a
 16 paralegal for the Plaintiff's law firm?
 17 A. Yes, sir.
 18 Q. So did your introduction to the lawyers
 19 come through your daughter?
 20 A. Yes, sir.
 21 Q. And as you understand it, your daughter's
 22 introduction to the lawyers came through Ms. Blease?
 23 A. Correct.
 24 Q. When was the first time you purchased an
 25 automobile?

1 A. In high school.
 2 Q. And how many automobiles have you purchased
 3 in your life?
 4 A. Approximately 10, 12.
 5 Q. And have those all been from automobile
 6 dealerships?
 7 A. Yes.
 8 Q. And in this 10 to 12 car purchases you've
 9 made in your life, did you negotiate the price in
 10 each of them?
 11 A. Yes, sir.
 12 Q. And did you always realize when you were
 13 buying the car that, you know, the price is
 14 negotiable at a car dealership?
 15 A. I try to make it negotiable.
 16 Q. Have you ever been -- have you ever had an
 17 automobile transaction which the dealership refused
 18 to negotiate on the price?
 19 A. They refused up to a point.
 20 Q. In other words, the negotiations reached a
 21 point where they said, we won't take a penny less.
 22 A. Correct.
 23 Q. But up to that point, they negotiated.
 24 A. Correct.
 25 Q. And then you had the choice as to whether

1 you were going to buy the car or not.
 2 A. Yes, sir.
 3 Q. In connection with -- putting aside your
 4 transaction at Century BMW, is the transaction that
 5 brings us here today the only time you've ever had a
 6 deal with Century BMW?
 7 A. Yes, sir.
 8 Q. Okay. Prior to Century BMW, had you ever
 9 signed an arbitration agreement in connection with a
 10 car purchase?
 11 A. I do not remember.
 12 Q. Did you, also, in the relatively recent
 13 past, buy a car at Toyota of Greenville?
 14 A. Yes, sir.
 15 Q. And do you know if there was an arbitration
 16 agreement included with that transaction?
 17 A. No, sir.
 18 Q. You don't know or --
 19 A. I don't remember. I --
 20 Q. Okay. Prior to your transaction at Century
 21 BMW, had you ever signed an arbitration agreement in
 22 any context?
 23 A. I don't believe I have.
 24 Q. Have any of your employers ever asked you
 25 to sign an arbitration agreement?

1 A. I don't remember. I don't think so.
 2 Q. Okay. When you were the terminal
 3 manager for -- was it AAA Cooper?
 4 A. Yes, sir.
 5 Q. -- did they have arbitration agreements
 6 with their employees; do you know?
 7 A. No, sir.
 8 Q. In any of your various sales representative
 9 jobs -- where I assume you entered into contracts
 10 with people to sell them products; is that --
 11 A. Not -- there were very few contracts. It
 12 was more on a purchase order basis.
 13 Q. Were there ever arbitration agreements
 14 involved in those deals, to your knowledge?
 15 A. No, sir.
 16 Q. Have you ever been asked to sign an
 17 arbitration agreement and refused to do so?
 18 A. No, sir.
 19 Q. Do you have an understanding of what
 20 arbitration is?
 21 A. No, sir.
 22 Q. Do you understand it's another way of
 23 resolving a dispute other than going to court?
 24 A. I've kind of got -- I've got that idea,
 25 yes, sir.

1 Q. But beyond that very basic idea, you don't
 2 know the details of it?
 3 A. I've never been involved, no, sir.
 4 Q. So I take it you have no either good or bad
 5 impressions of the process.
 6 A. No, sir.
 7 Q. I think you just answered this, but have
 8 you ever participated in an arbitration, either as a
 9 witness or a party?
 10 A. No, sir.
 11 Q. I think you testified the vehicle you
 12 purchased at Century BMW was a graduation present
 13 for your daughter?
 14 A. Yes, sir.
 15 Q. To the extent there was a search for a
 16 vehicle to purchase for your daughter, who conducted
 17 it primarily; was it you or her?
 18 A. She did.
 19 Q. And what, briefly, do you understand she
 20 did in that process?
 21 A. Looked on the internet, told her friends,
 22 asked her friends, and just looked at body styles in
 23 the internet.
 24 Q. Were you specifically looking for a used
 25 vehicle?

1 A. No, sir.
 2 Q. Were you specifically looking in a certain
 3 price range?
 4 A. She wanted a convertible.
 5 Q. And did you pretty much leave the search
 6 for the convertible to her?
 7 A. Yes, sir.
 8 Q. Okay. And did you understand in the market
 9 for used vehicles, there are a number of different
 10 places you can buy a used vehicle from?
 11 A. Yes, sir.
 12 Q. You understand that you don't even have to
 13 go to a car dealership; you can buy it from a
 14 private individual?
 15 A. Correct.
 16 Q. And there are ads in the newspaper you can
 17 look to for vehicles?
 18 A. Yes, sir.
 19 Q. There are internet sites, like Craig's List
 20 and others, that -- where people post cars they're
 21 selling?
 22 A. Yes, sir.
 23 Q. Specialized publications like -- in D.C.,
 24 it's called Auto Trader, but where they have nothing
 25 but car ads in them?

1 A. Yes, sir.
 2 Q. You can also go to new car dealerships.
 3 A. Yes, sir.
 4 Q. And I take it there are a number of new car
 5 dealerships in the Greenville area?
 6 A. Yes, sir.
 7 Q. So you weren't limited to going to Century
 8 BMW by any --
 9 A. No, sir.
 10 Q. Also, are you familiar with used car
 11 dealerships like CarMax?
 12 A. Yes, sir.
 13 Q. And do you know where -- did you go to any
 14 other dealerships in the search for a graduation
 15 present?
 16 A. Reluctantly.
 17 Q. Okay. How many dealerships did you visit?
 18 A. Two.
 19 Q. And is that two in addition to Century BMW
 20 or two --
 21 A. Yes.
 22 Q. Okay. What were the other two?
 23 A. Fairway Ford and CarMax.
 24 Q. And did you do anything other than look at
 25 cars at either of those dealerships?

1 A. We made an offer.
 2 Q. At both?
 3 A. No, sir. At Fairway Ford.
 4 Q. And is Fairway Ford here in the Greenville
 5 area?
 6 A. Yes, sir.
 7 Q. And do you remember what type of vehicle
 8 you made an offer on?
 9 A. Ford Mustang.
 10 Q. I take it that it was a convertible?
 11 A. It was a convertible.
 12 Q. And did you engage in price negotiation
 13 back and forth?
 14 A. Yes, sir.
 15 Q. And I take it you didn't buy the car.
 16 A. No, sir.
 17 Q. And why was that?
 18 A. We had -- I'm going -- we had -- I had
 19 talked to a gentleman at a Greenwood Ford dealership
 20 first on a car, told him what my daughter was
 21 looking for. And I do not remember how I engaged in
 22 conversation with him. And he found one, and he was
 23 negot -- we were negotiating price. And my
 24 daughter had gone by Fairway Ford and driven the
 25 car. And they came up with a less -- a cheaper

1 price, the dealership in Greenwood, than we could
 2 have bought it at Fairway Ford. And then when they
 3 found out my daughter had driven the car, they
 4 wouldn't sell it to me, so I walked.
 5 Q. They said --
 6 A. It --
 7 Q. Okay. You engaged in price negotiations
 8 with the Greenwood dealership?
 9 A. Yes, sir.
 10 Q. And when they found out you had test driven
 11 a car at a different dealership, they wouldn't sell
 12 you a vehicle at their dealership; is that --
 13 A. Pretty much, in a nutshell.
 14 Q. Did they give you a reason for that?
 15 A. Pretty -- they were trying to protect the
 16 other dealership, Fairway Ford.
 17 Q. Did they co-own or --
 18 A. I don't know. I -- you know, I walked.
 19 Q. Okay.
 20 A. I didn't get into any of the specifics. I
 21 just -- I left.
 22 Q. And did you -- had you engaged in any price
 23 negotiations at Fairway Ford?
 24 A. I hadn't. I --
 25 Q. So how did you know the deal was cheaper at

1 the Greenwood dealership?
 2 A. I went on the internet and was just looking
 3 at cars. And naturally, I got tagged from the
 4 dealership in Greenwood when -- in my search.
 5 Q. Okay. So you gave like contact
 6 information, and they called you?
 7 A. Yes, sir.
 8 Q. How long did you spend doing research on
 9 the internet?
 10 A. Very little.
 11 Q. Had you ever been to Century BMW before you
 12 bought the car?
 13 A. We had test driven a car there.
 14 Q. And was that in connection with the same
 15 search, or was it a prior vehicle?
 16 A. No, sir, it was a prior vehicle.
 17 Q. Okay. And when was that?
 18 A. Six months or a year prior to buying the
 19 vehicle.
 20 Q. So was that in connection with the search
 21 for the car you ended up buying at Toyota of
 22 Greenville?
 23 A. No, sir.
 24 Q. For whom were you looking for a car when
 25 you test drove the car at Century BMW six months

1 ago?
 2 A. Nobody. My daughter wanted to test drive
 3 the four-door convertible, so we did.
 4 Q. Did you engage in any price negotiations
 5 the six months earlier?
 6 A. No, sir.
 7 Q. And was that a new or used vehicle she --
 8 A. It was --
 9 Q. -- wanted to test drive?
 10 A. It was new.
 11 Q. When you came to Century BMW in connection
 12 with the purchase of the 2004 Z4, had your daughter
 13 already been there?
 14 A. No, sir.
 15 Q. Did you come together?
 16 A. Yes, sir.
 17 Q. Okay. And when you came, did you already
 18 have a car in mind?
 19 A. No, sir.
 20 Q. Once you got to the dealership, did you
 21 walk around the lot and look at a lot of different
 22 cars?
 23 A. Yes, sir.
 24 Q. Okay. Tell me about that. How many cars
 25 did you look at?

1 A. I don't remember. We didn't test drive --
 2 I don't remember if we test drove any besides the
 3 Z4.
 4 Q. And did you walk around the lot on your
 5 own, or were you accompanied by someone else other
 6 than your daughter?
 7 A. We were accompanied by a salesperson.
 8 Q. Okay. Was that a male or a female?
 9 A. Female.
 10 Q. Do you remember her name?
 11 A. No, sir.
 12 Q. And did she describe the various cars to
 13 you?
 14 A. Yes, sir.
 15 Q. Did you like her?
 16 A. She was nice.
 17 Q. Okay. So I take it she didn't put undue
 18 pressure on you as you were touring the lot?
 19 A. No, sir.
 20 Q. Okay. How did you come to -- I think you
 21 said you test drove the Z4.
 22 A. Correct.
 23 Q. Did you test drive it, or your daughter, or
 24 both?
 25 A. We both test drove it.

1 was it before you returned to negotiate the deal?
 2 A. Probably -- I think -- I can't remember.
 3 It was within a day.
 4 Q. Were you aware that the dealership would
 5 likely offer you financing on the vehicle?
 6 A. Yes, sir.
 7 Q. But you preferred to finance it elsewhere?
 8 A. Yes, sir.
 9 Q. So I take it you understood you didn't have
 10 to enter into a financing agreement with the car
 11 dealership in order to purchase the car.
 12 A. Yes, sir.
 13 Q. Is it your general practice to finance car
 14 purchases through your own credit union --
 15 A. Yes, sir.
 16 Q. -- rather than the dealership?
 17 A. Yes, sir.
 18 Q. Have you ever financed the terms of a --
 19 have you ever financed a car through the car
 20 dealership?
 21 A. Yes, sir.
 22 Q. And did you engage in negotiations on the
 23 terms of the financing?
 24 A. No, sir.
 25 Q. You realized you were free to ask for a

1 Q. And did the salesperson accompany you?
 2 A. I think she -- if I -- I think she
 3 accompanied my daughter, and I think my daughter and
 4 I drove it.
 5 Q. After test driving the vehicle, did you
 6 determine you wanted to buy it?
 7 A. I let my daughter make the decision.
 8 Q. Okay. Did she express an interest in
 9 purchasing the car?
 10 A. Yes, sir.
 11 Q. Okay. Did she like the car?
 12 A. Yes, sir.
 13 Q. And at that point, did you engage in any
 14 price negotiations with anyone at the dealership?
 15 A. Not right then. We went back and talked
 16 about it.
 17 Q. Okay. So you test drove the car and
 18 decided you liked it, and left.
 19 A. Correct.
 20 Q. Okay. And why did you leave rather than
 21 stick around and negotiate the purchase right then?
 22 A. We wanted to think about it, talk about it,
 23 and I wanted to call the credit union and check on
 24 financing.
 25 Q. And how long after you test drove the car

1 lower interest rate than what they offered you, I
 2 take it.
 3 A. I figured they would offer me the lowest.
 4 I didn't know that their finance rate would be
 5 negotiable.
 6 Q. But in any event, you determined you were
 7 going to get financing away from Century BMW for
 8 this transaction.
 9 A. Right.
 10 Q. When you came back to the dealership to
 11 negotiate the purchase, who did you meet with?
 12 A. The saleslady.
 13 Q. And was it the same saleslady you dealt
 14 with previously?
 15 A. Yes, sir.
 16 Q. And when you came back, did you come back
 17 alone or with your daughter?
 18 A. We negotiated via telephone.
 19 Q. Okay. So you didn't come into the
 20 dealership?
 21 A. I did not come -- I called, and we
 22 negotiated over the telephone.
 23 Q. Okay.
 24 A. And then once the price was agreed upon, we
 25 went from there.

1 Q. And is the reason you dealt with them by
2 phone, was it because you felt more comfortable
3 being at home rather than being at the dealership
4 with the employees?

5 A. You know, I don't know why we did it from
6 the house.

7 Q. Who was on the phone when you were
8 negotiating the price?

9 A. The saleslady and I.

10 Q. Okay. Was Christine on an extension, or
11 was it just you and the salesperson?

12 A. It was just me and the salesperson.

13 Q. Okay. Who called --

14 A. Christine was in the room.

15 Q. Okay. So she may have overheard -- I take
16 it the salesperson wasn't on a speakerphone in your
17 house.

18 A. No, sir.

19 Q. Okay. So Christine may have overheard your
20 side of the conversation, but she wouldn't have
21 heard the other side?

22 A. Correct.

23 Q. Okay. Who initiated the phone call?

24 A. I did.

25 Q. Okay. And did you ask to speak to the

1 A. Correct.

2 Q. And what did she say? Do you remember what
3 your initial offer was?

4 A. No, sir.

5 Q. Was it, I take it, less than you ended up
6 paying?

7 A. More than likely.

8 Q. But you don't recall?

9 A. I do not remember.

10 Q. Okay. And did you have -- when you made
11 the call, did you have a bottom-line figure in mind
12 that you wouldn't pay more than?

13 A. Yes, sir.

14 Q. Do you remember what that was?

15 A. I'm feeling my brain. 30 -- it was 31, 32,
16 somewhere right in there.

17 Q. Okay.

18 A. I do not remember exactly.

19 Q. And you knew -- you knew that if the
20 dealership, for whatever reason, didn't offer terms
21 that you were comfortable with, you could hang up
22 the phone, and you weren't under any obligation to
23 purchase the vehicle from them; is that fair?

24 A. That's fair.

25 Q. Okay. And that would include terms other

1 saleslady?

2 A. Yes, sir.

3 Q. And did -- when you called, did you tell
4 her you were interested in getting the Z4?

5 A. Yes, sir.

6 Q. And did you make an offer on the vehicle?

7 A. Yes, sir.

8 Q. Had there been a -- any sort of price on
9 the car?

10 A. Yes, sir. I don't remember what it was.

11 Q. Okay. Do you remember how it was posted on
12 the car? Was it written in shoe polish, or was it
13 on some sort of sticker?

14 A. I don't remember.

15 Q. Okay. And had you discussed that price at
16 all with the salesperson when you were back at the
17 dealership?

18 A. No, sir.

19 Q. So you called -- I think her name is
20 Elizabeth Courtney; does that ring a bell?

21 A. Sounds familiar.

22 Q. Well, whoever it was, you called --

23 A. Yes.

24 Q. -- the salesperson, and you made an initial
25 offer.

1 than the price, such as if they refused to offer you
2 a warranty on the car, you could hang up the phone
3 and not have to deal with them; is that fair?

4 A. Yes, sir.

5 Q. Okay. Do you recall what Ms. Courtney's
6 response was to your offer?

7 A. There was negotiation. I don't remember
8 the interaction.

9 Q. Was it all in one phone call or multiple
10 phone calls?

11 A. No, sir, there were multiple phone calls.

12 Q. Okay. After you made your offer, did she
13 say, I'll have to get back with you and call you
14 back?

15 A. All I remember is there were multiple phone
16 calls back and forth.

17 Q. Okay. And did all of this take place in
18 one day?

19 A. Yes, sir.

20 Q. Okay. Do you generally recall over what
21 time period, how many hours or --

22 A. It was late afternoon.

23 Q. Was it a weekend?

24 A. It was a Friday afternoon.

25 Q. And did you talk with anyone other than

1 Ms. Courtney?
 2 A. No, sir.
 3 Q. And eventually in this back and forth phone
 4 calls, did you reach an agreement on price?
 5 A. Yes, sir.
 6 Q. And then did you come into the dealership
 7 to finalize the paperwork?
 8 A. After I did my credit ap and got my
 9 financing in order.
 10 Q. From the credit union?
 11 A. Correct.
 12 Q. So did you come into the dealership with a
 13 cashier's check from the credit union?
 14 A. I came in with some paperwork that they
 15 needed to fill out, and the credit union verified
 16 the funds would be sent to them.
 17 Q. The credit union --
 18 A. Verified the funds would be sent.
 19 Q. So you didn't have a check?
 20 A. I did not have a check.
 21 Q. And I assume you signed a promissory note
 22 or financing agreement with the credit union?
 23 A. Yes, sir.
 24 Q. Do you maintain -- still have a copy of
 25 that?

1 paperwork from the credit union, did you engage in
 2 any further negotiations with Ms. Courtney, or had
 3 that been resolved at that point?
 4 A. It had been resolved, to the best of my
 5 knowledge.
 6 Q. And was your daughter with you?
 7 A. Yes, sir.
 8 Q. And was this -- how many days after the
 9 back and forth on the phone was this, or was it the
 10 same day?
 11 A. I think we came in like Monday, Tuesday of
 12 the following week. I can't remember exactly.
 13 Q. And do you recall whether -- how many
 14 dealership employees did you deal with when you came
 15 into the dealership on the following Monday or
 16 Tuesday; do you recall?
 17 A. One. There was the finance and insurance
 18 guy.
 19 Q. Okay. Did you -- was Ms. Courtney there?
 20 A. I don't remember.
 21 Q. Okay. So you -- as best you recall, the --
 22 you went back and dealt with the F and I manager?
 23 A. Yes, sir.
 24 Q. And was that a male or a female?
 25 A. Male.

1 A. Probably so.
 2 Q. Are you still making payments on it?
 3 A. She is, yes, sir.
 4 Q. So your daughter is making the payments?
 5 A. Yes, sir.
 6 Q. Who was the -- were you the borrower on the
 7 financing agreement, or were both of you, or how was
 8 that arranged?
 9 A. She co-signed with me.
 10 Q. Okay. Do you recall whether -- did you
 11 enter into any other agreements with the credit
 12 union? Did they offer you any sort of service
 13 agreement on the car or anything like that?
 14 A. No, sir.
 15 Q. Did the financing agreement that you signed
 16 with the credit union contain any arbitration
 17 clause?
 18 A. I do not know.
 19 Q. Did you check with the dealership as to
 20 whether they could give you a better interest rate
 21 than the credit union was giving you?
 22 A. I like my credit union, and past
 23 experience, their rates have always been very, very
 24 competitive.
 25 Q. When you came into the dealership with your

1 Q. Do you remember his name?
 2 A. No, sir.
 3 Q. Did that gentleman attempt to sell you any
 4 further products beyond the car?
 5 A. Yes, sir.
 6 Q. Did he attempt to sell you a number of
 7 products beyond the car?
 8 A. I think so.
 9 Q. Let me show you a document I'll have marked
 10 as Michael Watts Exhibit 1. It's actually a
 11 collection of documents.
 12 (Defendant's Exhibit 1, Dealership
 13 transaction documents, was marked for
 14 identification.)
 15 BY MR. BLACK:
 16 Q. And Watts Exhibit 1 is Bates Numbered CBM
 17 501 through 45. And if you could thumb through that
 18 exhibit, Mr. Watts, can you confirm that those are
 19 the documents you were shown Sunday night?
 20 A. Yes, sir.
 21 Q. If you could turn to the second page of the
 22 Exhibit, which is CBM-00002. Five 0's. Do you
 23 see -- and this is a document entitled Century BMW
 24 Menu of Investment Enhancements. Do you see that?
 25 A. Yes.

1 Q. And is that your signature down at the
2 bottom right-hand corner?
3 A. Yes, sir.
4 Q. And were you shown this document by the F
5 and I manager?
6 A. Yes, sir.
7 Q. Does the name Corey James ring a bell as to
8 the name of the F and I manager?
9 A. I don't remember, sir.
10 Q. And did Mr. James go through this document
11 with you?
12 A. I don't remember.
13 Q. Do you -- you said you recalled him trying
14 to sell you some products. Do you recall him trying
15 to sell you a service contract/extended warranty?
16 A. We wanted that, yes, sir.
17 Q. You wanted an extended warranty?
18 A. Yes, sir.
19 Q. Did you purchase one?
20 A. Yes, sir.
21 Q. Did you purchase it from the dealership?
22 A. Yes, sir.
23 Q. Okay. You sure?
24 A. I thought we did.
25 Q. If you turn to the next page, you see the

1 Q. Did he also try and sell you this tire and
2 wheel guaranty that's referenced on the form?
3 A. That's the one I remember.
4 Q. Okay.
5 A. Yes, sir.
6 Q. And you didn't purchase that?
7 A. No.
8 Q. Okay. Did he try and sell you this
9 upgraded maintenance agreement referenced here in
10 the middle column, the top?
11 A. I don't think -- the upgraded maintenance
12 agreement, he discussed it, and it's the one we came
13 back and bought later.
14 Q. Okay. And I notice here that someone has
15 scratched through the 1695 and written 1395 by hand.
16 Do you see that?
17 A. Yes, sir.
18 Q. And in trying to convince you to purchase
19 this item, did he offer to lower the price from what
20 was on the menu?
21 A. He must have.
22 Q. So I take it you understood that these
23 various items, the price was negotiable on them?
24 A. No, sir, not really.
25 Q. But you did understand that it wasn't a

1 car was still covered by the BMW warranty?
2 A. We bought -- excuse me. We bought the
3 extended warranty after the car was -- came out of
4 warranty. I knew we had an extended warranty.
5 Q. Okay.
6 A. I apologize there.
7 Q. So in the -- when Mr. James or the F and I
8 manager went through the products with you, you
9 didn't buy an extended warranty on the day you
10 purchased the car?
11 A. Correct.
12 Q. But you did buy an extended warranty
13 sometime thereafter.
14 A. Yes, sir.
15 Q. And from -- did you buy it from the
16 dealership?
17 A. Yes, sir.
18 Q. Okay. But at the time of your sale, you
19 turned him down on buying it.
20 A. Yes, sir.
21 Q. Okay. So I take it you knew it wasn't a
22 requirement of purchasing a vehicle at Century BMW
23 that you enter into a service agreement with the
24 dealership.
25 A. Correct.

