

**IN THE CIRCUIT COURT OF COLE COUNTY
STATE OF MISSOURI**

STATE OF MISSOURI, ex rel.)	
CHRIS KOSTER)	
Attorney General,)	
)	
Petitioner,)	
)	Case No:
vs.)	
)	
COLUMBIA CAR CLASSICS, INC.)	
1204 Madison Street)	
Columbia, Mo 65203)	
)	
and)	
)	
AARON M. PAYNE)	
2850 West Mill Creek Terrace)	
Columbia, MO 65203)	
)	
)	
Respondents.)	

ASSURANCE OF VOLUNTARY COMPLIANCE

Petitioner State of Missouri, at the relation of Attorney General Chris Koster, by and through his Assistant Stewart M. Freilich, and Respondents Columbia Car Classics, Inc. and Aaron M. Payne, agree to this Assurance of Voluntary Compliance (AVC) on the following terms:

1. Jurisdiction. This Court has jurisdiction and venue over the parties and the subject matter of this Assurance of Voluntary Compliance, hereinafter "AVC". The Court is empowered to enter this AVC by agreement of the parties pursuant to §407.030.¹

2. Severability. If any provision or provisions of this AVC is or are declared invalid by a court of competent jurisdiction, the rest of this AVC shall remain in full force and effect and shall not be affected by such declaration.

3. Changes No changes shall be made to this AVC unless made in writing and signed by all parties hereto.

4. Scope of Agreement This AVC embodies the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein.

5. Applicability of Agreement This AVC shall apply to Columbia Car Classics, Inc., Aaron M. Payne and their officers, agents, servants, employees, sales persons, representatives, independent contractors, assigns, successors in interest and other individuals acting on their behalf or at their direction. All of the foregoing shall be encompassed herein by the use of the term Respondents.

6. Governing Law This AVC is entered into pursuant to the laws of the State of Missouri and shall be governed by and construed in accordance with same.

7. Non-Approval Respondents shall not represent to any person, natural or otherwise, that the Attorney General sanctions, endorses or approves of any methods, acts, uses practices or solicitations undertaken by or on behalf of Respondents.

8. Presentation to the Court The Attorney General, and Respondents agree that

¹ All references are to Missouri Revised Statutes 2000.

Petitioner will file this AVC with the Court and will seek approval from the Court for this AVC.

9. Notice and Waiver of Service The parties agree that execution of this AVC constitutes actual notice of the terms and provisions of the AVC, and thus Respondents expressly waive service of a copy thereof.

10. Purpose of the AVC Columbia Car Classics, Inc. was a business operating at 1204 Madison Street, Columbia, MO 65203. Aaron M. Payne was the President of Columbia Car Classics, Inc. Columbia Car Classics sold used cars to numerous consumers. The Attorney General's Office has received complaints from consumers alleging that Columbia Car Classics and Aaron Payne 1) Failed to provide to the consumer certificates of titles to the vehicles which they purchased, 2) Failed to obtain warranties that the consumers purchased, 3) Failed to pay off loans on cars traded in to Columbia Car Classics, and 4) Other miscellaneous complaints. This AVC resolves all issues relating to the purchase of used cars by consumers who are referenced in the AVC.

11. Effect of the AVC. Pursuant to Section 407.030 this AVC shall not be considered an admission of violation for any purpose.

12. Recommendation The Missouri Attorney General and Respondents recommend that the Court approve this AVC.

13. Respondents Assurances. Respondents desire to assure the people of the State of Missouri that Respondents will conform to the standards of good faith and fair merchandising required by Chapter 407, RSMo, and that the practices alleged above in paragraph 10 shall not occur in the future and that such practices will be remedied as provided for herein.

