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## California AutoNation Dealerships Settle Consumer Protection Lawsuit

VENTURA, Calif. – A San Jose judge has ordered a network of car dealerships owned and operated as subsidiaries of AutoNation, Inc., one of the country's largest automobile sellers, to pay \$650,000 to resolve a consumer protection action related to the sale of used vehicles.

The payments were ordered as part of a settlement stemming from a lawsuit filed in Santa Clara County Superior Court by the Ventura County District Attorney's Office and five other California District Attorneys. The dealerships were accused of violating state laws requiring the timely transfer of registration and ownership of used vehicles. California law mandates that used car dealers submit an application to the DMV to transfer registration to a buyer within 30 days of the date of sale. The same 30-day deadline applies to the transfer of the certificate of ownership, or "pink slip," with extensions allowed only if the DMV returns an application due to missing information.

"Consumers deserve a timely transfer of ownership and registration information when purchasing a vehicle," Ventura County District Attorney Erik Nasarenko said. "This settlement ensures that AutoNation plays by the rules and upholds their legal obligations to car buyers."

As part of the settlement, the 42 AutoNation dealership subsidiaries, including Oxnard European Motors, LLC, agreed to implement and enforce new policies to ensure consumers receive timely registration and ownership documentation. These policies include:

- Placing a "stop" on the sale of used vehicles lacking title in hand or a clear path to obtaining it within 30 days.
- Conducting smog checks or VIN verifications prior to any sale, when necessary.
- Deferring sales commissions on the sale of used vehicles that cannot be timely transferred.
- Maintaining a minimum of 10 employees dedicated to processing ownership transfers.
- Designating a regional manager or higher-level employee responsible for compliance with these requirements.

The \$650,000 settlement includes \$450,000 in civil penalties, \$150,000 in investigative costs, and \$50,000 to support statewide consumer protection efforts. The lawsuit was brought by the District Attorney's Offices of Ventura, Santa Clara, San Francisco, Sonoma, Los Angeles, and Riverside Counties. AutoNation cooperated with the investigation, resolved the case without admitting liability, and quickly took steps to improve compliance with consumer protection laws highlighted by prosecutors.