1 requirement of purchasing a vehicle that you enter
2 into any of these agreements referenced on the form.
3 A. Yes, sir.
4 Q. And down at the bottom of the page, is that
5 your handwriting that says, declined coverage, or is
6 that the F and I manager's?
7 A. That's the F and I manager.
8 Q. And you signed next to that?
9 A. Yes, sir.
10 Q. Do you recall how long after you purchased
11 the car you came in to buy the service agreement?
12 A. It was before the 50,000-mile warranty ran
13 out.
14 Q. So it was some number of months after you
15 purchased the car?
16 A. A good number of months, yes, sir.
17 Q. How long do you recall him pitching these
18 products to you for?
19 A. I can't remember how long.
20 MR. BLACK: Can we take a break?
21 MR. THOMAS: Yeah, I was about to ask.
22 (A recess transpired.)
23 BY MR. BLACK:
24 Q. You mentioned that your daughter was
25 roommates with Ms. Bleasc. That was in college?

1 A. Yes, sir.
 2 Q. And did your daughter graduate from college
 3 in 2005?
 4 A. Christy graduated in 2004, I believe.
 5 Q. Okay. So it was the year -- it was a year
 6 after she graduated that you purchased the car?
 7 A. She graduated -- she finished -- she stayed
 8 down there and finished her master's, so maybe it
 9 was 2005.
 10 Q. Okay. And had she been rooming with
 11 Ms. Blease up until she got her master's degree?
 12 A. Yes, sir.
 13 Q. Was she --
 14 A. Up to a point. She -- I don't exactly
 15 remember. I think her last year, she lived by
 16 herself.
 17 Q. So as you understood it, she had been a
 18 roommate of Ms. Blease up to sometime in -- when did
 19 she stop being Ms. Blease's roommate, as you
 20 understand it?
 21 A. Christy had roommates, and the biggest
 22 thing I remember is having to move her all the time.
 23 Okay? I think Christy roomed with Melanie Blease
 24 2003, 2002, somewhere like that.
 25 Q. And did they remain friends after they

1 Q. If you turn to Page 000005, do you see
 2 that's an Affidavit and Notification of Sale of
 3 Motor Vehicle?
 4 A. Yes, sir.
 5 Q. And do you see that there's a certification
 6 that the odometer, at the time you purchased the
 7 vehicle, read 15,514?
 8 A. Yes, sir.
 9 Q. So I take it if the car was approaching
 10 50,000 miles at time you bought the service
 11 agreement, it was a significant period of time after
 12 you purchased the car.
 13 A. Yes, sir.
 14 Q. And someone had put approaching 30,000
 15 miles on the car in the interim?
 16 A. Yes, sir.
 17 Q. So I take it it was over a year after you
 18 bought the car?
 19 A. Yes, sir.
 20 Q. So it was after this litigation was filed.
 21 A. Before the litigation was filed.
 22 Q. Well, you bought the car in June of '05; is
 23 that right?
 24 A. Yeah.
 25 Q. And this litigation was filed in August of

1 stopped being roommates?
 2 A. Yes.
 3 Q. And are they still friends?
 4 A. As far as I know, yes.
 5 Q. And do you know if Ms. Blease -- do you
 6 know when she graduated, if she's graduated?
 7 A. No, sir.
 8 Q. Okay. Do you know, while she was at school
 9 with your daughter, was she working for the law firm
 10 at the same time?
 11 A. I don't think so. I know Melanie has
 12 always held jobs, but I don't know where she was
 13 working.
 14 Q. Okay. So she may have been working for the
 15 law firm; you don't know one way or the other?
 16 A. I don't know.
 17 Q. Okay. You said you purchased the service
 18 agreement after you purchased the car.
 19 A. Right.
 20 Q. And I think you said you purchased it
 21 before the car hit the 50,000-mile mark?
 22 A. Correct.
 23 Q. At the time you purchased it, was the car
 24 approaching the 50,000-mile mark?
 25 A. Yes, sir.

1 '06?
 2 A. Okay. It had to have been. I'm not good
 3 on dates. I apologize. I don't -- I am not good on
 4 dates, trying to time line everything.
 5 Q. Okay. It -- but would you agree that it's
 6 likely you bought the service agreement after you --
 7 after the litigation was filed?
 8 A. Yes, sir.
 9 Q. When you met with the F and I manager,
 10 where in the dealership did you meet with him?
 11 A. In his office.
 12 Q. And was that a cubicle-type office off the
 13 showroom floor?
 14 A. Yes, sir.
 15 Q. And did you meet with him alone, or was
 16 Christine with you?
 17 A. Christine was with me.
 18 Q. And was she there the whole time?
 19 A. With the F and I manager?
 20 Q. Yes.
 21 A. Yes, sir.
 22 Q. And do you recall how much time elapsed
 23 from the moment you walked into the F and I office
 24 until you left?
 25 A. I do not remember.

1 Q. Was it over an hour?
 2 A. I tried to keep it as short as possible.
 3 Q. Okay.
 4 A. So I don't -- I don't remember.
 5 Q. You wanted to get in and out as quickly as
 6 possible?
 7 A. Correct. Yes, sir.
 8 Q. So was it likely less than an hour?
 9 A. Yes, sir.
 10 Q. And what was your impression of the F and I
 11 manager? Was he a nice guy?
 12 A. He seemed like an all right guy.
 13 Q. He didn't put any undue pressure on you?
 14 A. No, sir.
 15 Q. And to the extent he tried to sell you
 16 things, you didn't buy them, at least at the time.
 17 A. Correct.
 18 Q. Did you sign some documents while you were
 19 in the F and I office?
 20 A. Yes, sir.
 21 Q. Do you know how many?
 22 A. No, sir.
 23 Q. Do you have an estimate of how many?
 24 A. Five, six.
 25 Q. So it wasn't some huge stack of documents

1 Q. And the -- at the bottom of the page, have
 2 you signed the document?
 3 A. Yes, sir.
 4 Q. And right -- right above you, where your
 5 signature is, do you see in bold, all caps, it says:
 6 By signing below, the parties acknowledge that they
 7 have read and agreed to the terms of this
 8 arbitration agreement?
 9 A. Yes, sir.
 10 Q. And do you agree with me that that's easy
 11 to read?
 12 A. Correct.
 13 Q. And immediately above that, there are a
 14 number of bullet points that are also in all caps?
 15 A. Yes, sir.
 16 Q. And that's in perfectly readable type?
 17 A. Yes, sir.
 18 Q. And, in fact, the entire document, while
 19 the other type on the page may be somewhat smaller,
 20 none of it is difficult to read if one wanted to?
 21 A. Correct.
 22 Q. I think we said that's your signature in
 23 the bottom left-hand corner in the top signature
 24 line?
 25 A. Yes, sir.

1 you had to sign; it was just a handful.
 2 A. There were copies and stuff. That's all I
 3 can remember.
 4 Q. Okay. But you don't remember having to
 5 traipse through some enormous stack of documents?
 6 A. Not a huge stack of documents.
 7 Q. And were the documents such things as
 8 transferring title to the vehicle and the like?
 9 A. Yes, sir.
 10 Q. And those documents, you understood, were
 11 required by law?
 12 A. Yeah, they were all -- all the documents
 13 were right there together.
 14 Q. And the documents you were given to sign,
 15 did Mr. James do anything to prevent you from
 16 reading them?
 17 A. No, sir.
 18 Q. And if you'd turn to Page -- the page that
 19 ends in 14. And do you see that that's a document
 20 that is titled, in all caps and bold print at the
 21 top, Arbitration Agreement?
 22 A. Yes, sir.
 23 Q. And would you agree with me that the
 24 heading of the document is easy to read?
 25 A. Yes, sir.

1 Q. And is that your daughter's signature below
 2 that?
 3 A. Yes, sir.
 4 Q. And that's the -- Mr. James' signature to
 5 your right?
 6 A. I would assume so, yes, sir.
 7 Q. And this document was presented to you at
 8 the dealership when you were meeting with Mr. James?
 9 A. Yes, sir.
 10 Q. What, if anything, did Mr. James say to you
 11 when he presented you with this document?
 12 A. I don't remember if he said anything.
 13 Q. Did you see, when he handed you this, that
 14 it said arbitration agreement at the top?
 15 A. I did not really pay it any attention,
 16 because they weren't doing any financing for me. We
 17 were eager to get the car.
 18 Q. So you were here to just get out of there.
 19 A. Yes, sir. All the papers were together,
 20 and he handed me all the papers.
 21 Q. Okay. But he didn't do anything to prevent
 22 you from reading what he handed to you.
 23 A. No, sir.
 24 Q. Do you recall one way or another whether
 25 you did read it?

1 A. I did not read it, no, sir.
 2 Q. Did you glance your way down and at least
 3 read the things in all caps?
 4 A. I don't even remember signing it. Because
 5 all the papers were together.
 6 Q. So I take it you don't remember him telling
 7 you that you had to sign this document in order to
 8 purchase the vehicle?
 9 A. No, sir.
 10 Q. And I take it, from what you've said, you
 11 didn't object to signing the document at the time.
 12 A. I didn't know I didn't have to.
 13 Q. But you didn't say, I don't want to sign
 14 this, to Mr. James; is that fair?
 15 A. No, I did not say that.
 16 Q. Okay.
 17 A. No, sir.
 18 Q. And you didn't raise any complaint about
 19 the document at the time?
 20 A. No, sir.
 21 Q. And you didn't ask any questions about
 22 whether it was required that you sign the document?
 23 A. No, sir.
 24 Q. And I take it the same -- all of those
 25 questions, same is true of your daughter?

1 A. My wife.
 2 Q. And what other car was there?
 3 A. I'm trying to think what I was driving.
 4 Because I've had so many company cars over the
 5 years, and they change those out so much that --
 6 Q. Who drove the vehicle you purchased at
 7 Toyota of Greenville?
 8 A. I did.
 9 Q. Okay.
 10 A. I'm trying to remember the dates, if I had
 11 that car or not at that particular time, or if I had
 12 a company car. I think I had the Toyota.
 13 Q. Okay. Was Christine driving a car prior to
 14 the --
 15 A. Christy had a Montero Sport.
 16 Q. That's a Mitsubishi?
 17 A. Correct.
 18 Q. And how long had she been driving that car?
 19 A. Three years. Four years.
 20 Q. And was that car still in working order at
 21 the time of the Century BMW --
 22 A. Yes, sir.
 23 Q. -- transaction?
 24 A. Yes, sir.
 25 Q. Okay. So aside from wanting a nice -- I

1 A. Yes, sir.
 2 Q. Okay. She didn't ask any questions about
 3 the document?
 4 A. No, sir. She wanted the keys.
 5 Q. Okay. The credit union you financed the
 6 transaction through, what was the name of the credit
 7 union?
 8 A. Carolina Collegiate Federal Credit Union.
 9 Q. Did you finance the purchase at Toyota of
 10 Greenville through the same credit union?
 11 A. Yes, sir.
 12 MR. BLACK: Can we take a break?
 13 MR. THOMAS: Yeah.
 14 (A recess transpired.)
 15 BY MR. BLACK:
 16 Q. At the time of your purchase from Century
 17 BMW, how many cars did you and your wife and your
 18 daughter collectively own?
 19 A. We owned -- we bought this car. We owned
 20 two.
 21 Q. Two in addition to this car?
 22 A. Yes, sir.
 23 Q. Okay. And what cars are those?
 24 A. One was a Honda.
 25 Q. And who primarily drove the Honda?

1 realize it's a used vehicle, but a nice new vehicle,
 2 she wasn't under any pressure to replace her car
 3 because she didn't have a working car at the time.
 4 A. Correct.
 5 Q. And you didn't trade that car in.
 6 A. No, sir.
 7 Q. What did -- what did you do with that
 8 Montero Sport?
 9 A. Sold it to an individual.
 10 Q. Okay. And you did that through the
 11 internet or something?
 12 A. Through a little car lot.
 13 Q. And would you agree that if all that you
 14 needed was transportation around town, while that
 15 might be necessary here in South Carolina, there's
 16 no necessity of buying a luxury BMW automobile?
 17 A. For just transportation, I agree.
 18 MR. BLACK: That's all I have.
 19 THE WITNESS: Okay.
 20 MR. THOMAS: I don't have anything.
 21 MR. BLACK: Okay.
 22 (The deposition was concluded at 10:36
 23 a.m.)
 24
 25

I, the undersigned, MICHAEL WATTS, hereby certify that I have read the foregoing deposition and find it to be a true and accurate transcription of my testimony, with the following corrections, if any:

MICHAEL WATTS DATE

Page/Linc

(No information was requested.)

Page/Line

Defendant's Exhibit Number 1
Dealership transaction documents.....41 12

I, Kathy P. Taylor, Registered Professional Reporter and Notary Public for the State of South Carolina at large, do hereby certify that the foregoing transcript is a true, accurate and complete record.

I further certify that I am neither related to nor counsel for any party to the cause pending or interested in the events thereof.

WITNESS MY HAND, I have hereunto
affixed my official seal this 31st day of
January, 2008, at Greenville County, South Carolina.

**KATHY P. TAYLOR
REGISTERED PROFESSIONAL REPORTER
MY COMMISSION EXPIRES
JUNE 13, 2017**

STATE OF SOUTH CAROLINA

COURT OF COMMON PLEAS

COUNTY OF AIKEN

HERRON, et al.,

Plaintiffs,

Case No.

2006-CP-02-1230

vs.

DICK DYER & ASSOCIATES, INC., et al,

Defendants.

DEPOSITION OF: CHRISTINE WATTS

DATE: January 29, 2008

TIME: 5:15 p.m.

LOCATION: LEATHERWOOD WALKER TODD & MANN, P.C.
300 East McBee Avenue, Suite 500
Greenville, South Carolina

TAKEN BY: Counsel for Defendant,
CENTURY BMW

REPORTED BY: KATHY P. TAYLOR,
Registered Professional Reporter

Computer-Aided Transcription By:

A. WILLIAM ROBERTS, JR. & ASSOCIATES

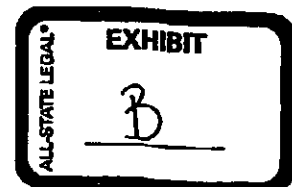
Charleston, SC
(843) 722-8414

Myrtle Beach, SC
(843) 839-3376

Columbia, SC
(803) 731-5224

Greenville, SC
(864) 234-7030

Charlotte, NC
(704) 573-3919



APPEARANCES OF COUNSEL

ATTORNEYS FOR THE PLAINTIFF/WITNESS:

LEWIS & BABCOCK, L.L.P.
BY: BRADY THOMAS, ESQ.
1513 Hampton Street
Columbia, South Carolina 29201
(803) 771-8000
MB@LEWISBABCOCK.COM

LAW OFFICES OF MICHAEL E. SPEARS, P.A.
BY: MICHAEL E. SPEARS, ESQ.
172 East Main Street, Suite 200
Spartanburg, South Carolina 29304-5806
(864) 583-3535
ADANNERT@MIKESPEARSPA.COM

ATTORNEYS FOR DEFENDANT,
CENTURY BMW:

WILLIAMS & CONNOLLY, L.L.P.
BY: DENNIS M. BLACK, ESQ.
725 Twelfth Street, N.W.
Washington, D.C. 20005
(202) 434-5000
dblack@wc.com

WILLIAMS & CONNOLLY, L.L.P.
BY: RYAN L. VANGRACK, ESQ.
725 Twelfth Street, N.W.
Washington, D.C. 20005
(202) 434-5000
rvangrack@wc.com

RICHARDSON, PLOWDEN, CARPENTER &
ROBINSON, P.A.
BY: STEVEN W. HAMM, ESQ.
1900 Barnwell Street
Columbia, South Carolina 29201
(803) 771-4400
shamm@richardsonplowden.com

A. William Roberts, Jr. & Associates (800) 743-DEPO
0279666-3-75-0029-0320-071077008

RICHARDSON, PLOWDEN, CARPENTER &
ROBINSON, P.A.
BY: C. JO ANNE WESSINGER HILL, ESQ.
1900 Barnwell Street
Columbia, South Carolina 29201
(803) 771-4400
jhillerichardsonplowden.com

ATTORNEYS FOR DEFENDANT,
TOYOTA OF GREENVILLE:

LEATHERWOOD WALKER TODD & MANN, P.C.
BY: JAMES T. HEWITT, ESQ.
300 East McBee, Suite 500
Greenville, South Carolina 29601
(864) 242-6440
jhewitt@lwtm.com
LEATHERWOOD WALKER TODD & MANN, P.C.
BY: BROOKE CHAPMAN, ESQ.
300 East McBee, Suite 500
Greenville, South Carolina 29601
(864) 242-6440
bchapman@lwtm.com

ATTORNEYS FOR DEFENDANT,
HENDRICK DEALERSHIPS AND GALEANA
CHRYSLER JREP, INC., et al.:
HAYNSWORTH SINKLER BOYD, P.A.
BY: R. DAVID PROFFITT, ESQ.
1201 Main Street, 22nd Floor
Columbia, South Carolina 29201
(803) 779-3080
dproffitt@hsblawfirm.com

ALSO PRESENT:
MELANIE BLEASE, Paralegal
ALISON DANNERT, Paralegal

A. William Roberts, Jr. & Associates (800) 743-DEPO
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STIPULATION

It is stipulated by and between Counsel
that this deposition is being taken in accordance
with the South Carolina Rules of Civil Procedure,
Rule 30; that all objections as to Notice of this
deposition are hereby waived; that all objections
except as to form are reserved until the time of
trial; and that the deponent does not waive reading
and signing of this deposition.

* * * * *

CHRISTINE WATTS,

being first duly sworn, testified as follows:

EXAMINATION

BY MR. BLACK:

Q. Good evening, Ms. Watts. Could you state
your name and your address for the record, please.

A. Christine Watts. And my address is 3729
Harwick, H-A-R-W-I-C-K, Place, Charlotte, North
Carolina 28211.

Q. And we haven't met before, but my name is
Dennis Black. I'm an attorney from a law firm
called Williams & Connolly. And you understand I
represent Century BMW and some other car dealerships
in this dispute?

A. Okay. Yes, I do.

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Q. Okay. And the other people sitting here
also represent -- at least on this side of the
table -- also represent Century BMW, until you get
to the guy at the end, who represents some other
dealerships. And I take it you know your own
counsel.

A. Yes, sir.

Q. (Pointing) And he represents some car
dealerships, too.

A. Okay.

Q. So just so you know who everyone is.
Have you ever had your deposition taken
before?

A. I have not.

Q. Okay. Let me give you a couple of ground
rules. I'll be asking a bunch of questions.
Hopefully you'll be answering them. Try to answer
them aloud and with words.

A. Okay.

Q. Because the court reporter here is trying
to take everything down, and she can't take down
gestures and nods and shakes and shrugs. Is that
acceptable?

A. Yes.

Q. And if you say -- if you nod or shake your

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1 head, one of us may say, is that a yes or is that a
2 no.

3 A. Okay.

4 Q. We're not trying to be rude; we're just
5 trying to keep a clear record.

6 (Ms. Chapman entered the deposition.)

7 BY MR. BLACK:

8 Q. The -- also try and avoid uh-huh and
9 huh-uh, because they look garbled on the transcript.

10 A. Yes.

11 Q. If you could try and let me finish my
12 questions before you jump in with your answers, that
13 will help keep a clean record, also; and I'll try
14 and give you the same courtesy of letting you finish
15 your answers before I jump in with another question.
16 Is that acceptable?

17 A. Yes.

18 Q. If I ask any garbled questions, as I'm
19 prone to do from time to time, please, if you don't
20 understand it, ask me to rephrase the question or
21 tell me that you don't understand it. And the rules
22 here in South Carolina require you to direct any
23 requests for clarification to me and not to your own
24 counsel. Is that acceptable?

25 A. Yes, I understand.

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1 Q. And the rules also require that you not
2 talk with your counsel about the deposition or the
3 case while we're going on with the deposition. Is
4 that acceptable?

5 A. I understand.

6 Q. Okay. What, if anything, did you do to
7 prepare for your deposition?

8 A. I had a meeting with my lawyers.

9 Q. Okay. And who was present for that
10 meeting?

11 A. Melanie and Brady.

12 Q. Anyone else?

13 A. My father, Mike Watts.

14 Q. Was that Friday -- Sunday night?

15 A. Yes.

16 Q. And how long approximately did the meeting
17 last?

18 A. Maybe an hour.

19 Q. The -- and then as you were driving home
20 from the meeting, did you have a chance to have a
21 further discussion with your father about the
22 deposition?

23 A. We did not talk about that on the way home.

24 Q. Since you -- since Sunday night, have you
25 talked to anyone else in preparation for your

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1 deposition?

2 A. I talked to Melanie and Brady before I came
3 today.

4 Q. Okay. Did you have a chance to talk to
5 your father after he was finished with his
6 deposition today?

7 A. Yes.

8 Q. And when was that?

9 A. Maybe lunchtime.

10 Q. Okay. And was it in person or on the
11 phone?

12 A. It was just on the phone.

13 Q. Okay. And who called who?

14 A. I called my father to ask him how long it
15 would take.

16 Q. All right. And what did he tell you?

17 A. Two hours.

18 Q. Okay. Hopefully, since we got some
19 information from him this morning, we won't have to
20 repeat it with you, and we'll be even quicker. Did
21 he tell you anything about the questions that were
22 asked at the deposition?

23 A. No, he did not.

24 Q. Aside from the length of the deposition,
25 did you have any other discussions about the

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1 deposition with him?

2 A. No.

3 Q. Other than Melanie and your father today,
4 did you -- have you talked to anyone else in
5 preparation for your deposition?