14. Prohibited Practices. Respondents agree that they shall not engage in the following practices prohibited by Section 407.020:

- a. Engaging in the unfair practice of selling a motor vehicle in Missouri without providing to the purchaser at the time of delivery of such vehicle a certificate of title with an assignment thereof in violation of Section 301.210.
- b. Accepting funds from consumers for the purchase of warranties and failing to purchase the warranty or to notify the consumer regarding the purchase of the warranty.
- c. Accepting trade in vehicles from consumers subject to existing loans and failing to pay off the loan, in full, within 30 days of the date they take delivery of the traded in vehicles.

15. Resolution of Outstanding Complaints. Respondents shall resolve the following consumer complaints in the manner set out in this paragraph:

- a. Within 30 days of the date this AVC is approved by the Court, Respondents shall provide the Attorney General's Office with certificates of title for the vehicles purchased from Respondents by Ivalyo Stoyanov, Bennie Necaie, Lynn Bailey, Arlene Loveall, and Melissa Oliver. In the event that Respondents fail to provide the Attorney General's Office with a certificate of title for any of the vehicles purchased by the consumers listed above within 30 days of the date this AVC is approved by the Court, the sale of said vehicle shall be deemed fraudulent and void pursuant to Section 301.210 and Respondents shall be liable to repay, at the option of the consumer purchaser, any purchase monies received from the consumer or from any lender or finance company that financed the purchase of the vehicle. The repayment of

such funds shall be made to the Attorney General's Office within 60 days after the date this AVC is approved by the Court. If repayment is not received, in full, by the Attorney General's Office within 60 days after the date this AVC is approved by the Court, such failure to receive repayment shall constitute a violation of the AVC and as a remedy for such violation a judgment shall issue from this Court in favor of the Attorney General's Office and against Respondents Columbia Car Classics, Inc. and Aaron Payne, jointly and severally, for the full amount of any funds received by Respondents pursuant to the purchase of a vehicle for which the purchaser failed to receive a certificate of title.

- b. Within 30 days of the date this AVC is approved by the Court, Respondents shall provide the Attorney General's Office with written proof that warranties were purchased by Respondents for consumers Mary Flemington, Joe Thyne, Donalee Lomprez, Katherine Hord, Wendy Kilgore, Gina Colnaghil Talbot, Shari Lockett, Robert Moore and Brenda Tolbert. In the event, that Respondents fails to provide the Attorney General's Office with written proof that such warranties have been purchased for any of these consumers, Respondents shall be liable to repay any monies received from the consumer for the purchase of the warranty. The repayment of such monies shall be made to the Attorney General's Office within 60 days after the date this AVC is approved by the Court. If repayment is not received, in full, by the Attorney General's Office within 60 days after the date this AVC is approved

by the Court, such failure to receive repayment shall constitute a violation of this AVC and as a remedy for such violation a judgment shall issue from this Court in favor of the Attorney General's Office and against Respondents Columbia Car Classics, Inc. and Aaron Payne, jointly and severally, for the full amount of any funds received by Respondents pursuant to the purchase of any warranty for any consumer referred to in this paragraph.

- c. Within 6 months of the date this AVC is approved by the Court, Respondents shall pay in full all monies due and owing to lenders on vehicles they accepted in trade from Grant Wilkerson, Larry Helwig, Jacob Collins, Jonathan Griffith/ Terry Griffith², Frederick Robinson, Taylor Easley, and Joe Hagen/Nina Baksmaty. Respondents accepted such vehicles in trade with existing loans and represented that they would pay off the existing loan balance. Said vehicles are listed in Exhibit A attached to this AVC and incorporated by reference herein. Respondents are responsible for paying the full balance owed on each loan including any interest charges and late fees that accrue on the account. In the event that Respondents fail to pay off each loan listed on Exhibit A in full within 6 months of the date this AVC is approved by the Court, such failure to pay off the loan shall constitute a violation of this AVC and as a remedy for such violation a judgment shall issue from this Court against Respondents for the total amount owed on each

² Respondents have given possession of a 2001 Chevy 3500 traded in by the Griffith family to Central Bank of Lake of the Ozarks, the loan holder for that vehicle. In the event, that Central Bank is able to sell that vehicle, Respondents shall only be liable for the loan balance remaining after the money from the sale has been applied toward the loan by the bank.

loan at the time the judgment is entered including any interest charges or late fees that have accrued on the loan. The judgment shall be in favor of the Attorney General's Office and shall be against Columbia Car Classics, Inc. and Aaron Payne, jointly and severally.