6 A. Just my boss, that I had to go to the
7 deposition.

8 Q. Okay. Could you describe for us your
9 educational background since high school?

10 A. I have a bachelor's and a master's degree
11 in accounting.

12 Q. And what year did you get your bachelor's?

13 A. '03, 2003.

14 Q. And from what school?

15 A. College of Charleston.

16 Q. And from what school did you get your
17 master's?

18 A. College of Charleston.

19 Q. And what year was that?

20 A. 2005.

21 Q. And you said that was in accounting?

22 A. Accounting.

23 Q. And any subspecialty or -- in accounting?

24 A. No.

25 Q. Since getting your master's in 2005, have

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1 you pursued any other studies?

2 A. Please rephrase.

3 Q. Since -- have you done any further

4 schooling since 2005, when you got your master's?

5 A. Only accounting-related.

6 Q. So you're continuing to study accounting?

7 A. Yes, sir.

8 Q. Okay. Are you going for a Ph.D. or --

9 A. No, I -- you have to do it for -- to get a

10 CPA.

11 Q. Okay. And have you received -- do you have

12 a CPA?

13 A. No.

14 Q. What's the stages in getting a CPA?

15 A. I can sit for the CPA, but I have to have a

16 certain number of hours before -- accounting

17 experience before I can actually get my license.

18 Q. Okay. And how far along in that process

19 are you?

20 A. Getting pretty close.

21 Q. Okay. So have you scheduled to take the

22 exam?

23 A. I have not. I filled out the application.

24 Q. The -- where have you -- did you work at

25 all when you were at the College of Charleston?

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1 A. I did not work at College of Charleston.

2 Q. Okay. And is that true through your

3 master's degree?

4 A. Between my undergraduate and graduate, I

5 had an internship with PriceWaterhouseCoopers.

6 Q. And where was that?

7 A. In Spartanburg, South Carolina.

8 Q. And what was involved in the internship?

9 A. Audit work.

10 Q. So that would have been in 2003?

11 A. 2004.

12 Q. And then while you were -- how long did it

13 take to get a master's degree?

14 A. Just one year.

15 Q. Okay. And were you working while you were

16 studying for your master's?

17 A. I was not.

18 Q. Okay. The -- we learned from your father

19 this morning that -- I'm sorry, I forget Melanie's

20 last name -- you're Melanie's former roommate?

21 A. Yes, I am.

22 Q. And what is Melanie's last name?

23 A. Blease.

24 Q. What?

25 A. Blease.

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1 Q. Blease. And when were you Melanie's

2 roommate?

3 A. Undergraduate, 2002 and -3.

4 Q. And not thereafter?

5 A. Not thereafter.

6 Q. Okay. Have you remained friends with

7 Melanie thereafter?

8 A. Yes, I have.

9 Q. Up until today?

10 A. Yes.

11 Q. Since you got your -- what month did you

12 get your master's in 2005?

13 A. August.

14 Q. August. And since you got your master's,

15 have you become employed?

16 A. Yes. I worked for PriceWaterhouseCoopers

17 until June of this year.

18 Q. June of last year?

19 A. This -- yeah, last year.

20 Q. And so when did you start with

21 PriceWaterhouseCoopers?

22 A. 2005.

23 Q. Immediately upon graduating in August?

24 A. In -- September 1st.

25 Q. And what position did you take?

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1 A. Audit associate.

2 Q. And what were your job responsibilities?

3 A. Handling client relationships, performing

4 audits of all types of nature.

5 Q. Were you focused in any particular industry

6 or business?

7 A. Manufacturing.

8 Q. And were you an audit associate throughout

9 your tenure at PriceWaterhouseCoopers?

10 A. I was.

11 Q. Okay. And you -- you left in June of 2007?

12 A. Yes.

13 Q. And did you take another position in June

14 of 2007?

15 A. I started July 1st with Dixon Hughes.

16 Q. And what is Dixon Hughes?

17 A. It is a regional accounting firm.

18 Q. And is that in Charlotte, North Carolina?

19 A. Yes, sir.

20 Q. And what position did you take in July

21 of 2007 with Dixon Hughes?

22 A. Audit associate.

23 Q. And do you focus on any type of business or

24 industry?

25 A. Manufacturing and non-profit.

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Q. And do you remain an audit associate today?

A. I do.

Q. Does PriceWaterhouseCoopers have its employees sign arbitration agreements when they become employed?

A. Not to my knowledge, no.

Q. Do you know if you signed an arbitration agreement with PriceWaterhouseCoopers?

A. Not that I'm aware of, no.

Q. Same question for Dixon Hughes; do they have you sign an arbitration agreement?

A. No.

Q. Your father told us this morning you were introduced to the lawyers that are now representing you through your friend, Melanie.

A. That is correct.

Q. Do you recall when you first talked to Melanie about this case?

A. I do not remember.

Q. Do you know how long it was in advance of the case being filed?

A. I do not know.

Q. In your discussions with Melanie prior to your retaining counsel, did the subject of your having signed an arbitration agreement with Century

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BMW come up?

A. No.

Q. In your conversations with anyone other than counsel and their staff prior to your -- the lawsuit being filed, did you discuss the fact that you had signed an arbitration agreement with Century BMW?

A. No.

Q. How many vehicles have you been the primary driver of in your life?

A. Four.

Q. And what was the first one?

A. Ford Ranger.

Q. And when did you become the primary driver of that vehicle?

A. When I was 15.

Q. So that would be what, approximately what year?

A. '95.

Q. And did your family own that vehicle before you became the primary driver of it?

A. Yes.

Q. Okay. Were you present when the vehicle was purchased?

A. No.

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Q. Prior to owning that -- driving that vehicle, had you ever been present when anyone purchased a car from a car dealership?

A. No.

Q. After the Ford Ranger, what was the next vehicle you were the primary driver of?

A. Toyota Celica.

Q. And how many years later was that?

A. One year.

Q. And did your family own that car before you became the primary driver?

A. No.

Q. Was it purchased for you?

A. Yes.

Q. Was it a new or used vehicle?

A. Used.

Q. Used. Who paid for it?

A. My parents, Mike and Phyllis Watts.

Q. Were you involved in choosing it?

A. Yes.

Q. Was it purchased at a car dealership?

A. Yes.

Q. Do you remember which one?

A. No.

Q. Were you present when the car was

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purchased?

A. No.

Q. Did your -- who was -- who was primarily involved in the back and forth with the dealership on the purchase?

A. My father, Mike Watts.

Q. And did he negotiate the price of the vehicle?

A. I have no idea.

Q. Okay. So you weren't there at all.

A. No, sir.

Q. Okay. What was the next vehicle that you became the --

A. Ford Mustang.

Q. And when was that?

A. A year after the Celica.

Q. So now you're 17?

A. Uh-huh.

Q. Okay. And did you own that -- was that vehicle owned by your family prior to you becoming primary driver?

A. No.

Q. What happened to the Celica?

A. I just didn't like it.

Q. Okay. So it was -- so the Ford Mustang w

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1 purchased from a car dealership?

2 A. Yes.

3 Q. And were you present when it was purchased?

4 A. Yes.

5 Q. And did you take part in any negotiations?

6 A. No.

7 Q. Did your father?

8 A. Yes.

9 Q. And did he -- were you present when he
10 negotiated the price of the vehicle?

11 A. Yes.

12 Q. Okay. How long -- how long did that take,
13 if you recall?

14 A. I don't remember.

15 Q. Were you a co-owner of any of the vehicles
16 we've discussed so far --

17 A. No.

18 Q. -- the Ranger, the Celica, or the Mustang?
19 So they were all in your father's name, and
20 mother's, maybe?

21 A. Yes.

22 Q. So I take it you didn't sign any paperwork
23 associated with those vehicles?

24 A. No.

25 Q. How long did you -- were you the primary

1 driver of the Mustang?

2 A. Three years.

3 Q. And is that when you got the Montero?

4 A. Yes.

5 Q. The -- was the Montero purchased at a car
6 dealership?

7 A. No.

8 Q. Okay. Where was the Montero purchased
9 from?

10 A. A family friend.

11 Q. And who purchased it?

12 A. Mike Watts.

13 Q. And what did you do with the Mustang?

14 A. Sold it.

15 Q. Just in a private sale?

16 A. Private sale.

17 Q. And you were the primary driver of the
18 Montero up until you got the Z-4?

19 A. Yes.

20 Q. Aside from the transaction at Century BMW
21 when you purchased the Z-4, had you ever signed an
22 arbitration agreement before?

23 A. No.

24 Q. Had you ever before been requested to sign
25 an arbitration agreement and refused for whatever

1 reason?

2 A. No.

3 Q. At the time you were in Century BMW buying
4 the Z-4, did you have an understanding what
5 arbitration is?

6 A. No.

7 Q. So I take it at the time, you didn't have a
8 view whether it was a good thing or a bad thing.

9 A. No.

10 Q. No, I'm -- no, I'm wrong, or no, you didn't
11 have a view?

12 A. No, I didn't have a view of -- I didn't
13 really know what it was, so no, I didn't have a view
14 of it.

15 Q. Okay. Up until today, have you ever
16 participated in arbitration in any capacity, as a
17 witness or a party or anything like that?

18 A. No.

19 Q. So I take it you've had no bad experiences
20 with arbitration.

21 A. No.

22 Q. As I understand it, the Z-4 was a
23 graduation present of sorts for you.

24 A. Yes.

25 Q. And you were the person that primarily did

1 the research in looking for a car before you
2 purchased it; is that true?

3 A. That's correct.

4 Q. Can you describe for us what types of
5 things you did -- how long did the process of
6 looking for a car take from beginning to end?

7 A. Can you rephrase? Like truly looking, or
8 just kind of researching?

9 Q. Well, when did you first start researching?

10 A. Two months beforehand.

11 Q. And about six months before you had come
12 into Century BMW and test driven a car?

13 A. Yes.

14 Q. Were you looking to buy a car at the time?

15 A. No, not really.

16 Q. So was it more in the -- and I don't mean
17 this disparagingly, but was it more in the nature of
18 a joyride test drive than as part of a serious
19 looking for a car?

20 A. Well, I knew I would eventually, once I
21 graduated, so I guess it was a joyride.

22 Q. Okay.

23 A. Just kind of checking out things.

24 Q. What type of car did you test drive?

25 A. 3 Series.

Q. And you said you started researching a couple of months before the actual purchase. What did you do to start researching?

A. I looked at safety, insurance rates, what I think the taxes would be. That's all.

Q. Did you start looking at different types of models and makes of cars?

A. I did.

Q. And in what way did you do that?

A. Internet.

Q. And were there any particular sites you looked at at the -- on the internet?

A. Probably Kelley Blue Book. Probably the individual car websites, like manufacturer websites type things.

Q. Did you look at all at purchasing a car from a private individual as opposed to a car dealership?

A. No.

Q. You knew from at least your own past experience that one option was you didn't have to go to a car dealership at all, you could just buy it from some individual that was looking to sell their car, is that --

A. Yes.

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Q. How much before you purchased the Z-4 did you actually go into a car dealership to look at cars for the first time during this particular search?

A. Maybe a month or two. Maybe a month or two.

Q. And do you recall how many different car dealerships you visited in the month or two prior to coming into Century BMW?

A. Two.

Q. And what were they?

A. Ford in Greenville. I don't know --

Q. Is that Fairway Ford?

A. You might be correct.

Q. Over on Laurens Road?

A. Yes, sir.

Q. Okay. And did you test drive a Mustang there?

A. Yes.

Q. And was that a new Mustang?

A. Yes, it was.

Q. And what other dealership did you go into?

A. Century BMW.

Q. So only one dealership other than Century BMW?

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A. Yes.

Q. Did you visit a Ford dealership in Greenwood?

A. Greenwood? Not that I remember.

Q. Were you aware of your father visiting another Ford dealership about buying a -- possibly buying a Mustang for you?

A. I don't remember.

Q. Had you -- prior to coming into the Century BMW, had you talked to any other car dealerships by phone or e-mailed back and forth with them or anything?

A. No, I had not.

Q. Putting aside the test drive of whatever -- do you remember what car you test drove six months before?

A. 3 Series.

Q. Oh, that's right. I already asked you that. How long before you actually purchased the car at Century BMW did you come into the dealership during your search for a vehicle?

A. Can you please rephrase that question?

Q. Yes. Your father said that you -- your first visit to Century BMW in connection with your search was not the day you purchased the vehicle;

that right?

A. That is correct.

Q. Okay. How many days or weeks before you actually purchased the vehicle did you first come into Century BMW in connection with this search?

A. Can I just -- are you saying when I went and test drove the one that I bought, how long before I went in and purchased?

Q. Yes.

A. Three or four days.

Q. And on your first visit to the dealership did you go alone, or were you accompanied by anyone?

A. My father was with me, Mike Watts.

Q. And anyone else?

A. No.

Q. And when you got to the dealership, did you know what car you wanted -- were interested in what you first got there, or did you look around and compare the various vehicles?

A. When I test drove or when I bought?

Q. When you came in three or four days before you bought.

A. I was just looking around.

Q. Okay. And did you and your father look around on your own, or were you accompanied by

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1 anyone from the dealership, or a little of both?
 2 A. I don't -- I really don't remember.
 3 Q. Okay. Do you remember at all having any
 4 interactions with a salesperson that day?
 5 A. No, I don't remember.
 6 Q. Okay. Did you -- have you heard of a woman
 7 called Elizabeth Courtney?
 8 A. Yes.
 9 Q. And who is Elizabeth Courtney?
 10 A. She's the one we actually -- the day we
 11 purchased it, we talked to.
 12 Q. Okay. Do you recall whether you had any
 13 conversations with her on the -- when you visited
 14 three or four days before you purchased it?
 15 A. I think we did, yes.
 16 Q. Okay. And what, if anything, do you recall
 17 about your conversations with her three or four days
 18 before you purchased the car?
 19 A. I don't remember.
 20 Q. Who primarily interacted with her in that
 21 visit, was it you or your father?
 22 A. My father.
 23 Q. And did you overhear whatever they were
 24 saying, or were you off looking at cars while they
 25 were talking?

1 A. I was looking at cars.
 2 Q. Did you test drive one or more vehicles
 3 during that visit?
 4 A. I test drove the vehicle I bought.
 5 Q. Okay. So -- and no other?
 6 A. No other.
 7 Q. When you test drove the vehicle, was anyone
 8 with you in the car?
 9 A. My father.
 10 Q. Was the salesperson in the car?
 11 A. It's a two-seater, so no.
 12 Q. Did your father test drive the car?
 13 A. I don't remember.
 14 Q. Do you recall one way or the other whether
 15 there was any pricing information about the vehicle
 16 on the vehicle?
 17 A. Yes.
 18 Q. And what do you recall about that?
 19 A. I remember it was around 31 -- about
 20 32,000.
 21 Q. And how was that displayed? Was that
 22 displayed somewhere on or in the vehicle?
 23 A. It was 34. Sorry. Yes, it had a big
 24 sticker.
 25 Q. Okay. And your recollection is the number

1 34,000-something was on there?
 2 A. Something like that.
 3 Q. Was it also written in the windshield or
 4 anything like that?
 5 A. Not that I remember.
 6 Q. While you were at the dealership that day,
 7 did you have any discussions with Ms. Courtney or
 8 any other Century BMW employee about how much you
 9 could buy the vehicle for?
 10 A. No. That was later on the telephone.
 11 Q. Okay. Did you understand when you were in
 12 the dealership that the price was negotiable?
 13 A. Yes.
 14 Q. So you knew whatever that 34 figure was was
 15 not a take-it-or-leave-it number?
 16 A. Yes.
 17 Q. Do you recall any discussions you had with
 18 anyone from Century BMW during that visit that day?
 19 A. No, I do not.
 20 Q. Okay. Do you know whether your father had
 21 any such discussions about pricing that day?
 22 A. I do not know.
 23 Q. And you left the dealership that day
 24 without purchasing the car, right?
 25 A. That is correct.

1 Q. Why?
 2 A. We wanted to -- I needed to look at my
 3 budget and talk to our -- the finance people that we
 4 work with and see what rate I could get and how much
 5 I could get from them for the loan.
 6 Q. Were you aware that Century BMW would
 7 normally offer you financing for a purchase of a
 8 vehicle there?
 9 A. Yes.
 10 Q. But you knew you didn't have to take
 11 Century BMW's financing if you didn't want to; is
 12 that fair?
 13 A. That is correct.
 14 Q. So you understood it wasn't a requirement
 15 buying a vehicle at Century BMW that you enter into
 16 a financing agreement with them.
 17 A. That is correct.
 18 Q. Did you ever ask, at any time, anyone from
 19 Century BMW whether they could give you a better
 20 rate than you were getting from your credit union?
 21 A. No.
 22 Q. You said you -- did you always intend to
 23 finance with the credit union from the moment you
 24 got to the dealership?
 25 A. That is correct.

1 Q. Did you personally have any discussions
2 with the credit union about the terms of financing,
3 or did your father do that?
4 A. That would be my father.
5 Q. And was that done by phone?
6 A. That is correct.
7 Q. Were you present?
8 A. No, I was not.
9 Q. Did you sign any paperwork with the credit
10 union before coming back to Century BMW?
11 A. I did not. No.
12 Q. Do you know if your father did?
13 A. I have no idea.
14 Q. Did you visit the credit union in person
15 before coming back to Century BMW?
16 A. No, I did not.
17 Q. Do you know if your father did?
18 A. I have no idea.
19 Q. Okay. Before you came back to Century BMW,
20 had you already agreed on a bottom-line price for
21 the vehicle with Century BMW?
22 A. Yes.
23 Q. And how did that occur?
24 A. Via telephone.
25 Q. Okay. And who was it that dealt with

1 Century BMW by telephone?
2 A. My father, Mike Watts.
3 Q. And who -- who initiated the telephone
4 calls; did your father call them first?
5 A. That is correct.
6 Q. And had you had a -- prior to your father
7 calling Century BMW, had you discussed with your
8 father what your goal was in terms of a price for
9 the vehicle?
10 A. Yes.
11 Q. And do you recall what your goal was?
12 A. 31,000.
13 Q. 31,000?
14 A. That's correct.
15 Q. And was that after all taxes and whatever
16 else, or was it --
17 A. That's correct.
18 Q. Had you discussed with your father what
19 your worst-case scenario was so far as the cost of
20 the vehicle?
21 A. Yes, I did.
22 Q. And was that different than what your goal
23 was?
24 A. That is correct.
25 Q. Okay. And what was -- do you recall what

1 your bottom-line break point was?
2 A. 32,000, and it had to include the
3 maintenance warranty.
4 Q. Did you know one way or the other whether
5 the vehicle was still covered by the BMW warranty
6 that covers a new car?
7 A. I do not remember.
8 Q. The car was a 2004?
9 A. That is correct.
10 Q. And you were buying it in 2005; is that
11 right?
12 A. That's correct.
13 Q. The -- were you present when your father
14 was having telephone calls with someone at Century
15 BMW to discuss pricing?
16 A. Yes, I was.
17 Q. Do you -- was there one call or a number of
18 calls?
19 A. A number of calls.
20 Q. Do you recall how many approximately?
21 A. At least two.
22 Q. Do you know -- do you know one way or the
23 other who he was talking to?
24 A. Elizabeth Courtney.
25 Q. And do you know who made the first offer?

1 A. My father.
2 Q. And do you remember what it was?
3 A. No, I do not.
4 Q. Do you remember what the dealership's
5 response was?
6 A. No, I do not.
7 Q. Do you remember anything other than what
8 the final agreed figure was?
9 A. No, that's all I remember.
10 Q. Okay. And what was the final agreed
11 figure?
12 A. 32,000.
13 Q. And do you recall what day that was that --
14 was it the day after you were in the dealership or
15 the day before you came back to the dealership, or
16 can you place in time where it was?
17 A. I don't remember. I know that it was over
18 a weekend, and the credit union was closed, like a
19 Sunday. So there was some lapse of time. I don't
20 remember exactly.
21 Q. And after your father reached an agreement
22 on the price with Ms. Courtney -- do you know if he
23 talked to anyone else in the process?
24 A. On the telephone? Not that -- I do not
25 know.

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Page 36

1 Q. After he agreed upon the price, did you
2 then return to Century BMW in person?

3 A. That's correct.

4 Q. And did you know if anyone visited the
5 credit union in between those two events?

6 A. I do not know.

7 Q. Okay. Did you bring any paperwork to the
8 credit union from Century BMW?

9 A. I do not know.

10 Q. And what day of the week did you purchase
11 the vehicle; do you recall?

12 A. I do not know.

13 Q. When you went back to Century BMW, did you
14 go back alone or with anyone else?

15 A. With my father and mother.

16 Q. Okay.

17 A. Phyllis and Mike Watts.

18 Q. Okay. And your mother is Phyllis Watts?

19 A. That's correct.

20 Q. So this time, all three of you were
21 present?

22 A. That's correct.

23 Q. And did you all three pretty much stay
24 together during the time you were there?

25 A. No. My mother looked at cars.

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Page 37

1 Q. Okay. So your -- you and your father dealt
2 with the transaction, and your mother --

3 A. That's correct.

4 Q. -- went to see if you could purchase yet
5 another vehicle?

6 A. That is correct.

7 Q. When you -- do you remember who you -- what
8 Century BMW employee you first dealt with on your
9 return visit to the dealership?

10 A. Elizabeth Courtney.

11 Q. Okay. And when you came in, did she come
12 and greet you?

13 A. That's correct.

14 Q. And did y'all have a discussion with
15 Ms. Courtney?

16 A. That's correct.

17 Q. And what do you recall about that?

18 A. We briefly discussed how excited I was
19 about the car, and that was about -- finished
20 looking at seeing the price, and that was about it.

21 Q. Did -- do you recall whether Ms. Courtney
22 had you sign any document or documents?

23 A. We may have signed the price with her, and
24 then we ended up talking to a different guy for the
25 rest of it.

1 Q. Do you recall that there was a handwritten
2 document that you -- a pre-printed, with numbers
3 written in by hand, that you signed?

4 A. Pre-printed?

5 Q. A pre-printed buyer's order, but whereas
6 the final contract would have all the numbers
7 typewritten, this was a handwritten?

8 A. Can you tell me what -- did it say anything
9 particular other than the price?

10 MR. BLACK: Can you put in front of her the
11 Exhibit 1 that was marked this morning?

12 A. (Viewing document.) I don't remember
13 signing this.

14 BY MR. BLACK:

15 Q. Okay. Exhibit 1 is a collection of
16 documents. I'll represent to you it's the
17 dealership's file on your transaction.

18 A. Okay.

19 Q. If you turn to the page -- you see there
20 are little numbers that have been printed in the
21 bottom right-hand corner. If you could turn to Page
22 CBM-0000025.

23 A. 00, what did you say?

24 Q. 25.

25 MR. THOMAS: Have you got an extra copy?

1 MR. BLACK: Yeah. I'm sure the answer is
2 yes. I have one more.

3 MR. THOMAS: That's for my illustrious
4 co-counsel there. Thank you.

5 A. Retail Buyer's Order?

6 BY MR. BLACK:

7 Q. Yes.

8 A. Okay.

9 Q. And you see that the information in all the
10 boxes has been filled out by hand on that form.

11 A. I see that, yes.

12 Q. And it totals out to the price you
13 testified before, about 32,000?

14 A. Yes.

15 Q. And do you know if -- who -- is that your
16 signature at the bottom of the page where it says,
17 co-buyer?

18 A. Yes.

19 Q. And do you recall who gave you this
20 document to sign?

21 A. I do not remember.

22 Q. Did -- was there any further discussion
23 with Ms. Courtney about the terms of the sale, any
24 terms of the sale?

25 A. Not that I remember.

10 (Pages 34 to 37)

1 Q. Okay. And she then introduced you to
2 another person at the dealership?
3 A. That is correct.
4 Q. And do you recall what his name was?
5 A. Corey, maybe. I know he's the finance --
6 he was the finance guy.
7 Q. And Ms. -- Ms. Courtney, was she always
8 professional in her dealings with you?
9 A. Yes, she was.
10 Q. Always nice?
11 A. Very much so.
12 Q. Didn't put any undue pressure on you?
13 A. No.
14 Q. The same for Corey?
15 A. He was -- what do you mean?
16 Q. Did he -- was he a nice person to you,
17 behaved professionally?
18 A. He did.
19 Q. Okay. Did he -- didn't put any undue
20 pressure on you?
21 A. About the warranty a little bit, yes.
22 Q. Okay. So he tried to sell you a warranty?
23 A. That's correct.
24 Q. Okay. We'll get to that. The -- and what
25 did you understand Corey's position was at the

1 Q. Is that a yes?
2 A. That's -- yes.
3 Q. And your father's signature appears at the
4 bottom of that page in the right?
5 A. That's correct.
6 Q. And do you recall Corey going through this
7 menu with you, trying to sell you the various
8 products listed?
9 A. Yes.
10 Q. And how long did that process take, if you
11 recall?
12 A. Maybe 30 minutes.
13 Q. Okay. And that's 30 minutes of him trying
14 to sell you products as opposed to 30 minutes being
15 in the office altogether?
16 A. I think so.
17 Q. Okay.
18 A. Yes.
19 Q. And were you eager to get out of the
20 office?
21 A. Yes.
22 Q. You wanted to go drive your car?
23 A. That's correct.
24 Q. The -- notwithstanding whatever aggressive
25 sales techniques Corey used, you declined to buy any

1 dealership?
2 A. I didn't understand his position.
3 Q. Okay. Where did you meet with Corey?
4 A. In his office.
5 Q. And was that in a little cubicle-like
6 office off the dealer showroom?
7 A. That's correct.
8 Q. And who was present?
9 A. Him, me, and my father.
10 Q. And as between you and your father, who did
11 most of the talking with Corey?
12 A. My father.
13 Q. Okay. Did you do any talking?
14 A. No.
15 Q. The -- I think you told us Corey tried to
16 sell you a warranty.
17 A. That's correct.
18 Q. And did he also try to sell you a number of
19 other products?
20 A. Yes, that's correct.
21 Q. And let me ask you to turn to Page CBM,
22 five zeros, and then a 2, so the second page of the
23 document. Do you see that's a document entitled
24 Century BMW Menu of Investment Enhancements?
25 A. Uh-huh.

1 of these agreements; is that fair?
2 A. That is not correct. We did buy one of the
3 maintenance agreements.
4 Q. Did you buy it while you were buying the
5 car?
6 A. Yes.
7 Q. Okay. So if your father testified that you
8 didn't buy it until the car was approaching
9 50,000 miles, would he be incorrect?
10 A. No, that was correct. It was included --
11 I'm sorry -- in the initial -- we upgraded it after
12 50,000 miles.
13 Q. Okay. Do you remember when that was?
14 A. April, May of this year.
15 Q. Okay. So about eight months after you sued
16 the dealership?
17 A. That's correct.
18 Q. And you bought it --
19 A. I guess.
20 Q. And you bought it from the dealership?
21 A. That's correct.
22 Q. And the warranty you're referring to, if
23 you turn to the next page, the third page of the
24 document, do you see that it indicates that it's
25 still under the factory warranty?

1 A. Yes.

2 Q. So it was when that -- when the factory
3 warranty was about to expire is when you, what you
4 said, upgraded to the extended service plan.

5 A. That's correct.

6 Q. Okay. But at the time you were in the
7 dealership after hearing the 30-minute pitch from
8 Corey, you declined to purchase any of the things he
9 tried to sell you; is that right?

10 A. That's correct.

11 Q. So you knew that it wasn't a requirement of
12 buying the vehicle at Century BMW that you enter
13 into any of these agreements?

14 A. That's correct.

15 Q. Okay. And none of them were offered on a
16 take-it-or-leave-it basis, that you can't get the
17 car unless you get this.

18 A. That's correct.

19 Q. Once Corey got done trying to sell you
20 investment enhancements, what was the next thing
21 that happened? Was that the first thing you did
22 when you came back to the -- his office?

23 A. He did that while we were signing our
24 papers.

25 Q. Okay. So he did what while you were

1 signing your papers?

2 A. Was selling us the warranties while we were
3 signing all our documents.

4 Q. Okay. How many documents do you recall
5 signing?

6 A. I have no idea.

7 Q. More than 30?

8 A. I have -- I do not remember.

9 Q. 20?

10 A. I have no idea.

11 Q. How long did it take to sign -- sign your
12 names as many times as you signed it?

13 A. Me? Probably ten minutes.

14 Q. Ten minutes, so you were --

15 A. Ten, 15 minutes.

16 Q. So it's your testimony for ten or 15
17 minutes, you were signing your name over and over
18 again to documents?

19 A. That's correct.

20 Q. And were you reading the documents as you
21 signed them?

22 A. No.

23 Q. How long does it take you to sign your
24 name?

25 A. Maybe half a minute.

1 Q. It takes you 30 seconds to sign your name?

2 A. Sometimes.

3 Q. So if you spent ten minutes signing your
4 name and it took you 30 seconds a time, you must
5 have signed your name about 20 times.

6 A. That may be correct.

7 Q. What?

8 A. That could be correct.

9 Q. Okay. And if it was 15 minutes, then it
10 could be about -- it could be, if it took you 30
11 seconds a time, 30 times you signed your name.

12 A. That could be correct.

13 Q. Okay. Did you -- I forget what you
14 answered. Did you review the documents you were
15 being asked to sign?

16 A. Nothing but the price.

17 Q. Okay. Did Mr. -- did Corey do anything to
18 prevent you from reviewing the documents?

19 A. No.

20 MR. BLACK: I'm going to take a break.

21 THE WITNESS: Okay.

22 (A recess transpired.)

23 BY MR. BLACK:

24 Q. Ms. Watts, could you get Exhibit 1 back in
25 front of you. And could I ask you to thumb through

1 the entire exhibit and identify for me each of the
2 pages in the exhibit in which your signature
3 appears?

4 A. Would you like me to do it along and along,
5 or --

6 Q. Yeah. How about, what's the first page on
7 which your signature appears?

8 A. Number 1.

9 Q. Okay. What's the next page on which your
10 signature appears?

11 A. 5.

12 Q. Okay. What's the next page on which your
13 signature appears?

14 A. 14.

15 Q. Okay. We're up to three. What's the next
16 page on which your signature appears?

17 A. Technically, 21.

18 Q. 21 is --

19 A. That's my driver's license.

20 Q. -- was your driver's license. You didn't
21 sign that at the dealership, right?

22 A. No.

23 Q. Okay. So why don't we ignore 21. And what
24 is the next page on which your signature appears?

25 A. 25.

1 Q. We're up to four. And what's the next page
2 after 25 on which your signature appears?
3 A. 31.
4 Q. And the next page? We're up to five.
5 A. 42.
6 Q. Up to six. Is there any other page on
7 which your signature appears?
8 A. No.
9 Q. So if these are the documents from the
10 transaction file, you signed your name six times?
11 A. Some of them I signed more than once.
12 Q. Okay. So six -- how many -- did you count
13 how many you signed more than once?
14 A. No, I did not.
15 Q. Okay. So you signed six separate
16 documents.
17 A. Uh-huh.
18 Q. Okay. Did you object to signing any of the
19 documents that you were given to sign while you were
20 in the dealership?
21 A. Of course not. I just wanted the car.
22 so --
23 Q. Okay. But you -- whether or not you wanted
24 the car, did you voice any objection to signing any
25 of the documents you were given?

1 A. No.
2 Q. Okay. Did you ask any questions about any
3 of the documents you were given?
4 A. No.
5 Q. Did you voice any complaints about any of
6 the documents you were given?
7 A. No.
8 Q. Am I correct that the -- as you were
9 thumbing through the documents you signed, one of
10 them was an arbitration agreement?
11 A. That's correct.
12 Q. And am I correct that to your recollection,
13 nothing at all was said orally about that
14 arbitration agreement in the office with Corey?
15 A. That is correct.
16 Q. Okay. So no one said to you that you were
17 required to sign that document in order to get the
18 vehicle; is that fair to say?
19 A. That's correct.
20 MR. BLACK: That's all I have.
21 MR. THOMAS: Can we take a quick break?
22 (A recess transpired.)
23 EXAMINATION
24 BY MR. SPEARS:
25 Q. Christine, I'm Mike Spears. When is the

1 first time you and I have met?
2 A. Today, before I got here.
3 Q. Okay. Did we talk about the case at all
4 that you recall?
5 A. No.
6 Q. Okay. Let me show you a copy of
7 Plaintiff's (sic) Exhibit 1, which is allegedly the
8 dealer's file with the documents from your
9 transaction. Do you remember which documents were
10 gone over during your deposition by Mr. Black when
11 he asked you which documents you signed and what was
12 told to you about it? I'm not asking you every
13 document you signed. But he asked you which
14 documents you thought you had to sign.
15 MR. BLACK: Objection. I didn't ask that.
16 MR. SPEARS: Okay.
17 BY MR. SPEARS:
18 Q. Which documents do you -- you certainly
19 signed the document of CBM-5; did you not?
20 A. That is correct.
21 Q. Okay. As we sit here today, do you know
22 what it is?
23 A. No.
24 Q. Do you -- did you know what it was when you
25 bought the car?

1 A. No.
2 Q. Okay. Why did you sign it?
3 A. I thought I had to to get the car.
4 Q. Okay. Do you publish your personal
5 information on Facebook on the internet?
6 A. On Facebook? No, I do not.
7 Q. Okay. Are you in the habit of giving out
8 personal information willie-nillie to anybody?
9 A. No.
10 Q. Have you ever been cautioned by anyone not
11 to do that for whatever reason?
12 A. Yes, I have.
13 Q. Okay. Look at CBM-1. Did you sign that?
14 A. Yes.
15 Q. Okay. Did you know what it was when you
16 signed it?
17 A. No.
18 Q. Okay. Did you realize by signing CBM-1,
19 that you were being given notice to tell you how
20 they were going to use your non-public -- personal
21 information about you, and that they could release
22 it to market service providers amongst affiliates of
23 BMW Century -- and to other third parties, we may
24 share all private information about you as a
25 consumer, customer, or former customer with other

1 non-affiliated parties as permitted by law. Did you
2 see that?

3 A. No, I did not. I did not read it.

4 Q. Okay. Did you know you were doing that
5 when you signed it?

6 A. No, I did not.

7 Q. Okay. Is it your habit to release personal
8 information to anyone?

9 A. Not usually.

10 Q. Okay. Let's go to Number 14. Okay? Was
11 CBM-14 passed to you?

12 A. I'm sure that it was in the packet.

13 Q. Okay. Is that your signature?

14 A. That is correct.

15 Q. Did you know what you were signing?

16 A. No, I did not.

17 Q. Why did you sign it?

18 A. I thought I had to to buy the car.

19 Q. Okay. In what way was any implication
20 given or any mood left with you that it was a
21 document necessary for you to buy the car?

22 MR. BLACK: Object to the form of the
23 question.

24 BY MR. SPEARS:

25 Q. Go ahead.

1 A. Can you please repeat it?

2 Q. Certainly. Why did you think you had to
3 sign any or all of these documents in order to get
4 the car?

5 A. The way it was presented, I just thought I
6 had to sign everything.

7 Q. Okay. Now, were you in a small little
8 cubicle with Corey and your dad and yourself?

9 A. That is correct.

10 Q. All right. Was there a machine in there
11 that printed out these documents, and one by one
12 they were passed across the table to you?

13 A. I just remember a big packet.

14 Q. A big packet. Okay. Were the documents
15 removed from the packet by someone in the room, or
16 were they just clipped together like we kind of have
17 them clipped together right now?

18 A. That is how I remember it.

19 Q. Okay. What were you told about the packet?
20 Was it passed to you?

21 A. It was passed to me.

22 Q. Okay. And were you merely to look at it,
23 or were you told to do anything with the packet?

24 A. To basically sign. They had the little
25 flags.

1 Q. All right. That's my point. How did you
2 know which pages to turn to to sign them?

3 A. Flags.

4 Q. I've got a little sticky, a little red
5 sticky, on this particular page. Were there little
6 flags similar to this?

7 A. That is correct.

8 Q. And were you told that you needed to sign
9 on every page with the flags?

10 A. Yes.

11 Q. Did you turn to that page and sign it?

12 A. That is correct.

13 Q. Did you read it before you signed it?

14 A. No.

15 Q. Okay. And did you know what any or all of
16 those pages meant as you signed them?

17 A. No.

18 Q. Okay. Now, let me ask you if you would
19 look with me at CBM-25. And CBM-25 has a purchase
20 price of what written in hand?

21 A. 32,980.

22 Q. Did you agree to that? Is that what you --
23 was that your breaking -- your break point, 32,980?

24 A. I --

25 MR. BLACK: Object to the form of the

1 question.

2 BY MR. SPEARS:

3 Q. Go ahead.

4 A. I agreed to 32.

5 Q. Okay. Is that number higher than 32?

6 A. That's correct.

7 Q. Did you in any way agree to pay that
8 number?

9 A. No.

10 Q. Okay. The next says: Additional options.
11 And it has \$1604.50. Now, what can --

12 MR. BLACK: I apologize. What page are you
13 on?

14 MR. SPEARS: CBM-25.

15 BY MR. SPEARS:

16 Q. \$1,604.50. Does that appear, as you look
17 at it, to be a -- is there a minus in front of that?

18 A. No, there's not.

19 Q. Does that -- does that appear -- I mean,
20 you're an accounting master's graduate. Does that
21 appear to be in addition to 32,980, without looking
22 at the numbers below it?

23 A. It appears to be.

24 MR. BLACK: Object to the form of the
25 question.

1 BY MR. SPEARS:

2 Q. Okay. Does it in any way appear to be
3 something that's going to be subtracted from that as
4 an additional option?

5 A. No, it doesn't.

6 Q. Okay. Can you buy an option that you're
7 familiar with from a car company where it will
8 depreciate the cost of the car?

9 A. No, I do not.

10 Q. Okay. Yet does the total number show that
11 1604.50 has been subtracted from 32,980?

12 A. That's correct.

13 Q. Did you know what in the world that's for?

14 A. No, I do not.

15 Q. Did you know then?

16 A. No, I did not.

17 Q. Okay. Then sales tax is put down in the
18 amount of what?

19 A. 300.

20 Q. And then a transfer of license is put down
21 in the amount of what?

22 A. 25.

23 Q. And then pre-printed on here is a charge,
24 and what's that for?

25 A. I have no idea.

1 Q. What does it say?

2 MR. BLACK: Let me just object that this
3 has extended beyond what the scope of what the Court
4 allowed this deposition for. And it's your client,
5 so you can ask whatever you want, but the --

6 MR. SPEARS: It's for arbitration. I'm
7 getting to --

8 MR. BLACK: I don't think it is for
9 arbitration, but go on.

10 BY MR. SPEARS:

11 Q. What does it say it's for?

12 A. Recording and processing fees.

13 Q. Okay. And what did the total end up being?

14 A. 32,000.

15 Q. So somehow or another it ended up being
16 exactly what your break point was?

17 A. That's correct.

18 Q. Okay. Did you sign that document?

19 A. Yes, I did.

20 Q. Okay. Did you think 1604 was being added
21 to or subtracted from your car, or did you have any
22 idea about that number?

23 A. I didn't have --

24 MR. BLACK: Object to the form.

25 A. I didn't have any idea what that number

1 was.

2 BY MR. SPEARS:

3 Q. Okay. If I went through the rest of these
4 documents where your sig- -- signature appears on 31
5 and 42, did you have any idea what you were signing?

6 A. No, I did not.

7 Q. Okay. On Page 42, CBM-42, okay, what's the
8 total price shown there?

9 A. 32,000.

10 Q. Okay. Did you know what this is?

11 A. No, I did not.

12 Q. Okay. As you read it today, what does it
13 say?

14 A. Retail Buyer's Order.

15 Q. Okay. Do you see anywhere on here -- have
16 you read it, by the way, word for word?

17 A. No, I have not.

18 Q. Okay. Have you -- do you see or did you
19 see -- well, if you've never read it, you wouldn't
20 know whether the Retail Buyer's Order references any
21 other document or not, would you?

22 MR. THOMAS: Object to the form of the
23 question.

24 A. I would not.

25 BY MR. SPEARS:

1 Q. Okay. Okay. Now, you were not required to
2 sign it in any regard, but do you have any idea what
3 CBM-45 concerns?

4 A. Just a checklist.

5 Q. Okay.

6 A. Everything we had to sign.

7 Q. It's a check --

8 MR. BLACK: Excuse me. Could you -- could
9 you read back that answer?

10 THE COURT REPORTER: I missed that last
11 part where he interrupted.

12 MR. BLACK: Did you get the checklist of --

13 THE COURT REPORTER: Just a checklist.

14 MR. BLACK: And did you get what she said
15 after that?

16 THE COURT REPORTER: I did not. That's
17 what I missed.

18 A. -- of everything we had to sign.

19 BY MR. SPEARS:

20 Q. Okay. Now, you didn't sign this checklist,
21 did you?

22 A. No.

23 Q. Okay. And have you looked over it since
24 the time that the lawsuit was brought?

25 A. Yes.

1 Q. Okay. Are there things here that are not
2 checked off with checks?
3 A. Yes.
4 Q. Okay. Did you finance the car through BMW?
5 A. No.
6 Q. Okay. Okay. Were you of the opinion you
7 had to buy -- that you had to sign the documents
8 where presented with the flags in order to get the
9 car, or not?
10 MR. BLACK: Object to the form of the
11 question.
12 A. Yes.
13 BY MR. SPEARS:
14 Q. Okay. Any doubt in your mind about that?
15 MR. BLACK: Object to the form of the
16 question.
17 A. No.
18 BY MR. SPEARS:
19 Q. As to that being your opinion at the time?
20 A. There's no doubt in my mind.
21 Q. Okay. And how far in your education
22 process had you gone when you bought this car?
23 A. I had not completed my master's degree.
24 Q. Okay.
25 A. I was within a month or two.

1 Q. So would it be fair to say you had a
2 baccalaureate and were at the end of your master's?
3 A. That's correct.
4 Q. Okay. And you had been the primary driver
5 of four previous vehicles?
6 A. That's correct.
7 MR. SPEARS: Okay. Give us a second.
8 (A discussion was had off the record and
9 out of the hearing of the court reporter.)
10 BY MR. SPEARS:
11 Q. Why did you need this car? What were you
12 going to utilize it for?
13 A. Work purposes.
14 Q. Okay. Did you need a way to and from work?
15 A. I did.
16 Q. Was this going to be your primary source of
17 transportation?
18 A. It was.
19 Q. Okay. Did you need the car?
20 A. I needed a car.
21 MR. SPEARS: Okay. That's all I have.
22 EXAMINATION
23 BY MR. BLACK:
24 Q. You were driving a Mitsubishi Montero at
25 the time?

1 A. That's correct.
2 Q. It was in fine working order?
3 A. Yes.
4 Q. So you could have continued to drive that
5 car to work; would that be fair to say?
6 A. Yes. It just had a lot of mileage.
7 Q. Okay. You didn't need to buy a convertible
8 BMW Z-4 luxury automobile to get to and from work,
9 fair?
10 A. Fair.
11 Q. Your job is an auditor?
12 A. That's correct.
13 Q. And as an auditor, you spend a lot of time
14 reviewing documents; is that fair to say?
15 A. Yes.
16 Q. And you spend a lot of time with numbers;
17 is that fair to say?
18 A. That's correct.
19 Q. And it's important when you're reviewing
20 documents as an auditor that you do so carefully,
21 right?
22 A. Yes.
23 Q. And you're trained in reviewing documents
24 carefully as an auditor.
25 A. Yes.

1 Q. And at the time you purchased this
2 automobile, you were a couple of months from a
3 master's degree in accounting; is that fair?
4 A. That's correct.
5 Q. So you have some facility with numbers; is
6 that fair to say?
7 A. Yes.
8 Q. Okay. Look at CBM-000001, which was one of
9 the documents that Mr. Spears discussed with you.
10 Do you recall that?
11 A. I do.
12 Q. And he read you some language about sharing
13 private information with other third-party
14 affiliates and the like; do you recall that?
15 A. Yes.
16 Q. Would you agree with me that as he read the
17 language, there was nothing unclear about the
18 language?
19 A. That is correct.
20 Q. You understood what the language meant when
21 he read it to you?
22 A. Yes.
23 Q. And had you read it at the dealership on
24 that day, you would have understood it then?
25 A. Yes.

1 Q. A number of the documents in Exhibit I were
2 never shown to you while you were at Century BMW,
3 true?
4 A. That's correct.
5 Q. For example, there are documents in the
6 stack that include the commission vouchers for the
7 salesperson?
8 A. That's correct.
9 Q. And so it would not be accurate to say that
10 this stack of documents was presented to you in the
11 F and I office at Century BMW, true?
12 A. That is correct.
13 Q. And, in fact, a stack of documents that
14 actually contained your signature would be a stack
15 six documents high, right?
16 A. That is correct.
17 Q. Let me ask you to turn to Page CBM-0025.
18 Mr. Spears called your attention to the 32,980
19 number at the top. Do you see that?
20 A. Yes.
21 Q. Can you subtract in your head for me
22 1604.50 from 32,980?
23 A. Yes, I can.
24 Q. Does it come to \$31,375.50?
25 A. Yes.