- d. With respect to the loans listed on Exhibit A, Respondents shall also be responsible for keeping current on all monthly payments owed on said loans until the loans are paid off in full. In the event that Respondents fail to make a payment on any loan when due, the Attorney General may, at his option, declare the entire unpaid balance on that loan due and payable and as a remedy for the failure to make such timely payment a judgment shall issue from this Court against Respondents for the total amount owed on said loan at the time the judgment is entered including any interest charges or late fees that have accrued on the loan. The judgment shall be in favor of the Attorney General's Office and shall be against Columbia Car Classics, Inc. and Aaron Payne, jointly and severally.
- e. Within 30 days of the date this AVC is approved by the Court, Respondents shall deliver payment in the amount of \$1,000.00 to the Attorney General's Office as a refund of the down payment paid by Thomas Barnett. The Attorney General's Office shall deliver said payment to Barnett and will turn over possession of the vehicle purchased by Barnett and the certificate of title to Manheim Automotive Services. In the event that Respondents fail to make said payment within 30 days from the date this AVC is approved by the

Court, such failure to make the payment shall constitute a violation of this AVC and as a remedy for such violation a judgment shall issue from this Court against Respondents for \$1,000.00. The judgment shall be in favor of the Attorney General's Office and shall be against Columbia Car Classics, Inc. and Aaron Payne, jointly and severally. Within 30 days of the date this AVC is approved by the Court, Respondents shall also take whatever steps are necessary to close Thomas Barnett's previously cancelled loan which is listed as open on his credit report.

- f. Within 30 days of the date this AVC is approved by the Court, Respondents shall credit \$624.18 to loan balance owed by Robert McKenzie to Mid-America Truck Sales. This credit represents a car rental charged to Robert McKenzie that was the responsibility of Respondents. In the event that Respondents fail to apply said credit to McKenzie's loan balance within 30 days from the date this AVC is approved by the Court, such failure to apply said credit shall constitute a violation of this AVC and as a remedy for such violation a judgment shall issue from this Court against Respondents for \$624.18. The judgment shall be in favor of the Attorney General's Office and shall be against Columbia Car Classics, Inc. and Aaron Payne, jointly and severally.
- g. Within 30 days of the date this AVC is approved by the Court, Respondents shall provide to the Attorney General's Office with a lien release for a 2001 Chevy Monte Carlo purchased by Donald Hyde. In the event that

Respondents fail to provide said lien release within 30 days from the date this AVC is approved by the Court, such failure to provide a lien release shall constitute a violation of this AVC and as a remedy for such violation a judgment shall issue from this Court against Respondents for \$5,350.00 the purchase price of the vehicle. The judgment shall be in favor of the Attorney General's Office and shall be against Columbia Car Classics, Inc. and Aaron Payne, jointly and severally.

16. New Consumer Complaints. Any consumer complaints against Respondents received by the Attorney General's Office between December 1, 2008 and 30 days after the date this AVC is approved by the Court shall be dealt with in the following manner:

- a. If the complaint alleges that Respondents failed to provide a certificate of title to the purchaser of a vehicle, the complaint shall be addressed in the manner set out in Paragraph 15 (a) of this AVC.
- b. If the complaint alleges that the consumer purchased a warranty through Respondents but failed to obtain warranty coverage, the complaint shall be addressed in the manner set out in Paragraph 15 (b) of this AVC.
- c. If the complaint alleges that the consumer traded in a vehicle or vehicles to Respondents and that Respondents have failed to pay off an existing loan on the vehicle or vehicles, the complaint shall be addressed in the manner set out in Paragraph 15 (c) of this AVC.
- d. If the complaint alleges an issue not covered by Paragraphs 16 (a), 16 (b) or 16 (c), the Attorney General's Office will attempt to mediate the complaint

with Respondents. If the complaint is not resolved to the satisfaction of the Attorney General's Office within 60 days after the complaint was brought to the attention of Respondents, the Attorney General's Office may, at its option, initiate legal proceedings regarding the complaint including, but not limited to, an action filed pursuant to Section 407.100.