1 Q. So, in fact, the 1604.50 is being
2 subtracted from the 32,980 on this form, fair?
3 A. That's correct.
4 Q. And the numbers then total out to add up to
5 the bottom-line figure you agreed to, 32,000, right?
6 A. That is correct.
7 Q. Let me ask you to turn to Page 45. Is it
8 fair to say the checklist on Page 45 includes many
9 more documents than you actually signed?
10 A. That is correct.
11 MR. BLACK: I have nothing further.
12 EXAMINATION
13 BY MR. SPEARS:
14 Q. Okay. Just to follow up on the questions
15 that you were asked you in reply, on CBM-1, you were
16 asked whether or not if you had read it at the time,
17 you would be able to understand it?
18 A. That's correct.
19 Q. You indicated that you could if you had
20 read it?
21 A. Uh-huh.
22 Q. If you had read it and understood it and
23 knew that you didn't have to sign it in order to get
24 the car, would you have signed it?
25 A. No.

1 Q. Okay. If you thought you had to get it -
2 had to sign it in order to get the car, would you
3 have signed it?
4 MR. BLACK: Object to the form of the
5 question.
6 A. Yes.
7 BY MR. SPEARS:
8 Q. Okay. Would the same be true of the other
9 documents you signed?
10 A. That is correct.
11 Q. Okay. Now, out of the packet that was
12 presented to you, were there documents in the packet
13 that your father signed that you did not sign?
14 A. That is correct.
15 Q. But they were in the packet, though?
16 A. That's correct.
17 Q. Okay. Were there documents in the packet
18 that you didn't have to sign at all?
19 A. Yes.
20 Q. Okay. So can we say that the packet itself
21 merely had six documents in them, all requiring your
22 signature, or did it have more than that?
23 A. It had more than that.
24 MR. SPEARS: All right. That's all I have.
25 MR. BLACK: Do you have the transcript up

1 on the page?
2 THE COURT REPORTER: Uh-huh. What are
3 you looking for?
4 MR. BLACK: Go on back a few questions.
5 (Viewing transcript on the computer
6 screen.)
7 MR. BLACK: Oh, I remember. I have no
8 questions. Thank you. Can we stipulate that the
9 exhibit is the same as this morning?
10 MR. THOMAS: Yes. Not a problem.
11 (Defendant's Exhibit Number 1, Dealership
12 transaction documents, was previously marked for
13 identification.)
14 (The deposition was concluded at 6:44 p.m.)
15
16
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20
21
22
23
24
25

CHRISTINE WATTS DATE

Page/Line

Page/Line

Dealership transaction documents.....65 11

KATHY P. TAYLOR
REGISTERED PROFESSIONAL REPORTER
MY COMMISSION EXPIRES
JUNE 13, 2017

STATE OF SOUTH CAROLINA

COURT OF COMMON PLEAS

COUNTY OF AIKEN

HERRON, et al.,

Plaintiffs,

Case No.

2006-CP-02-1230

vs.

DICK DYER & ASSOCIATES, INC., et al,

Defendants.

DEPOSITION OF: JOHN ROBERT BISHOP

DATE: January 30, 2008

TIME: 10:07 a.m.

LOCATION: LEATHERWOOD WALKER TODD & MANN, P.C.
300 East McBee Avenue, Suite 500
Greenville, South Carolina

TAKEN BY: Counsel for Defendant,
CENTURY BMW

REPORTED BY: KATHY P. TAYLOR,
Registered Professional Reporter

Computer-Aided Transcription By:

A. WILLIAM ROBERTS, JR. & ASSOCIATES

Charleston, SC
(843) 722-8414

Myrtle Beach, SC
(843) 839-3376

Columbia, SC
(803) 731-5224

Greenville, SC
(864) 234-7030

Charlotte, NC
(704) 573-3919



1 APPEARANCES OF COUNSEL
2 ATTORNEYS FOR THE PLAINTIFF/WITNESS:
3 LEWIS & BABCOCK, L.L.P.
4 BY: A. CAMDEN LEWIS, ESQ.
5 1513 Hampton Street
6 Columbia, South Carolina 29201
7 (803) 771-8000
8 acl@lewisbabcock.com
9
10 LEWIS & BABCOCK, L.L.P.
11 BY: BRADY THOMAS, ESQ.
12 1513 Hampton Street
13 Columbia, South Carolina 29201
14 (803) 771-8000
15 mth@lewisbabcock.com
16 LAW OFFICES OF MICHAEL E. SPEARS, P.A.
17 BY: MICHAEL E. SPEARS, ESQ.
18 172 East Main Street, Suite 200
19 Spartanburg, South Carolina 29304-5806
20 (864) 583-3535
21 adawert@mikespearspa.com

22 ATTORNEYS FOR DEFENDANT,
23 CENTURY BMW:
24 WILLIAMS & CONNOLLY, L.L.P.
25 BY: DENNIS M. BLACK, ESQ.
725 Twelfth Street, N.W.
Washington, D.C. 20005
(202) 434-5000
dblack@wc.com
WILLIAMS & CONNOLLY, L.L.P.
BY: RYAN L. VANGRAK, ESQ.
725 Twelfth Street, N.W.
Washington, D.C. 20005
(202) 434-5000
rvan@wc.com
RICHARDSON, FLOWDEN, CARPENTER &
ROBINSON, P.A.
BY: STEVEN W. HAMM, ESQ.
1900 Barnwell Street
Columbia, South Carolina 29201
(803) 771-4400
shamm@richardsonflowden.com

1 ATTORNEYS FOR DEFENDANT,
2 BENSON CADILLAC-NISSAN:

3 BRADFORD NEAL MARTIN & ASSOCIATES, P.A.
4 BY: KEELY M. MCCOY, ESQ.
5 75 Beattie Place, Suite 910
6 Greenville, South Carolina 29601
7 (864) 552-9990
8 kmccoy@bnmlaw.com

9 ALSO PRESENT:
10 MELANIE BLEASE, Paralegal
11 ALISON DANNERT, Paralegal

(Index at rear of transcript)

1 RICHARDSON, FLOWDEN, CARPENTER &
2 ROBINSON, P.A.
3 BY: C. JO ANNE WESSINGER HILL, ESQ.
4 1900 Barnwell Street
5 Columbia, South Carolina 29201
6 (803) 771-4400
7 jhill@richardsonflowden.com
8 ATTORNEYS FOR DEFENDANT,
9 TOYOTA OF GREENVILLE:
10 LEATHERWOOD WALKER TODD & MANN, P.C.
11 BY: JAMES T. HEWITT, ESQ.
12 300 East McBee, Suite 500
13 Greenville, South Carolina 29601
14 (864) 242-6440
15 jhewitt@lwm.com
16 LEATHERWOOD WALKER TODD & MANN, P.C.
17 BY: BROOKE CHAPMAN, ESQ.
18 300 East McBee, Suite 500
19 Greenville, South Carolina 29601
20 (864) 242-6440
21 bchapman@lwm.com

22 ATTORNEYS FOR DEFENDANT,
23 HENDRICK DEALERSHIPS AND GALEANA
24 CHRYSLER JEEP, INC., et al:
25 HAYNSWORTH SINKLER BOYD, P.A.
BY: R. DAVID PROFFITT, ESQ.
1201 Main Street, 22nd Floor
Columbia, South Carolina 29201
(803) 779-3080
dproffitt@hshlawfirm.com

19 ATTORNEYS FOR DEFENDANT,
20 SUMTER CHRYSLER DODGE:
21 BROWN & BREHMER
22 BY: ELY O. GROTE, ESQ.
23 1720 Main Street, Suite 203
24 Columbia, South Carolina 29202
25 (803) 771-6600
elygrote@brownandbrehmer.com

STIPULATION

It is stipulated by and among Counsel that this deposition is being taken in accordance with the South Carolina Rules of Civil Procedure, Rule 30; that all objections as to Notice of this deposition are hereby waived; that all objections except as to form are reserved until the time of trial; and that the deponent does not waive reading and signing of this deposition.

* * * * *

JOHN ROBERT BISHOP,

Being first duly sworn, testified as follows:

EXAMINATION

BY MR. LEWIS:

Q. And you're Mr. Bishop, they tell me.

A. Yes, sir.

Q. Well, I'm required to tell you a couple of things. Have you had your deposition taken before?

A. No, sir.

Q. Okay. Well, then, listen up. So when you give an answer, they're going to write it down, and so you've got to make sure you understand my question.

A. Yes.

Q. So if you don't understand it, you ask me

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Page 8

1 to explain it or whatever, and I will try to make
2 sure that it's an understandable question. Is that
3 fair?

4 A. Yes, sir.

5 Q. Now, if I cut you off, because I get
6 excited, you say, I'm not finished, and I will let
7 you finish. Or if I'm -- if I'm making you mad, you
8 say, I'm making you -- you're making me mad, and
9 I'll try to change the way I'm doing things so I
10 don't make you mad. Does that make sense?

11 A. Yes, sir.

12 Q. Now, you're going to give answers to
13 questions that I give, and she's going to take them
14 down. You don't get to ask me questions, thank
15 goodness. So just understand that.

16 Now, have you been explained about reading
17 and signing your deposition?

18 A. No, sir.

19 Q. Okay. You have the right to read your
20 deposition and make corrections to it, like the
21 spelling of your name or the spelling of somebody
22 else's name. You don't get to change yeses to nos,
23 but, you know, so you can read and sign it to make
24 sure that it's what you think you said. But that's
25 up to you whether you want to do that, and you can

1 Q. And what's your full name?

2 A. My name is Bobby Bishop. Bobby is a
3 nickname. John Robert Bishop is my legal name.

4 Q. And where do you live?

5 A. I live in Simpsonville, South Carolina.

6 Q. Do you know a Mr. Hawkins that lives in
7 that town?

8 A. Don Hawkins?

9 Q. Bill Hawkins.

10 A. No, sir.

11 Q. Okay. Now, what do you do?

12 A. I'm the general manager at Century BMW.

13 Q. General manager. Okay. Have you -- you
14 know you've been designated as the person that's
15 most knowledgeable about certain items that we asked
16 that the Century BMW produce; do you understand
17 that?

18 A. Yes, sir.

19 Q. And I'm going to show you Exhibit Number 1,
20 which is our Notice.

21 (Plaintiff's Exhibit Number 1, Notice of
22 Deposition, was marked for identification.)

23 BY MR. LEWIS:

24 Q. And this is the Notice. If you would turn
25 to Page 2, you will see the areas that we're

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1 ask your lawyer if he would like you to do that.
2 And you need to tell her at the end of the
3 deposition so she can get you the deposition copy
4 and you make whatever corrections you want.

5 MR. BLACK: He will read and sign, but I
6 object to your instructions to the extent it
7 misstates the law and what changes he can make, but
8 go ahead.

9 MR. LEWIS: You ob -- I'm sorry. You were
10 talking --

11 MR. BLACK: Object to what you instructed
12 the witness.

13 MR. LEWIS: You were talking to the table.
14 If you'll talk to me, I'll be able to hear you.

15 MR. BLACK: I said I object to your
16 instruction to the witness to the extent it
17 misstates the law as to what changes you can make in
18 your deposition.

19 MR. LEWIS: That's fine. I just don't
20 think you can change yeses to nos; but if you think
21 so, that's fine with me. If you want to do that,
22 that's okay with me, too.

23 Now, you ready?

24 THE WITNESS: Ready.

25 BY MR. LEWIS:

1 interested in. Do you see the person or persons
2 most knowledgeable regarding A, B, C, and D?

3 A. Yes, sir.

4 Q. Which one are you -- have you been
5 identified to address?

6 A. A, B, C, and D.

7 Q. So you're the only one that's here.

8 A. Yes, sir.

9 Q. So you've been designated for all of them.

10 A. Yes, sir.

11 Q. Had you seen those I -- topics before?

12 A. Yes, sir.

13 Q. Who is the person second-most knowledgeable
14 for each of those items?

15 MR. BLACK: Object to the form. You can
16 answer.

17 THE WITNESS: I'm sorry?

18 MR. BLACK: I said objection to form. You
19 can answer.

20 THE WITNESS: Oh.

21 BY MR. LEWIS:

22 Q. He'll say that a lot, object to the form,
23 but that just means that you get to answer, and he's
24 just putting it on the record.

25 A. Okay.

3 (Pages 6 to 9)

1 Q. It doesn't allow you not to do it or
2 anything.
3 A. Corey James.
4 Q. Corey James? And he would be the same --
5 he would be for all of them, like you?
6 A. Yes, sir.
7 Q. Okay. Now, have you talked to anybody
8 about each of these topics?
9 A. Yes, sir.
10 Q. Who?
11 A. Corey James and Elizabeth Courtney.
12 Q. And why did you talk to Elizabeth Courtney?
13 A. She was the salesperson.
14 Q. And when you talked to Corey James and
15 Eliz- -- Corey James, did you talk to him with any
16 documents, or was it just talking to him?
17 A. Just talking.
18 Q. And what did you talk about?
19 A. I asked him if he remembered this deal, the
20 Watts deal.
21 Q. And did he remember?
22 A. Specifically, he did not.
23 Q. And so did you then stop talking?
24 A. I mean, if he didn't remember the deal, I
25 asked him what his procedures were at that time.

1 Q. And what did he tell you his procedures
2 were at that time?
3 A. You -- I'm talking about the way he rolls
4 off the paper. Which is a car term; you know that.
5 Q. What?
6 A. Rolls off the paper. He presents the
7 paper.
8 Q. Yeah. How does he roll off the paper?
9 A. He presents it one piece at a time to the
10 customer.
11 Q. That's what he said?
12 A. Yes, sir.
13 Q. And did he tell you that he presented them
14 in a stack with little flags on them?
15 A. No, sir.
16 Q. Does he ever mention he put flags on them?
17 A. He said he did not put flags on them.
18 Q. Oh. So we have a difference of opinion
19 between the buyer and the seller.
20 MR. BLACK: Object to the form of the
21 question.
22 A. Apparently.
23 BY MR. LEWIS:
24 Q. Apparently?
25 A. Apparently.

1 Q. You know that now, don't you?
2 A. Yes, sir.
3 Q. Because someone -- were you at the
4 deposition yesterday?
5 A. No, sir.
6 Q. So someone talked to you about the
7 deposition.
8 A. Yes, sir.
9 Q. And they told you that the buyer said that
10 there was a stack and that there were flags on them.
11 A. Yes, sir.
12 Q. And then when you went to Corey James, was
13 that before or after you had that -- knew that
14 yesterday they talked to -- they said that there was
15 flags on the documents? Did you talk to Corey James
16 about his procedure before or after?
17 A. I talked to him before --
18 Q. Yeah.
19 A. -- and after.
20 Q. Okay. When did you bring up the flags to
21 him?
22 A. This morning.
23 Q. And you asked him if that was true?
24 A. Yes, sir.
25 Q. And he said no?

1 A. Yes, sir.
2 Q. Before that, you didn't ask him?
3 A. No, sir.
4 Q. No, sir, you -- that's a hard answer.
5 Before that you did not ask him; is that correct?
6 A. I did not ask him before.
7 Q. Okay. Did he tell you he ever used flags?
8 A. He stated that he never used flags.
9 Q. Never used flags. Okay. With any
10 customer?
11 A. That's what he stated, sir.
12 Q. All right. Good. All right. Now, did
13 you -- what else -- okay. Before yesterday, before
14 yesterday, what else did Mr. Corey James say?
15 A. Basically he stated he didn't remember this
16 deal at all.
17 Q. Okay. What did he say about his
18 procedures --
19 A. I --
20 Q. -- other than he presented them, what did
21 you say, a document at a time?
22 A. Yes, sir, that's exactly what he said.
23 Q. Anything else?
24 A. No, sir.
25 Q. Did he say what he said to the -- to the

1 people?

2 A. He doesn't remember them, sir.

3 Q. Does he say what he generally -- is there
4 some procedure where they have a specific spiel, you
5 know, like -- you've heard spiels before. You know
6 that.

7 A. He would -- his procedure was to present
8 each piece of paper and put his finger where they
9 needed to be signed --

10 Q. Okay.

11 A. -- individually.

12 Q. All right. And did he say anything about
13 the pages, or just point to them?

14 A. He would explain the pages and point to the
15 signature.

16 Q. Did he say he explained the pages?

17 A. Yes, sir.

18 Q. Did he say that before yesterday or after
19 yesterday?

20 A. He said that before yesterday.

21 Q. Okay. Anything else did he say besides
22 pointing where to sign and explained the paper?

23 A. No, sir.

24 Q. Anything else?

25 A. No, sir.

1 Q. Okay. Now, we'll get to the --

2 MR. LEWIS: Where's the arbitration
3 agreement?

4 (Plaintiff's Exhibit Number 2, Arbitration
5 Agreement, was marked for identification.)

6 BY MR. LEWIS:

7 Q. You understand that Exhibit Number 2 is the
8 arbitration agreement that -- in this deal, as you
9 call it.

10 A. Yes, sir.

11 Q. And it's -- and this is one of the pieces
12 of paper that had been rolled out?

13 A. Yes, sir.

14 Q. And this is one of the papers, according to
15 Mr. James, that he would have pointed at and told
16 them where to -- that they should sign that.

17 A. Yes, sir.

18 Q. And what did Mr. James say he explained
19 about this document, Exhibit Number 2?

20 A. I did not ask him what he explained with
21 the documents.

22 Q. You didn't?

23 A. No, sir.

24 Q. So you don't know?

25 A. No, sir.

1 Q. And there's no procedure that you tell them
2 what to explain?

3 A. We practice full disclosure.

4 Q. Well, what do you disclose? What do you
5 tell them to disclose about this?

6 A. We tell them to go over the form and tell
7 them exactly what it contains.

8 Q. Well, what? What does this form contain?
9 Can you sit here and tell me what this form
10 contains?

11 A. I'm not an expert, but I can tell you that
12 this is a document providing remedy for the customer
13 without having to go to court.

14 Q. Is that what you tell them when you
15 explain --

16 A. Yes, sir.

17 Q. If you were to explain it, that's what you
18 would say?

19 A. Yes, sir.

20 Q. Is there anything else you'd tell them,
21 other than it's a remedy for the customer and you
22 don't have to go to court?

23 MR. BLACK: Object to the form. You can
24 answer.

25 A. No, sir, I would tell them nothing else.

1 BY MR. LEWIS:

2 Q. Okay. And is that what you expect your
3 employees to tell the -- the people?

4 A. They're more informed than I.

5 Q. Well, is that what you expect them to tell
6 them, at least that?

7 A. At least that.

8 Q. Okay. Is there anything else you expect to
9 tell -- them to tell them?

10 A. No, sir.

11 Q. All right. Anything else you talked to
12 Mr. -- did we cover everything you talked to
13 Mr. James about?

14 A. Yes, sir.

15 Q. Now, what did you talk to Ms. Courtney
16 about?

17 A. I talked to her about the deal itself.

18 Q. Did she remember the deal?

19 A. She did not.

20 Q. What did she say about the papers that were
21 rolled out?

22 A. We talked about the arbitration and the --
23 I mean, she -- she basically doesn't handle any of
24 that paperwork as far as the arbitration and stuff
25 would go, so she had no knowledge of what the Watts

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1 said in the office, the F and I office, or nothing. 2 Q. Well, what is she? She -- I thought she 3 was the salesman. 4 A. Yes, sir, she is the salesperson, but all 5 these transactions are conducted in the F and I 6 office. 7 Q. So the salesperson doesn't do any of the 8 roll out of papers. 9 A. No, sir. 10 Q. So she just tries to sell the car; and then 11 when she says okay, there's a point in the sales 12 process, I got to get them into the guy that rolls 13 out the paper. 14 A. Yes, sir, exactly right. 15 Q. And when is it you get to go -- you have to 16 go in to roll out the paper? How long and where in 17 the process does that happen? 18 A. At the very end. 19 MR. BLACK: Object to the form. 20 BY MR. LEWIS: 21 Q. Huh? 22 A. At the very end of the process. 23 Q. So you've already negotiated a price at 24 that time? 25 A. Yes, sir.	1 she doesn't remember this deal, and she doesn't do 2 any of the paper. 3 A. Yes, sir. 4 Q. So she has nothing to do with this 5 arbitration at all. 6 A. No, sir. 7 Q. Does she know what an arbitration agreement 8 is? Is she ever schooled on it? 9 MR. BLACK: Object to the form. 10 A. As far as general knowledge, she does know 11 about it. 12 BY MR. LEWIS: 13 Q. Well, does she mention it, or do you tell 14 her that she's supposed to tell the customer? 15 A. She's not supposed to tell the customer. 16 She has no reason to tell the customer. 17 Q. So she is specifically not to tell the 18 customer about the arbitration? 19 A. Not specifically not. She has no reason to 20 discuss it. 21 Q. So you don't tell her to bring it up? 22 A. No, sir. 23 Q. Okay. When Mr. Courtney James has that 24 piece of paper, the arbitration agreement, and he -- 25 you say he presents it to the customer.
Page 19	Page 21
1 Q. And then you roll -- you go in, and they 2 roll out the paper. 3 A. Yes, sir. 4 Q. And all -- Ms. Courtney doesn't explain any 5 of the papers to the people; that would be in 6 Mr. James' area. 7 A. Correct. 8 Q. Is Mr. James the one that explains it to 9 all the customers, or are there more people that 10 work for or under Mr. James? 11 A. At that time, Corey was our only F and I 12 manager. 13 Q. The what? 14 A. He was the only F and I manager, so he -- 15 Q. F and I? 16 A. Yes, sir, finance and income manager. 17 Q. Okay. And so he was the one that rolled 18 out the paper. 19 A. Yes, sir. 20 Q. And -- and you talked to Elizabeth 21 Courtney, and did you talk to her both before and 22 after yesterday? 23 A. I have no reason to talk to her this 24 morning. 25 Q. Okay. And so you talked to her before, and	1 MR. BLACK: It's Corey James. 2 MR. LEWIS: What? 3 MR. BLACK: It's Corey James. Courtney is 4 the last name of the salesperson. 5 MR. LEWIS: Corey? 6 MR. BLACK: Corey. 7 MR. LEWIS: Okay. Every time I said 8 Courtney, I meant Corey. 9 MR. BLACK: I think you said Corey every 10 time except that last time. 11 MR. LEWIS: Well, I appreciate you helping 12 me out there. 13 MR. BLACK: No problem. 14 BY MR. LEWIS: 15 Q. Okay. Mr. James. How about that? 16 Mr. James, when he does the papers -- we've already 17 talked about that. He does the arbitration paper. 18 Does he tell them that they don't have to sign it? 19 A. No, sir. 20 Q. Does he -- when he points and tells them to 21 sign here, does he say, this is where you have to 22 sign? 23 A. No, sir. 24 Q. What does he say? 25 A. To my knowledge, he says nothing.