17. Payment To The Merchandising Practices Revolving Fund. Respondents Columbia Car Classics, Inc. and Aaron M. Payne are jointly and severally liable for and shall pay to the State of Missouri to the credit of the Merchandising Practices Revolving Fund the sum of \$3,000.00 to reimburse the Attorney General Office for attorneys' fees and costs incurred by the Attorney General in the investigation and enforcement of the Merchandising Practices Act, and to provide funds for consumer education and advocacy programs. Payment shall be made pursuant to the following schedule:

\$250.00 payable on the first day of each month beginning March 1, 2009 until the balance is paid in full.

In the event, Respondents fail to make any payment when due, without further order of the court, the Attorney General may, at his option, declare the entire unpaid balance due and payable immediately. Such failure to make any payment when due shall constitute a violation of this AVC and as a remedy for such violation a judgment shall issue from this Court against Respondents for the unpaid balance then due and payable. The judgment shall be in favor of the Attorney General's Office and shall be against Columbia Car Classics, Inc. and Aaron Payne, jointly and severally. Respondents waive any right to notice of default and any opportunity to cure same except by payment of the unpaid balance in full.

18. Civil Penalties. In the event, that this Court finds that Respondents have violated the terms of this AVC, Respondents shall be jointly and severally liable for payment of \$2,000.00 per violation as a civil penalty pursuant to Section 407.030.

19. Further Proceedings. Jurisdiction is retained for the purpose of enabling any party to this AVC to apply to the Court at any time for the purpose of enforcement of the provisions herein. Such enforcement may include, but is not limited, to an action to obtain a civil penalty pursuant to Section 407.030 or an action for violation of the AVC seeking to obtain a judgment for any amounts required to be paid pursuant to paragraphs 15-18 of this AVC. The Attorney General is not restrained from initiating further investigations or legal proceedings concerning the subject matter of this AVC arising after the date this AVC is executed by the parties, including, but not limited to, an action for an injunction, restitution, or other relief brought pursuant to § 407.100.

IN WITNESS WHEREOF, the parties hereto have caused this AVC to be executed in their respective names this ____ day of _____, 2009.

CHRIS KOSTER
Attorney General

By: _____
Stewart M. Freilich # 36924
Assistant Attorney General
P.O. Box 899
Jefferson City, MO 65102

COLUMBIA CAR CLASSICS, INC.

By: Aaron Payne, President

AARON M. PAYNE

Aaron M. Payne

Approved by Counsel For Respondents

Skip Walther
Walther, Antell, Stamper & Fischer, P.C.
700 Cherry Street
Columbia, MO 65205

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

I, _____, Notary Public, do hereby certify that on this ____ day of _____, 2009, personally appeared before me Stewart M. Freilich, who, being first duly sworn upon his oath, declared that he executed the foregoing as Assistant Attorney General and that he was authorized to do so by Chris Koster, the duly elected, qualified and acting Attorney General of the State of Missouri, for the purposes stated herein.

Notary Public

My commission expires: _____

STATE OF MISSOURI)
) SS.
COUNTY OF _____)

I, _____, Notary Public, do hereby certify that on this ____ day of _____, 2009, personally appeared before me Aaron M. Payne, who, being first duly sworn upon his oath, declared that he is authorized and did execute the foregoing AVC on behalf of Columbia Car Classics, Inc. and on his own behalf, and did so for the purposes stated herein.

Notary Public

My commission expires: _____