6 (Pages 18 to 21)

1 Q. So he just -- he says what we said he said
2 about the agreement, and then he puts his little
3 finger down there, and that's supposed to indicate
4 that they sign, and he doesn't say anything.
5 MR. BLACK: Object to the form.
6 BY MR. LEWIS:
7 Q. Is that right?
8 A. I don't understand exactly what you're
9 asking me here.
10 Q. Well, we told -- we already went over what
11 he told -- what the minimum was he had to tell
12 people, what you said.
13 A. Correct.
14 Q. All right. And you said that he points to
15 where they sign.
16 A. Yes, sir.
17 Q. I want to know what he says when he points
18 to where they're -- he -- they sign. Does he say,
19 you have to sign here, sign here, or you don't have
20 to sign, but we want you to sign? What does he say?
21 A. I don't know his exact verbiage.
22 Q. Well, what did you all tell him to say?
23 A. Sign here.
24 Q. Okay. But he doesn't tell them they don't
25 have to sign.

1 A. Yes, sir. Faster.
2 Q. It's faster, you say?
3 A. Yes, sir.
4 Q. And it's secret. Did you know that?
5 A. No, sir.
6 Q. You didn't know that?
7 A. No, sir.
8 Q. Do you know what the rules of the
9 arbitration agreement are?
10 A. As pertaining to --
11 Q. How -- the process.
12 A. Vaguely.
13 Q. How you do it. Vaguely?
14 A. Yes, sir.
15 Q. Well, what are your vague understanding?
16 Now, what's your job; you're the general manager?
17 A. Yes, sir.
18 Q. Okay. Does Mr. Courtney James know anymore
19 about how arbitration works than you, or would you
20 say you're better?
21 MR. BLACK: It's Corey James.
22 MR. LEWIS: Corey James. Mr. James.
23 A. I would say neither one of us would be
24 involved in the process or actually been through the
25 process.

1 A. No, sir.
2 Q. What if they won't sign?
3 A. Then we still sell them the car.
4 Q. But you don't tell them?
5 A. No, sir.
6 Q. Now, how many people have refused to sign
7 the arbitration agreement?
8 A. I can't tell you an exact number.
9 Q. Have there been any?
10 A. Yes, sir.
11 Q. Do you keep a count of them?
12 A. No, sir.
13 Q. Do you flag the deal differently?
14 A. No, sir.
15 Q. You just go right on through, and if it's
16 signed, it's okay, and if it's not signed, it's
17 okay.
18 A. Yes, sir.
19 Q. Why do you want them to sign it?
20 A. I think it's good for the customer.
21 Q. You do? Why do you think it's good for the
22 customer?
23 A. It's just, to me, a better way of settling
24 differences.
25 Q. Than what, court?

1 BY MR. LEWIS:
2 Q. Or know anything about it?
3 A. Not much.
4 Q. Or what the rules are or what you have to
5 do; do you know any of that?
6 A. No, sir.
7 Q. Do you know who has to pay for arbitration?
8 A. I understand that we pay a large percentage
9 of it going in.
10 Q. Who -- who told you that?
11 A. It's in here.
12 Q. Did you know that before yesterday?
13 A. Yes, sir.
14 Q. Did you know it before a week ago?
15 A. Yes, sir.
16 Q. You just -- did you always tell the
17 customer that?
18 A. No, sir.
19 Q. Now, you say a large percentage; what's the
20 percentage difference you pay?
21 A. I think we pay up to \$1500 to start it out,
22 and then at some point we'll assume a lot more
23 responsibility.
24 Q. Does the customer have to pay any?
25 A. I can't answer that.

1 Q. You don't know?
 2 A. No.
 3 Q. Do you know how you choose an arbitrator?
 4 A. No, sir.
 5 Q. Did you talk to anybody other than
 6 Mr. James and Ms. -- Elizabeth about the deposition
 7 other than the lawyer?
 8 A. No, sir.
 9 Q. We -- that agreement, Exhibit Number --
 10 that's before you, it's Exhibit Number 2, how long
 11 has that been the arbitration agreement for your
 12 company?
 13 A. That actual version, I cannot answer to
 14 that.
 15 Q. Okay. Was it -- how -- is it the same
 16 version that it is now?
 17 A. From 2005 until now?
 18 Q. Uh-huh.
 19 A. I would -- I couldn't tell you.
 20 Q. Well, and how far back from 6/25/05 was
 21 this agreement being used?
 22 A. That actual agreement, I don't know. It
 23 has evolved over the years.
 24 Q. Well, who would know?
 25 A. Sonic Automotive.

1 A. No, sir.
 2 MR. BLACK: Mr. James doesn't work at the
 3 dealership anymore, which is why I made the
 4 objection, but --
 5 BY MR. LEWIS:
 6 Q. Where is Mr. James?
 7 A. I understand yesterday he left the company,
 8 so I have no idea where he is now.
 9 Q. He left the company yesterday?
 10 A. Or I heard it yesterday that he left the
 11 company.
 12 Q. Where does -- where do you work?
 13 A. I work for Century BMW in Greenville.
 14 Q. And where does this Corey -- this guy named
 15 Mr. James work?
 16 A. His last position was in a Sonic store in
 17 Charlotte, North Carolina.
 18 Q. And when it -- when -- in 6/25/05, he was
 19 in your store?
 20 A. Yes, sir.
 21 Q. And he was moved from your store up to
 22 someplace in Charlotte?
 23 A. Yes, sir.
 24 Q. And he left Charlotte yesterday?
 25 A. I heard that he left Charlotte yesterday.

1 Q. Sonic Automotive?
 2 A. Yes, sir.
 3 Q. It's hard to talk to Sonic Automotive. Is
 4 there somebody in particular?
 5 A. Richard O'Connor.
 6 Q. Richard O'Connor?
 7 A. Yes, sir.
 8 Q. Who is Richard O'Connor?
 9 A. The national F and I director.
 10 Q. The F and I director?
 11 A. Yes, sir, national.
 12 Q. Well, we have a national F and I director,
 13 and that's who Mr. James would be under.
 14 A. Yes, sir.
 15 Q. Does it come -- is he under you, or is he
 16 under this -- what's his name?
 17 MR. BLACK: I assume you're -- I don't mean
 18 to -- I assume you're asking back in 2005?
 19 MR. LEWIS: Well, I'll ask -- if you want
 20 me to, I'll ask in 2005.
 21 A. In 2005, Corey would have worked directly
 22 for me, and he also would have worked for Richard
 23 O'Connor indirectly.
 24 BY MR. LEWIS:
 25 Q. Is that different now?

1 I don't know exactly what day he left.
 2 Q. I thought you talked to him after the
 3 deposition.
 4 A. I didn't ask him.
 5 Q. Wait a minute. I got to understand this.
 6 You called him after the deposition, right?
 7 A. Yes, sir.
 8 Q. And -- but you didn't ask him where he
 9 worked?
 10 A. No, sir.
 11 Q. Did you know at the time he didn't work for
 12 Sonic?
 13 A. Yes, sir. This morning.
 14 Q. And -- but you called him. Where did you
 15 call him?
 16 A. I called him on his cell phone.
 17 Q. And you didn't say, hey, where are you
 18 working now or what are you doing?
 19 A. No, sir.
 20 Q. Why wouldn't you -- that's just befuddling
 21 to me. That's just -- you just didn't care.
 22 A. No, sir.
 23 Q. You didn't care.
 24 A. No, sir.
 25 Q. You don't like that guy?

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1 A. I like him, but I don't care where he's
2 working.
3 Q. Huh. Where is his cell phone number?
4 A. It's in my car.
5 Q. Your car?
6 A. Yes, sir.
7 Q. Would you mind giving us that?
8 A. (704)577 -- wait a minute.
9 MR. BLACK: Let me consult with co-counsel.
10 A. I may. I may.
11 (A discussion was had off the record and
12 out of the hearing of the court reporter.)
13 MR. BLACK: Go ahead.
14 BY MR. LEWIS:
15 Q. 705 what?
16 A. 704.
17 Q. Oh, okay.
18 A. (704)577-5935.
19 Q. Okay. How many cars per year does BMW
20 sell?
21 A. Approximately --
22 MR. BLACK: BMW?
23 BY MR. LEWIS:
24 Q. Century.
25 A. Approximately 1200.

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1 Q. And since 2005 or -- 5, since this
2 agreement here, how many of those cars did anybody
3 refuse to sign an arbitration agreement on?
4 A. I don't know that number, sir.
5 Q. Do you know of one?
6 A. Yes, sir.
7 Q. You do?
8 A. Yes, sir.
9 Q. Who was that?
10 A. Brad Martin.
11 Q. And who is Brad Martin?
12 A. Our attorney.
13 Q. Oh. Okay. Now, give me one more.
14 A. I cannot give you another name.
15 Q. Okay. Thank you. Is it -- the fact that
16 you use arbitration agreements is something that
17 Sonic, above you, makes that decision; it's not the
18 decision of your store?
19 A. That's correct.
20 Q. Huh?
21 A. That's correct.
22 Q. So there's some higher-up, this -- what was
23 his name, Mr. --
24 A. O'Connor.
25 Q. Yeah, Richard O'Connor. And his -- now,

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1 does he send down a -- is there some kind of booklet
2 that they send down or a manual that they send down
3 telling everybody how to go through the rolling of
4 paper, how you do it, what you do, what they're for,
5 is there some I could go get it?
6 A. No, sir, it's all done in training classes.
7 Q. In training classes where?
8 A. Various places. Atlanta, Charlotte.
9 Q. Is all the training the same?
10 A. Yes, sir.
11 Q. So you would think, then, just logically,
12 that there is somewhere there is a training manual.
13 A. I don't have one in my possession.
14 Q. I know you don't, but --
15 A. I don't know of one.
16 Q. Well, how -- when they go up there, do they
17 have little -- you know, this is the age of
18 PowerPoint. Do you have little PowerPoints and they
19 show a form and they tell about it? Have you ever
20 been to these --
21 A. I've never been to a session for F and I.
22 Q. You never have?
23 A. No, sir.
24 Q. So I guess the person that would know that
25 would be Mr. O'Connor?

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1 A. Yes, sir.
2 Q. And where is he located?
3 A. Charlotte, North Carolina.
4 Q. Where?
5 A. It's Sonic headquarters. 6415 Idlewild is
6 the address.
7 Q. You're pretty good on this stuff,
8 remembering stuff. How old are you?
9 A. Do I have to answer that? 51.
10 Q. Pretty good for 51. So Sonic -- Sonic,
11 this -- what do you call the headquarters, Sonic?
12 A. Yes, sir.
13 Q. Okay. Sonic, they make the decision to use
14 the arbitration agreement.
15 A. Yes, sir.
16 Q. And you don't know why they made that
17 decision.
18 A. No, sir.
19 Q. And you don't know what was the
20 considerations in that.
21 A. No, sir.
22 Q. And as far as you know, there is nothing in
23 your dealership that says that or gives an
24 explanation or tells Mr. James how to conduct his
25 rolling of paper.

1 MR. BLACK: Object to the form.
2 A. You're talking about a written document
3 that explains it?
4 BY MR. LEWIS:
5 Q. Uh-huh.
6 A. No, sir.
7 Q. Or -- or any kind of guidelines for him,
8 how does he do it.
9 A. No, sir.
10 Q. How does he know -- there's a packet of
11 documents, isn't there?
12 A. Yes, sir.
13 Q. And for every -- say, oh, this is what we
14 call it, a packet, or you roll out this packet.
15 Right?
16 A. Yes, sir.
17 Q. And the packets are the same for all sales.
18 A. No, sir.
19 Q. What's the difference?
20 A. Well, there's different kinds of contracts
21 for different kinds of deals, lease versus retail.
22 Q. All right.
23 A. The basic paperwork would be the same.
24 Q. Okay.
25 A. But there would be different retail and

1 Q. And you don't know what he says or what
2 explanations he makes.
3 A. No, sir.
4 Q. But you gave me the one that you would make
5 and what you would expect to be the minimum.
6 A. Yes, sir.
7 Q. So if I ask you about the agreement, who
8 made the decision to do something like the
9 class-action waiver, you wouldn't know anything
10 about that, would you?
11 A. No, sir.
12 Q. You don't even know what a class-action
13 waiver is.
14 A. Yes, sir.
15 Q. What is it?
16 A. You agree not to file a class-action
17 lawsuit.
18 Q. Well, do you think that's to the customer's
19 advantage? You said you thought this was to his
20 advantage. Is that -- is that one to the advantage
21 of the customer?
22 A. I really don't know, sir.
23 Q. Well, isn't it to the advantage of you?
24 A. No, sir.
25 Q. It's not to the advantage of the company?

1 lease contracts.
2 Q. Other than the retail versus lease, would
3 the rest of it be the same?
4 A. Yes, sir.
5 Q. Would the arbitration agreement be the
6 same?
7 A. Yes, sir.
8 Q. Now, so we know that there is a packet for
9 a lease or a sale. Let's suppose it's a sale. This
10 packet, do you keep the little packets together,
11 like he grabs a packet, or does he have to go
12 through and grab every one of them? How does it
13 work?
14 A. Each individual. They're not stored as a
15 packet.
16 Q. They're not. So he pulls them, each one of
17 them, as individually.
18 A. Yes, sir.
19 Q. And then he goes and he sits down with the
20 customer.
21 A. Yes, sir.
22 Q. And according to your testimony, he shows
23 it to them individually, and he points and does not
24 use flags.
25 A. Yes, sir.

1 A. I wouldn't think so.
2 Q. Well, why is it in there?
3 A. I have no idea.
4 Q. Have you talked to anybody about Exhibit
5 Number 2?
6 A. No, sir.
7 Q. I take it that it's a form contract, the
8 arbitration. I mean, it's a form document.
9 A. Yes, sir.
10 Q. And you all drafted the form, right?
11 A. Sonic Automotive drafted the form.
12 Q. Oh, the high-ups sent it down to you and
13 said, use this.
14 A. Yes, sir.
15 Q. Do you know anything about the negotiations
16 for buying this particular deal or going through
17 with this deal?
18 A. No, sir.
19 Q. Do you know how it happened?
20 A. No, sir.
21 Q. Do you know if it was -- if there was any
22 telephone conversations or it was all in store, how
23 many visits there were; do you know anything about
24 it?
25 A. No, sir.

1 Q. If I show you this, would you know this was
2 the packet for this deal?

3 A. Yes, sir.

4 MR. LEWIS: Would you mark it? That's
5 pretty good.

6 (Plaintiff's Exhibit Number 3, Dealership
7 transaction documents, was marked for
8 identification.)

9 BY MR. LEWIS:

10 Q. So if I look at Exhibit Number 3, that's
11 the packet for this deal, which was a sale of the
12 car, that would be the same packet that any sale
13 would have.

14 MR. BLACK: Object to the form. You can
15 answer.

16 A. Yes, sir.

17 BY MR. LEWIS:

18 Q. Turn to the last page there. It has the
19 number on it of 04039. Do you see that down at
20 the -- at the --

21 A. Oh, yes, sir.

22 Q. I want to make sure we're looking at -- we
23 were looking at Exhibit Number 3.

24 MR. HAMM: Mr. Lewis, repeat the number you
25 just referenced.

1 MR. LEWIS: 4039.

2 MR. BLACK: It appears they added a number
3 to the document in addition to our number. Page
4 CBM-0000045.

5 MR. HAMM: Okay. Thank you.

6 BY MR. LEWIS:

7 Q. You see that packet?

8 A. Yes, sir.

9 Q. Just out of curiosity, turn to the front
10 page. Did Brad Martin sign that front page?

11 A. No, sir.

12 Q. Huh?

13 A. No, sir.

14 Q. And did -- did Brad Martin agree to pay the
15 document fee?

16 MR. BLACK: Object to the form of the
17 question. I'll instruct him not to answer. That
18 goes beyond the --

19 MR. LEWIS: Not to answer. Okay. That's
20 fine.

21 BY MR. LEWIS:

22 Q. Did -- did -- he didn't sign that. Is
23 there any other places he didn't sign?

24 A. When you're referring to Brad Martin,
25 are -- we're talking about the Watts, correct?

1 Because I don't have the Martin deal in front of me.
2 I can't --

3 Q. You said Mr. Martin didn't sign an
4 arbitration agreement. You told me that.

5 A. Yes, sir.

6 Q. And I'm asking did he sign the front page,
7 the privacy notice, the front page, did he sign that
8 page of his packet?

9 A. I can't tell you that. I'm sorry. I
10 misunderstood. I cannot tell you.

11 Q. You remember the arbitration, but you don't
12 remember this.

13 A. Yes, sir.

14 Q. But we could pull his packet and find out
15 what he did, right?

16 A. Yes, sir.

17 Q. Okay. Because you have his packet
18 somewhere.

19 A. Yes, sir.

20 Q. What does it say on arbitration -- the
21 arbitration agreement in his packet, or is it just
22 blank? You don't know.

23 A. (Witness shakes head.)

24 Q. Is that right?

25 A. I don't know.

1 Q. All right. Let's look at that last page.
2 It's got the All Cars Checklist. Right?

3 A. Yes, sir.

4 Q. And down there it says, Arbitration
5 Agreement.

6 A. Yes, sir.

7 Q. That's on every deal.

8 A. Yes, sir.

9 Q. And it's a check. Either you check it or
10 you don't, right?

11 A. Yes, sir.

12 Q. Is this just a reminder to Mr. James, or
13 where does this -- this document go after it's
14 completed?

15 A. This -- this document here is something we
16 haven't used in a while. This is a checklist for
17 the F and I manager, Corey James, to make sure that
18 he's got everything in this package so it will go
19 upstairs to the accounting department.

20 Q. Okay. Where -- so this form, this one,
21 04039, isn't used anymore.

22 A. Not this version, no, sir.

23 Q. Is there another version?

24 A. On the back of the deal jacket.

25 Q. On the back of the deal jacket.

1 A. Yes, sir.
2 Q. Well, that explains a lot to me. What is a
3 deal jacket?
4 A. That's where all these documents would be
5 placed.
6 Q. Does that just mean a folder?
7 A. Yes, sir. It's a pre- --
8 Q. It's -- huh?
9 A. It's a pre-printed folder with this
10 checklist and some other checklists.
11 Q. On the -- on the back of it.
12 A. Yes, sir.
13 Q. So when you put all this in the folder,
14 they want to make sure they have all this in it.
15 A. Yes, sir.
16 Q. And then this folder is kept in your
17 dealership.
18 A. Yes, sir.
19 Q. Is this checklist sent anywhere or it just
20 sits there in -- on the folder?
21 A. In the folder.
22 Q. In the folder?
23 A. Yes, sir.
24 Q. It's not sent anywhere?
25 A. No, sir.

1 Q. They just look?
2 A. Yes, sir.
3 Q. So this checklist, they just say, huh-uh,
4 not signed.
5 A. It wouldn't state not signed.
6 Q. Well, it's blank.
7 A. Blank.
8 Q. And then they -- they wouldn't do anything.
9 A. No, sir.
10 Q. You don't know anything about how the
11 arbitration agreement was presented to the Watts,
12 other than you -- you say that Mr. James said it was
13 each piece of paper was given to them, and he
14 pointed to where to sign; that's all you know about
15 the presentation of the arbitration agreement.
16 A. That is correct.
17 Q. You don't know anything that was said,
18 anything else but that.
19 A. No, sir.
20 Q. And you're the man most knowledgeable. Do
21 you have a record of how many arbitrations that you
22 have -- you have gone through with reference to the
23 arbitration agreement?
24 A. I'm sorry. I didn't understand.
25 Q. You have an arbitration agreement there.

1 Q. Well, who reviews to see if the checklist
2 is in there and properly done?
3 A. Corey would. Corey James.
4 Q. Corey James would look at it?
5 A. Yes, sir.
6 Q. Well, he's the one that did it.
7 A. Yes, sir.
8 Q. So he'd look at the checklist that he did
9 to see that everything in the checklist was done.
10 A. Yes, sir.
11 Q. Does anybody else look at it?
12 A. Accounting probably.
13 Q. Probably accounting. So this -- this --
14 what do you call it, the deal folder would be sent
15 to accounting?
16 A. Yes, sir.
17 Q. And they check it over, too, to see that
18 all these things are in here.
19 A. Yes, sir.
20 Q. Now, what -- what are they instructed to do
21 if the -- with Mr. Martin when he didn't sign the
22 arbitration agreement? What do they do then?
23 A. Nothing.
24 Q. Nothing?
25 A. Nothing.

1 A. Yes, sir.
2 Q. It requires arbitration, you say.
3 A. Yes, sir.
4 Q. Has anybody ever arbitrated with you?
5 A. I have one now.
6 Q. One. Is that the only one you can
7 remember?
8 A. That's the only one that I've ever heard
9 of.
10 Q. Well, how long have you been with this
11 company?
12 A. 32 years.
13 Q. That's pretty good. So in 32 years, you
14 haven't ever heard of another one except the one you
15 have now.
16 A. Right.
17 Q. What's the one you have now?
18 A. I can't remember the guy's name. It's
19 Turner.
20 Q. What's he mad about?
21 A. A paint defect on his car.
22 Q. What kind of car was it?
23 A. It's a BMW.
24 Q. BMW. Did Mr. James leave on his own, or
25 was he fired, or do you know?

1 MR. BLACK: Object. Leave from where?
 2 MR. LEWIS: He left from --
 3 MR. BLACK: From Century BMW?
 4 MR. LEWIS: He was up in -- he just told
 5 me.
 6 MR. BLACK: In Charlotte? Okay.
 7 BY MR. LEWIS:
 8 Q. Charlotte.
 9 A. Mr. James left on a mutual agreement.
 10 Corey's family was living in Charlotte. He was
 11 having to live in Greenville, and he needed to go
 12 back to Charlotte to his family.
 13 MR. BLACK: That's why -- he's asking --
 14 he's answering why he left Century BMW.
 15 MR. LEWIS: I understand that. I'm not too
 16 bad. I can listen.
 17 BY MR. LEWIS:
 18 Q. All right. Do you know why he left Sonic
 19 in Charlotte?
 20 A. No, sir.
 21 Q. You don't know if he was fired or he left
 22 on his own?
 23 A. No, sir.
 24 Q. All you know is he wanted to leave your
 25 company to go back to Charlotte because that's where

1 A. No, he's the lawyer for us.
 2 Q. And who is the other guy?
 3 A. I really don't remember his name, sir.
 4 Q. And it's up here in Greenville?
 5 A. Yes, sir.
 6 Q. And it's over a BMW.
 7 A. Yes, sir.
 8 Q. Have you told anybody else about this
 9 claim, this arbitration claim, other than me here
 10 today?
 11 A. I'm sure quite a few of my employees know
 12 about it.
 13 Q. Well, how about people out -- all your --
 14 any customers or anything?
 15 A. No, sir.
 16 Q. You don't tell that?
 17 A. No, sir.
 18 Q. You're frowning. Why are you frowning?
 19 A. That wouldn't be a good business practice.
 20 Q. Wouldn't be a good business -- okay. And
 21 you don't know how you choose an arbitrator under
 22 your arbitration agreement.
 23 A. No, sir.
 24 Q. You don't know anything about that.
 25 A. I understand there's a board or a -- a

1 his family was.
 2 A. Yes, sir.
 3 Q. Well, did he come from Charlotte?
 4 A. Yes, sir.
 5 Q. Did he come from Sonic of Charlotte?
 6 MR. BLACK: Object to the form.
 7 A. I really don't remember where Corey -- what
 8 his other job was before us. I really don't
 9 remember.
 10 BY MR. LEWIS:
 11 Q. This claim you have in arbitration, what --
 12 where is it in the process?
 13 A. It's just in beginning stages.
 14 Q. Someone just said they want -- they want to
 15 make a claim?
 16 A. Yes, sir.
 17 Q. Did they sue you first, or did they just go
 18 into arbitration?
 19 A. They sued us, and then it went into
 20 arbitration.
 21 Q. Who was the -- who is the lawyers involved;
 22 do you know?
 23 A. Brad Martin.
 24 Q. Brad Martin again, huh? He's the lawyer
 25 for you, or he's suing you?

1 panel that you call, and they assign them or
 2 whatever. But that's to the -- my extent of the
 3 understanding.
 4 MR. BLACK: Cam, are you getting to a point
 5 where we can take a break soon?
 6 MR. LEWIS: Sure, we can take a break now.
 7 MR. BLACK: Okay.
 8 (A recess transpired.)
 9 BY MR. LEWIS:
 10 Q. You've been with this company, I think you
 11 said 32 years.
 12 A. Yes, sir.
 13 Q. And that company is what -- which company?
 14 A. Century BMW.
 15 Q. All right. How -- did Sonic always own
 16 Century BMW?
 17 A. No, sir.
 18 Q. When did they buy them out?
 19 A. 1998.
 20 Q. Okay. Now, how long have arbitration
 21 agreements been -- been used?
 22 A. I became general manager in 2002, and they
 23 were in effect then.
 24 Q. How about before that?
 25 A. I can't answer to that, sir.

1 Q. What were you before?
 2 A. I was parts and service director.
 3 Q. So as parts and service director, you
 4 didn't ever know what was in the packet?
 5 A. No, sir.
 6 Q. And in the -- you being appointed as the
 7 man most knowledgeable about the arbitration
 8 agreement, you never looked back in the history to
 9 see when it became any arbitration?
 10 A. No, sir.
 11 Q. Now, when did Mr. James leave you, that is,
 12 Century BMW?
 13 A. To the best of my recollection, it was
 14 early 2006.
 15 Q. Now, you said he left on mutual terms or
 16 something like that.
 17 A. Mutual agreement.
 18 Q. What does that mean?
 19 A. I decided and he decided that this wasn't
 20 the place for him to be at this time.
 21 Q. Okay. Would it be fair to say you weren't
 22 happy with his work?
 23 A. I was happy with his work.
 24 Q. Well, then why -- why wasn't it good for
 25 him to be here?

1 Q. You have?
 2 A. Yes, sir.
 3 Q. And you don't know whether it's finance and
 4 income or finance and insurance?
 5 A. I've always called it finance and income.
 6 Q. Okay. Fine. And so with him coming in
 7 five, ten minutes late two times, three times a
 8 week, you decided maybe it would be better if he
 9 would go somewhere else?
 10 A. He needed to go home.
 11 Q. He needed to go home. And you made that
 12 decision he needed to go home?
 13 A. And he agreed.
 14 Q. Okay. And did you get him a job then up
 15 there at Sonic?
 16 A. No, sir.
 17 Q. Where did he go when he went to Charlotte?
 18 A. He went to Sonic when he went to Charlotte,
 19 but I did not get him the job.
 20 Q. You didn't get him the job?
 21 A. No, sir.
 22 Q. Well, how did he get a job back at Sonic
 23 when he left Sonic?
 24 MR. BLACK: Object to the form.
 25 A. I could only guess to that.

1 A. He was continuously late, but his work was
 2 very good.
 3 Q. Okay. Now we got it. So he was late, but
 4 a good worker after he was late.
 5 A. Yes, sir.
 6 Q. Now, late, that means he just didn't come
 7 in five minutes, that would be real late.
 8 A. No, sir. Five minutes, in my book, is
 9 late.
 10 Q. Well, you're one of these people.
 11 A. Yes, sir.
 12 Q. You want them on time.
 13 A. Yes, sir.
 14 Q. So how -- how late would he be?
 15 A. Five to ten minutes.
 16 Q. And he would be five to ten minutes late
 17 over -- and how often?
 18 A. At the end of his employment, it became
 19 more regular. Maybe twice a week, three times a
 20 week.
 21 Q. And that just irritated you.
 22 A. Yes, sir.
 23 Q. And he was the -- is it finance and income
 24 or is it finance and insurance, F and I?
 25 A. I've always called it finance and income.

1 BY MR. LEWIS:
 2 Q. Well, guess at it.
 3 MR. BLACK: Object to having the witness
 4 guess.
 5 A. Networking.
 6 BY MR. LEWIS:
 7 Q. Networking.
 8 A. Yes, sir.
 9 Q. What was his job in Charlotte?
 10 A. Previously?
 11 Q. No, when he left you.
 12 A. F and I. He took the same job in Charlotte
 13 that he left me.
 14 Q. And went to another dealership?
 15 A. Yes, sir.
 16 Q. What was the dealership?
 17 A. Arnold Palmer Cadillac.
 18 Q. Arnold Palmer Cadillac. And that's a Sonic
 19 dealership?
 20 A. Yes, sir.
 21 Q. And he was doing the same thing?
 22 A. Yes, sir.
 23 Q. Was he the only one in that dealership like
 24 he was in this dealership?
 25 A. I don't know if he was the only one in that

1 store or not.
 2 Q. Okay. Do you have a new guy?
 3 A. Yes, sir.
 4 Q. What's his name?
 5 A. Rodney McCauly.
 6 Q. And where is he from?
 7 A. He is from the Greenville area.
 8 Q. So he just -- did he come out of a Sonic
 9 store, or did he --
 10 A. No, sir.
 11 Q. You just went and found him?
 12 A. I just went and found him.
 13 Q. Did you know him?
 14 A. No, I didn't personally.
 15 Q. Who did?
 16 A. His former employer recommended him.
 17 Q. Who was that?
 18 A. James Brockman.
 19 Q. And what -- what's he?
 20 A. He's a car dealer.
 21 Q. And what dealer is that?
 22 A. Kia.
 23 Q. The -- we talked about that class-action
 24 waiver in that agreement, Exhibit Number 2. Do you
 25 remember that?

1 Q. And how do you order them? Do you order
 2 them by some -- is there like -- you know, sometimes
 3 they say this is Form Number 666. Is there -- at
 4 the bottom, do you see -- looking at Exhibit Number
 5 3, do you see that?
 6 A. Yes, sir.
 7 Q. Do you see the long one, the first long one
 8 that comes out? It's called the Full Disclosure
 9 Customer Worksheet. Do you see that? It's the
 10 first one.
 11 A. Yes, sir.
 12 Q. And down at the bottom, it has a Form
 13 814WS.
 14 A. Yes, sir.
 15 Q. You know what, if anything, that means?
 16 A. That's the Austin Business Forms form
 17 number for this.
 18 Q. Who is Austin Business Forms?
 19 A. That's the supplier of this form.
 20 Q. And so who makes -- they just -- they print
 21 them up?
 22 A. Yes, sir.
 23 Q. Where is this Austin Business Form place?
 24 A. I have no idea.
 25 Q. How do you know about it?

1 A. Yes, sir.
 2 Q. Do you know when it was put in or --
 3 A. No, sir.
 4 Q. You just know that it's in there now?
 5 A. I know that it's in there now.
 6 Q. And you couldn't tell me if it was in
 7 there -- and we know it was in there when --
 8 6/25/05.
 9 A. Yes, sir.
 10 Q. And it's been in there ever since.
 11 A. Yes, sir.
 12 Q. But we don't know how long before 6/25/05
 13 it was put in.
 14 A. No, sir.
 15 Q. As a general manager, you don't -- do
 16 they -- how many of those stacks of these -- each of
 17 these pieces of paper in the packet, Exhibit
 18 Number 3, how many do they send you at a time, or do
 19 you run them off a Xerox?
 20 MR. BLACK: Object to the form.
 21 A. We order them. The exact quantity, I have
 22 no idea, in each package.
 23 BY MR. LEWIS:
 24 Q. So you order them.
 25 A. Yes, sir.

1 A. It's one of our recommended vendors.
 2 Q. So how do they know -- is this a worksheet
 3 that -- that Sonic tells you to use?
 4 A. Yes, sir.
 5 Q. And Sonic says that they got this form we
 6 want you to use.
 7 A. Yes, sir.
 8 Q. And you buy it from them.
 9 A. Yes, sir.
 10 Q. I notice on the Arbitration Agreement, I
 11 don't see any form numbers.
 12 MR. BLACK: Is there a question?
 13 BY MR. LEWIS:
 14 Q. Do you see that?
 15 A. Yes, sir.
 16 Q. Well, how do you order it?
 17 A. It's probably -- well, I can't attest to
 18 that, what I -- how you order it. I don't order the
 19 supplies.
 20 Q. Well, it doesn't have a form number. How
 21 do you know what to ask for?
 22 A. Probably by title.
 23 Q. Now by title. So you order by title.
 24 A. If it doesn't have a form -- a form number,
 25 you would order it by title.

1 Q. And where do you order the Arbitration
2 Agreements from?
3 A. All of our ordering is done online through
4 Sonic.
5 Q. Through Sonic?
6 A. Yes, sir.
7 Q. Is there something you bring up? What kind
8 of screen do you bring up; what's it called?
9 MR. BLACK: Object to the form.
10 BY MR. LEWIS:
11 Q. Form order?
12 A. The exact system name is PECOS. P-E-C-O-S.
13 Q. And when you bring up PECOS, what does it
14 tell you?
15 A. It gives you the list of forms.
16 Q. Oh, and you just can order like that.
17 A. Yes, sir.
18 Q. And the -- the form list, you see -- let's
19 go back to that last page again on Exhibit Number 3.
20 Are the All Cars Checklist, are those all forms?
21 A. You're talking about each individual --
22 Q. Yeah.
23 A. -- area? Some of them are forms. Some of
24 them are information.
25 Q. Okay. Well, let's look at the packet then.

1 A. Yes, sir.
2 Q. Is that a form that's required by law?
3 A. Yes, sir.
4 Q. And you order those from that same place?
5 A. Yes, sir.
6 Q. Okay. Look at 3998. That's not a form, is
7 it?
8 A. I have no idea what that is. A fax
9 confirmation.
10 Q. Okay. Look at 3999. That's -- is that a
11 form?
12 A. Yes, sir.
13 Q. Is that one you order from the same place?
14 A. This one may not be. This one may be from
15 the State of South Carolina.
16 Q. Okay. Is it a required form?
17 A. Yes, sir.
18 Q. By law?
19 A. Yes, sir.
20 Q. The next one is a vehicle history report,
21 4000.
22 A. This is computer-generated from BMW.
23 Q. Okay. How about 4001, is that part of the
24 same report, or no?
25 A. This is -- this is where we shipped a lien

1 Look at the packet. Start with the first number,
2 and that's 3995. Do you see that?
3 A. Yes, sir.
4 Q. Is that a form?
5 A. Yes, sir.
6 Q. And do you order that?
7 A. Yes, sir.
8 Q. Is that a required form by law, or just a
9 required form by Sonic?
10 MR. BLACK: Object to the form. You can
11 answer if you know.
12 A. This is a privacy notice. It is required
13 by Sonic and probably required by law.
14 BY MR. LEWIS:
15 Q. All right.
16 A. It is required by law.
17 Q. And the next one is -- is this a form that
18 you order?
19 A. No, sir. This is automatically printed out
20 at the time the purchase is made, depending on what
21 coverage the customer decides to or not to take.
22 Q. And that's 3996.
23 A. Yes, sir.
24 Q. All right. Let's look at 3997. Is that a
25 form?

1 off to someone.
2 Q. Okay. But that's not --
3 A. That's not a form, no.
4 Q. Okay. How about 4002?
5 A. This is a form.
6 Q. Is this a -- required by law?
7 A. This is an agreement to provide insurance.
8 Q. An agreement with who?
9 A. The customer and their insurance company.
10 Q. Okay. Do you -- is that something that you
11 require?
12 A. We do require it.
13 Q. But is it -- so this is a form of Sonic,
14 not a -- a form by law.
15 MR. BLACK: Object to the form.
16 A. This is a form by Sonic.
17 BY MR. LEWIS:
18 Q. Okay. And you order it?
19 A. Yes, sir.
20 Q. All right. How about 4003?
21 A. This is a computer-generated.
22 Q. At your dealership?
23 A. Yes, sir. This is built into our computer
24 system, so this is the way it prints.
25 Q. All Sonic dealerships have the same

1 computer system?
2 A. Yes, sir, now we do.
3 Q. What is it called?
4 A. ADP.
5 Q. ADP. And 4004 would be another
6 ADP-generated?
7 A. Yeah, the next three forms are the same
8 form.
9 Q. Okay. How about -- how about now we're
10 looking at 4007. We already talked about it.
11 A. Yes, sir.
12 Q. Now, is this form, when it comes, this full
13 disclosure customer worksheet, is it long like this,
14 or is it the same size of those other papers?
15 A. This form was long in 2005, and they
16 changed it between 2005 and 2008. It's shorter now.
17 Q. It fits in to be like the other ones.
18 A. Yes, sir.
19 Q. But it was long back then.
20 A. Yes, sir.
21 Q. Now, the next one is 4008, which is Exhibit
22 Number, I believe, 2, as well as part of the packet.
23 A. Yes, sir.
24 Q. And it's long.
25 A. Yes, sir.

1 Q. Okay. Car invoice. Now, this one here,
2 looking at 4009, this is a car invoice to who? Who
3 is it an invoice to?
4 A. This one's an invoice to the Watts.
5 Q. And what does it tell you, that this is
6 what they paid, 32,000?
7 A. Yes, sir. Yes, sir.
8 Q. And the 32,000 is made up of 31,375, plus
9 299.50, plus 300, plus 25?
10 A. If that adds up to 32,000, yes, sir.
11 Q. Well, okay. What is total time price?
12 A. Oh, that would be if you financed it.
13 Q. If I financed it, it would be less?
14 A. It would be more, because of two lines
15 above you would add your finance charge in.
16 Q. I'm con -- I'm very confused. It has in
17 here, number -- total time price. What is that?
18 31,700.50.
19 A. I don't -- what's that, 31 --
20 MR. BLACK: Let me just object that I think
21 we've strayed beyond the topic in the Notice.
22 MR. LEWIS: Okay.
23 MR. BLACK: I'm giving you some leeway.
24 The witness wasn't -- didn't come in prepared to
25 analyze each of these forms in detail.

1 Q. Was it long at that time, or was it --
2 A. Yes, sir.
3 Q. -- short?
4 A. Yes, sir.
5 Q. It was long.
6 A. Long.
7 MR. BLACK: And by long, you mean on
8 legal-size paper?
9 BY MR. LEWIS:
10 Q. Is this -- looking at it, is this the size
11 of the document, the original document?
12 A. Yes, sir.
13 Q. Do you know how many words are in this
14 document?
15 A. No, sir.
16 Q. Would you believe me there was 1100?
17 A. Yes, sir.
18 Q. And the next one, 4009, is a --
19 A. Ordered form.
20 Q. A what?
21 A. Ordered form.
22 Q. Ordered. And it's -- but it's not required
23 by law?
24 A. Car invoice may be required by law; I'm not
25 sure of that.

1 BY MR. LEWIS:
2 Q. Okay. So you don't know what that is
3 today.
4 A. Without a calculator and sitting down and
5 figuring it out, probably not.
6 Q. Okay.
7 A. But I just don't know right this moment.
8 Q. Okay. 4010, is that -- what is that?
9 A. It's an ordered form.
10 Q. And ordered, we mean ordered from Sonic?
11 A. Yes, sir.
12 Q. And is it required by law?
13 A. No, sir.
14 Q. The same as 4011?
15 A. Yes, sir.
16 Q. And 4012 is something that was generated on
17 your computer?
18 A. Yes, sir.
19 Q. And 4013, I don't know what that is. That
20 must be something that's stamped on the back of
21 something. It doesn't matter.
22 A. I have no clue.
23 Q. And then you have pictures with people on
24 them and an insurance card.
25 A. Yes, sir.

1 Q. And then you have another picture of a
2 pretty lady. Do you see that of one?
3 A. Yes, sir.
4 Q. All right. That's 4015.
5 A. I saw that.
6 Q. 4016, that must come off of a computer?
7 A. Yes, sir.
8 Q. 4017, what is that?
9 A. This is computer-generated, to do the tag
10 work for the car.
11 Q. Okay. And 4018 is a --
12 A. A copy of a check.
13 Q. Okay. 4019, that's -- is that a form?
14 A. Yes, sir, that's an ordered form.
15 Q. Okay. And it's not required by law?
16 MR. BLACK: Object to the form.
17 A. The Retail Buyer's Order is required by
18 law.
19 BY MR. LEWIS:
20 Q. Okay. Required by law. Now, if I -- and
21 is this form ordered?
22 A. Yes, sir. Yes, sir.
23 Q. And everything that's not written on it
24 would -- that is -- that is, it looks typed, that
25 would be on the ordered form?

1 Q. -- by law?
2 A. Yes, sir. It's required.
3 Q. And is 4025 required by the law?
4 A. Yes, sir. That's the back of Form 400.
5 Q. Okay. 4026 is an internal form?
6 A. Yes, sir.
7 Q. And is this check requested, is that
8 something that comes from Sonic, or is that just
9 y'all's form?
10 A. This form comes -- all our forms that are
11 pre-printed come from Sonic.
12 Q. So this one comes from Sonic, too.
13 A. Right, yes.
14 Q. But it's not required by law?
15 A. No, sir.
16 Q. Same with 4027?
17 A. Yes, sir.
18 Q. 4028?
19 A. This is a BMW computer printout.
20 Q. Okay. 4029?
21 A. Same.
22 Q. 4030?
23 A. Yes, sir. Same thing.
24 Q. 4031?
25 A. Same thing.

1 A. Yes, sir.
2 Q. So every ordered form on BM -- from Sonic
3 will have the processing fee there?
4 MR. BLACK: Objection. And I'll instruct
5 you not to answer. That goes well beyond the
6 Deposition Notice to the merits of the case.
7 MR. LEWIS: You shouldn't have given me the
8 form.
9 BY MR. LEWIS:
10 Q. The next one, 4020?
11 A. This is sent to us by BMW.
12 Q. Is it required by law?
13 MR. BLACK: Object to the form. Go ahead.
14 A. I have no idea.
15 BY MR. LEWIS:
16 Q. How about 4021?
17 A. Continuation.
18 Q. All right. And then the certificate of
19 title, we know what that is, 4022. 4023 is a what?
20 A. The back of the title.
21 Q. Okay. 4024, what is that?
22 A. That is a Form 400. This comes from the
23 State of South Carolina.
24 Q. Is that required --
25 A. Yes, sir.

1 Q. Now, that's required by law, isn't it?
2 A. The odometer statement?
3 Q. Yeah.
4 A. This one is sent to BMW.
5 Q. But there is an odometer statement --
6 A. Yes, sir.
7 Q. -- required by law?
8 A. Yes, sir, there is.
9 Q. But this is not it?
10 A. No, sir.
11 Q. Okay. 4032.
12 A. That's a pre-printed form from Sonic.
13 Q. Is that required by law?
14 A. No, sir.
15 Q. And 4033?
16 A. Computer-generated, in-house form.
17 Q. 4034?
18 A. Computer-generated, in-house.
19 Q. 4035?
20 A. The same.
21 Q. 40 -- I don't see it. It's cut off. It's
22 CBM-0000042.
23 A. Right. This is a computer-generated, a
24 copy of the one we just went over that was
25 handwritten.

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1 Q. Oh, that is a copy of that one he wouldn't
2 let me ask you about.
3 A. Yes, sir.
4 Q. And this is -- the next one is 4037. Those
5 are government forms?
6 A. These are county tax papers.
7 Q. And 4038?
8 A. That's a copy of a fax.
9 Q. And 4039 is that checklist we've already
10 gone over.
11 A. Yes, sir.
12 Q. And this is essentially what a packet would
13 look like for anybody that bought a car.
14 A. Yes, sir.
15 MR. BLACK: Object to the form of the
16 question.
17 BY MR. LEWIS:
18 Q. Now, if you had a -- if you were going to
19 finance the car through you, would there be a
20 finance packet, too, or would this packet, Exhibit
21 Number 3, be bigger?
22 A. Exhibit 3 would be bigger.
23 Q. Was it -- and if you were going to lease a
24 car, there would be just different documents that
25 would support a lease, but it would be essentially

1 contains a lot of documents that don't go to the
2 customer.
3 MR. LEWIS: Okay.
4 BY MR. LEWIS:
5 Q. Pick up Exhibit Number 3. And I want you
6 to look through it and tell me each document that
7 the customer is explained.
8 A. The privacy notice, the first one.
9 Q. All right.
10 A. The second one, which is the --
11 Q. Give me the numbers of them at the bottom.
12 A. Okay. Okay. The first one is 3995.
13 Q. Uh-huh.
14 A. 3996.
15 Q. Uh-huh.
16 A. 3997 is explained on the sales floor. This
17 is a --
18 Q. Sales floor?
19 A. Yes, this is a document that's actually
20 posted in the window of the car.
21 Q. So that document is for the salesman to
22 explain.
23 A. It's -- yes, sir.
24 Q. But the F and I guy doesn't say anything
25 about it?

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1 the same documents otherwise?
2 A. Yes, sir.
3 Q. Do you know -- we went through each of the
4 documents in Exhibit Number 3. Do you know what the
5 purchasers in this case were told about each of
6 those documents?
7 A. No, sir.
8 Q. Do you -- what is the requirement you have
9 on your F and I guy to explain each of the
10 documents; does he have a requirement?
11 A. Yes, sir.
12 Q. And he's supposed to explain each one of
13 them?
14 A. Yes, sir.
15 Q. And how long -- how long does that take?
16 A. Oh, it could take, depending if the
17 customer had any questions on each one, it could
18 take five, ten minutes a form --
19 Q. Is that what --
20 A. -- if they had questions.
21 Q. Well, what does it take normally? You've
22 been in the business. Y'all sell 1200 cars a year.
23 How long does it take to explain this packet? One
24 guy, 1200 people.
25 MR. BLACK: Object to the form. The packet

1 A. He will go over it again.
2 Q. He will go over it again.
3 A. I'm going to skip 3998, because -- 3999
4 would be reviewed in the F and I office.
5 Q. Reviewed. Do they explain it to them or do
6 they just review it? Do they have a requirement to
7 explain it?
8 A. Well, yes, they would explain it. There's
9 nothing but the sale-of-a-motor-vehicle form.
10 Q. Okay.
11 A. 4002 would be explained and ask the
12 customer for information specifically on this form.
13 Q. Okay.
14 A. Skipping ahead, 4008.
15 Q. Yeah. We've already talked about that one.
16 A. 4010.
17 Q. Uh-huh.
18 A. The printed version of 4019, the one we
19 couldn't find the number on.
20 Q. 4019?
21 MR. BLACK: I think the printed version
22 was --
23 MR. LEWIS: Okay.
24 MR. BLACK: The printed version is CBM --
25 BY MR. LEWIS:

19 (Pages 70 to 73)

1 Q. 4019 is gone through.
 2 A. Yes, sir.
 3 MR. BLACK: Well, he said the printed
 4 version.
 5 A. The printed version.
 6 BY MR. LEWIS:
 7 Q. Yeah. Yeah. I don't understand the
 8 printed version. 4019 is printed.
 9 A. The computer printed one, the one we could
 10 not find the -- the number on at the end.
 11 MR. BLACK: It's CBM-000042. It's the one
 12 that your number got knocked off the bottom of.
 13 MR. LEWIS: 40 what --
 14 MR. BLACK: Four 0's, and then 42.
 15 MR. LEWIS: 42.
 16 BY MR. LEWIS:
 17 Q. Okay. It's got them all typed.
 18 A. Yes, sir.
 19 Q. What do they do -- both of them are signed.
 20 Why do they go through one and then type one?
 21 A. The -- the handwritten one is generated out
 22 on the sales floor with the sales manager.
 23 Q. Oh, the sales manager.
 24 A. Yes, sir.
 25 Q. And so there's a new person that's been

1 involved here. We had -- I thought it went direct
 2 from Mrs. Elizabeth to Mr. James. It doesn't?
 3 There's somebody in between?
 4 A. The salesperson will confer with the sales
 5 manager to get his signature, approval to sell the
 6 car.
 7 Q. So the -- I got -- I got to understand
 8 something. So this Exhibit Number -- Exhibit
 9 Number -- hold on -- 3, 4019 --
 10 A. Yes, sir.
 11 Q. -- that's done on the floor.
 12 A. Yes, sir.
 13 Q. Now, is the sales manager's signature on
 14 that document?
 15 A. Yes, sir.
 16 Q. And so they sit down there, and this is
 17 negotiated, and then the sales manager signs it.
 18 A. Right.
 19 Q. Okay. And then where does it go?
 20 A. Then the salesperson takes it to Corey
 21 James at that time.
 22 Q. And Corey James then types up Exhibit
 23 Number -- the one that doesn't have that cut off.
 24 A. That is correct.
 25 Q. CBM-000042.

1 A. Yes, sir.
 2 Q. And should be exactly the same, except
 3 one's typed and one isn't.
 4 A. Yes, sir.
 5 Q. Well, why do you do that?
 6 MR. BLACK: Object to the form.
 7 A. Why do you do the first one, the
 8 handwritten one?
 9 BY MR. LEWIS:
 10 Q. No, why do you take one and get it all
 11 filled in in handwriting, and then take the time to
 12 type it -- type it and get it on a different -- the
 13 same form typed?
 14 A. To make sure there's no mistakes.
 15 Q. To make sure there's no mistakes?
 16 A. Yes, sir.
 17 Q. There's more likely to be a mistake if you
 18 go from a handwritten one to a typed one.
 19 MR. BLACK: Object to the form.
 20 A. These two have to match.
 21 BY MR. LEWIS:
 22 Q. Oh, they have to match. I gotcha. And who
 23 determines they match?
 24 A. The account -- I mean, the F and I office,
 25 Corey James.

1 Q. Now, who is -- the bottom signature, who is
 2 that?
 3 MR. BLACK: There are a number of
 4 signatures. Which are you asking him about?
 5 BY MR. LEWIS:
 6 Q. On 000042. Mine is cut off a little bit.
 7 What's the bottom signature; is that Corey James?
 8 A. Are you talking about where it says, this
 9 agreement, the very last --
 10 Q. Yeah.
 11 A. That would -- it's cut off, but it looks
 12 like Corey.
 13 Q. Okay. And then it says, disclaimer of
 14 warranties, purchaser's signature. The purchaser's
 15 signature is not there, right? Am I right?
 16 A. You're talking on new vehicle disclaimer
 17 warranties?
 18 Q. Yeah.
 19 A. They didn't buy a new vehicle.
 20 Q. So you have to sign either one of those?
 21 A. Yes, sir.
 22 Q. Okay. And Corey James is the officer of
 23 the company that signed this.
 24 A. Yes, sir.
 25 Q. And he is also the -- is that his signature

1 on the 4019? Whose signature is that?
 2 A. I haven't seen this signature in a long
 3 time, but I would assume it's Jeff Novak.
 4 Q. And what is he?
 5 A. He was the used car manager.
 6 Q. So the used car manager agreed to it, and
 7 Corey James agreed to it on a different form.
 8 A. Yes, sir.
 9 Q. Once they -- the used car manager agreed to
 10 it, it's over with then, isn't it? Does Corey James
 11 have the right then to not do it?
 12 MR. BLACK: Object to the form.
 13 A. Corey does not have the right to stop the
 14 deal.
 15 BY MR. LEWIS:
 16 Q. So why -- so he approved it, but he doesn't
 17 have the right to not approve it?
 18 A. He would not sign it if it did not match
 19 up.
 20 Q. But all he would be able to do is match it
 21 up, because once it's signed, as shown on 4019, then
 22 you have to sell the car.
 23 MR. BLACK: Object to the form.
 24 A. Sold -- 4019, we agreed to sell the car for
 25 this amount.

1 claims court part of it.
 2 Q. Does -- do you know if that's something
 3 they explain to people, or do you know? You don't
 4 know?
 5 A. I don't know.
 6 Q. Okay. We've got the packet that we showed
 7 before you, Exhibit Number 3. Okay. Our client
 8 said there were more documents than this, than
 9 shown, some other documents than shown in this
 10 packet. Do you know what they could have been?
 11 MR. BLACK: Objection. Mischaracterizes
 12 the testimony.
 13 BY MR. LEWIS:
 14 Q. Well, could there have been more documents
 15 given to the Watts than are in this packet?
 16 MR. BLACK: Okay. Form, speculation.
 17 A. I mean, other than owner's manuals?
 18 BY MR. LEWIS:
 19 Q. Yeah.
 20 A. There could be owner's manuals.
 21 Q. Anything else?
 22 A. There should be other -- no more legal
 23 documents, no.
 24 Q. You know anything about what's been called
 25 the Dealer Act, the act that allows people to bring

1 BY MR. LEWIS:
 2 Q. Right. And that's it.
 3 A. The manager.
 4 Q. Right.
 5 A. Corey would have the right, if there was
 6 something that did not add up correctly, to go back
 7 to Jeff and say, there's something wrong here, I'm
 8 not going to sign it until you get it straightened
 9 out.
 10 Q. And Jeff would have to go straighten it
 11 out.
 12 A. Yes, sir.
 13 Q. And that could even mean having -- making
 14 them pay more money?
 15 MR. BLACK: Object to the form.
 16 A. Not above what they originally agreed to.
 17 BY MR. LEWIS:
 18 Q. Okay. Now, this arbitration agreement
 19 says -- has some provision in there about small
 20 claims court. Do you understand that, or do you
 21 know anything about that?
 22 A. I don't know anything about the small
 23 claims court.
 24 Q. You what?
 25 A. I don't know anything about the small

1 suits against dealers for not doing -- for fraud and
 2 so forth?
 3 A. No, sir.
 4 Q. Have you ever read anything on it?
 5 A. No, sir.
 6 Q. Now, I want to ask you one more little set
 7 of questions. And what I want to know is you
 8 mentioned to me that there may be a training or --
 9 and the training might lead us to what is taught to
 10 F and I people. Where would we go to find that?
 11 MR. BLACK: Object to the form.
 12 A. To find the training schedule?
 13 BY MR. LEWIS:
 14 Q. To find out what -- how they train people.
 15 What is --
 16 A. Richard O'Connor.
 17 Q. And he would have the training?
 18 A. Yes, sir.
 19 Q. And he's up in the offices in --
 20 A. Charlotte.
 21 Q. -- Charlotte. And what -- and it's called
 22 Sonic, the Sonic offices?
 23 A. It's Sonic Automotive.
 24 Q. Okay. In Charlotte?
 25 A. Yes, sir.

1 MR. LEWIS: Excuse me just a minute.
 2 MR. BLACK: Break?
 3 MR. LEWIS: I hope that we can leave you.
 4 (A recess transpired.)
 5 MR. LEWIS: Thank you, Mr. Bishop.
 6 THE WITNESS: Thank you.
 7 EXAMINATION
 8 BY MR. BLACK:
 9 Q. Mr. Bishop, my name is Dennis Black. I'm
 10 from the law firm called Williams and Connolly. You
 11 understand I represent Century BMW?
 12 A. Yes, sir.
 13 Q. Mr. Lewis asked you a bunch of questions
 14 about what he termed "the packet" this morning, and
 15 I think it's marked in front of you as Exhibit 3.
 16 Do you recall those questions?
 17 A. Yes, sir.
 18 Q. Are there a number of documents in what he
 19 called the packet that are not shown to the customer
 20 at the time of the deal?
 21 A. There's quite a few in there that wouldn't
 22 be shown to the customer.
 23 Q. So what's -- what you've got in front of
 24 you as Exhibit 3 is not a stack of documents all of
 25 which are given to the customer in the F and I

1 Q. How about 4009?
 2 A. 4009 would go to the customer.
 3 Q. 4012?
 4 A. Would not.
 5 Q. 4013?
 6 A. Would not.
 7 Q. 4014 came from the customer?
 8 A. Yes, sir.
 9 Q. Same for 4015?
 10 A. Yes, sir.
 11 Q. How about 4016?
 12 A. That would not go to the customer.
 13 Q. 4017?
 14 A. Would not.
 15 Q. 4018?
 16 A. No, sir.
 17 Q. 4020?
 18 A. No, sir.
 19 Q. 21?
 20 A. No, sir.
 21 Q. How about 22, does that go to the customer,
 22 4022?
 23 A. Yes. They paid cash for it; they would get
 24 this title.
 25 Q. Okay. 4026?

1 office.
 2 A. That's correct.
 3 Q. Let's go through and give some examples of
 4 that. Would the -- and you skipped over -- when you
 5 were asked about documents that were explained to
 6 the customer, you skipped over a number of documents
 7 in the deal jacket, right?
 8 A. Correct. Those would be documents the
 9 customer wouldn't see.
 10 Q. Okay. Let's look at CBM -- well, let me
 11 use his numbers since he did. If you turn to
 12 Document Number 4000, the vehicle history report.
 13 A. That wouldn't be to the customer.
 14 Q. And 4001, where you were paying off the
 15 lien on the trade-in?
 16 A. That wouldn't be to the customer.
 17 Q. If you go to the 4003.
 18 A. No.
 19 Q. And by no, you mean that doesn't go to the
 20 customer?
 21 A. Would not go to the customer.
 22 Q. 4004?
 23 A. It's a copy of 4003, and 4005 and 4006 is
 24 all copies of the same document. They would not go
 25 to the customer.

1 A. No, sir.
 2 Q. 4027?
 3 A. Would not go.
 4 Q. 4028?
 5 A. Would not go.
 6 Q. 4029?
 7 A. No.
 8 Q. 4030?
 9 A. No.
 10 Q. 4031?
 11 A. No, sir.
 12 Q. 4032?
 13 A. No, sir.
 14 Q. 4033?
 15 A. No, sir.
 16 Q. 4034?
 17 A. No, sir.
 18 Q. 4035?
 19 A. No, sir.
 20 Q. 4038 is a fax from the customer sometime
 21 after the transaction?
 22 A. Yes, sir.
 23 Q. So that wouldn't have been explained to the
 24 customer during the transaction.
 25 A. No, sir.

1 Q. And the checklist at 4039, that doesn't go
2 to the customer, does it?
3 A. No, sir.
4 Q. Did Century BMW have an official policy of
5 whether you would sell a vehicle to a customer who
6 refused to sign the arbitration agreement?

7 MR. LEWIS: Object to the form.

8 A. If a customer objected to signing the
9 arbitration form, we would still sell them the car.
10 BY MR. BLACK:

11 Q. You -- you testified that you -- that the F
12 and I managers were not trained to volunteer to the
13 customer that you don't have to sign this
14 arbitration agreement. Do you recall that?

15 A. Correct. The F and I manager was not
16 obligated to explain that they did not have to sign
17 the arbitration agreement.

18 Q. Were they trained to tell the customer, you
19 are required to sign this arbitration agreement?

20 A. No, sir.

21 Q. If the customer asked, am I required to
22 sign this arbitration agreement as a condition of
23 buying the car, what was Century BMW's policy for --

24 MR. LEWIS: I object to the form.

25 A. The customer --

1 sold a car by Century BMW?

2 MR. LEWIS: Object to the form.

3 BY MR. BLACK:

4 Q. You can answer.

5 A. Yes, sir.

6 Q. You mentioned earlier that you're only
7 aware of one arbitration that's been filed since
8 you've been general manager?

9 A. Yes, sir.

10 Q. How many lawsuits are you aware of that
11 have been filed against Century BMW since you've
12 been general manager?

13 A. Actually, there was two.

14 Q. And does that include this one?

15 A. Yes, sir.

16 Q. So this one and one other.

17 A. Yes, sir.

18 Q. And was the one other the one that went to
19 arbitration?

20 A. The other one, I cannot recall. I did not
21 go to court. I believe it was dismissed between the
22 two lawyers.

23 Q. Okay. So there's the Turner case that went
24 to arbitration. There's the one other one.

25 A. Right.

1 BY MR. BLACK:

2 Q. Let me ask the question. What was Century
3 BMW's policy about whether they would sell a car to
4 someone who objected to signing the arbitration
5 agreement?

6 A. We would still sell the car.

7 Q. You testified that you could only remember
8 the name of one person who had refused to sign the
9 arbitration agreement and, nevertheless, bought a
10 car. Are you aware that there are other customers
11 whose names you don't remember who similarly refused
12 to sign the arbitration agreement and you,
13 nevertheless, sold them the car?

14 A. Yes.

15 MR. LEWIS: Object to the form.

16 BY MR. BLACK:

17 Q. And are there other customers other than
18 the one person whose name you remembered who refused
19 to sign the arbitration agreement and --

20 MR. LEWIS: Object to the form.

21 BY MR. BLACK:

22 Q. Let me finish my question. Are there
23 people other than the person whose name you
24 mentioned that you are aware of who refused to sign
25 the arbitration agreement and, nevertheless, were

1 Q. And then there's this lawsuit.

2 A. Yes.

3 Q. And that's the only litigation you're aware
4 of?

5 A. That's the only litigation I've been
6 involved in since 2002. And before that, I was not
7 involved in any.

8 MR. BLACK: Nothing further.

9 EXAMINATION

10 BY MR. LEWIS:

11 Q. You mentioned you remember some other
12 customers that you couldn't remember on the
13 arbitration agreement?

14 A. I remember other cus- -- customers not
15 signing. I do not remember their names.

16 Q. Do you remember whether it was one, two,
17 three, four?

18 A. Exact number, I couldn't tell you, sir.

19 Q. You couldn't tell me anything about it.

20 You just remembered somewhere --

21 A. Yes, sir.

22 Q. -- just in your head somewhere.

23 A. Yes, sir.

24 MR. LEWIS: Nothing further.

25 (The deposition was concluded at 11:58 p.m.)

SIGNATURE OF DEPONENT

I, the undersigned, JOHN ROBERT BISHOP, hereby certify that I have read the foregoing deposition and find it to be a true and accurate transcription of my testimony, with the following corrections, if any:

PAGE	LINE	CHANGE	REASON

JOHN ROBERT BISHOP DATE

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WITNESS/EXAMINATION
JOHN ROBERT BISHOP
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REQUESTED INFORMATION
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(No information was requested.)

EXHIBITS

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Plaintiff's Exhibit Number 1

15 Notice of Deposition.....8 21

15 Notice of Disposition
16 Plaintiffs Exhibit Number 2
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18 Dealership transaction documents.....38 6

CERTIFICATE OF REPORTER

I, Kathy P. Taylor, Registered Professional Reporter and Notary Public for the State of South Carolina at large, do hereby certify that the foregoing transcript is a true, accurate and complete record.

I further certify that I am neither related to nor counsel for any party to the cause pending or interested in the events thereof.

WITNESS MY HAND, I have hereunto
affixed my official seal this 1st day of
February, 2008, at Greenville County, South
Carolina.

KATHY P. TAYLOR
REGISTERED PROFESSIONAL REPORTER
MY COMMISSION EXPIRES
JUNE 13, 2017

BMW and MINI

21470

Vehicle History Report**Vehicle Information**

VIN: 4USBT33554 LS50759
Model Code: 0425 BT43
Model Desc: Z4 R 2
Engineering Series: E85
Motor Type: M54
Color Code: 354 (Titanium Silver Metallic)
Trim Code: KASW (Black Leatherette)
Production Date: 2004/03

Customer Name: MR. BRENT BUSH
Customer Address: 6 LOGUE CT
GREENVILLE SC 29615-5725
UNITED STATES

Retail Dealer: 26849
Retail Date: 05/25/2004
Wholesale Dealer: 26849
Wholesale Date: 03/11/2004

NEW VEHICLE WARRANTY

Expiration Date: 05/25/2008
Expiration Miles: 50,000

Comments:**FULL MAINTENANCE 0050000**

Expiration Date: 05/25/2008
Expiration Miles: 50,000

CPO 72 MONTH/100K MILES/PENDING

Expiration Date: 05/25/2010
Expiration Miles: 100,000

CPO Dealer: 21470 - Century BMW
CPO Enroll Date: 05/31/2005

Phone: (864) 234-6437

Vehicle Options

Code	Description	Code	Description
0640	phone preparation	0692	CD changer preparation
0662	in-dash CD player	0399	fully automatic soft top
08SP	CO2 control	0205	automatic transmission
0521	rain sensor and auto headlight	0441	smoker's package
0494	heated front seats	0676	hi-fi sound system
0249	multi-function steering wheel	0645	radio frequency
0540	cruise control	0354	green stripe windscreen
01CA	CO2 relevant vehicles		

Open Campaign Information

NO OPEN CAMPAIGNS



https://www.dealerspeed.net/dcsnet/dcsnetwebapp/service/warrantyhistory/re_vhist_data.jsp 6/25/2005



Century BMW

Menu of Investment Enhancements

WATTS

CLIENT: 0 DATE: 6/25/2005

☐ PLATINUM	☐ GOLD	☐ SILVER	☒ BRONZE

☐ Vehicle Service Contract CPO 72 Months or 100,000 Miles *Protects you from costly mechanical repairs *Rental car coverage, towing *Nationwide coverage	☐ Upgraded Maintenance *Extends BMW Scheduled Maintenance from 4 yrs, 50,000 miles to 6 yrs, 100,000 *Includes brakes and rotors 7/395	☐ Etho Pro *Pays up to \$2500 if vehicle is stolen and not recovered *Pays up to \$1000 for partial loss deductible reimbursement \$199
☐ Tire and Wheel Guarantee *Free tire replacement *Insures your tires and wheels against road hazard damage *24 hour roadside assistance *3 year Warranty \$499	☐ Resista// Exterior and Interior Protection Plan *Protects your vehicle's paint against weather induced fading, loss of gloss, bird droppings, tree sap, acid rain, etc. *Protects your interior against permanent staining from food, drink, and oil based stains *5 year Warranty \$599	☐ Invisi-Shield *A deterrence against stone chips, bugs, and road debris *Lifetime warranty against yellowing, peeling, fading, and cracking *3M Product, computer laser cut specifically for your vehicle \$679
☐ Ding Shield *Prepaid paintless dent repair *Remedies 3.4, or 6 yr. Terms *Repairs cover up to baseball size dents and dings \$494 \$519 \$544	☐ Safe Lease *Wear and Tear Protection for leased vehicles *Covers paint damage, light lenses, and upholstery up to \$5,000 *See agreement for details \$750	☐ Easy Care Gap (Cash Only) *Pays due to theft or collision if a total loss *Benefit is up to 150% of MSRP or NADA value *Pays the difference between loan payoff and insurance settlement \$499
☐ TINT *Keeps vehicle cooler *Protects interior and passenger from harmful UV rays *3M product with a Lifetime Warranty \$279		

Total Products Purchased \$
 Loan ☐ Lease ☐ Cash ☐
 60 Payments of \$
 Additional Upfront \$

All products are optional. I understand I am not required to purchase products to obtain financing. The dealer makes no additional warranties, whether expressed or implied. I understand that I must qualify to secure financing, and such sales are subject to approved third-party institution. I understand that all payments are estimates. This form does not constitute or replace the Retail Lease or Lease Contract. Insurance premiums are regulated by state law. The products available are the ones I have chosen to purchase.

Client Signature

[Signature]

Client Signature

Deborah Love

