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## What compliance looks like: Unfair and deceptive practices

by Gil Van Over

Renegade was my nickname in a prior life. Seems I did not always follow the rules and regs. Still hate them to this day. So, let's move on in our discussion of what compliance looks like to something more nefarious, something more nebulous, something more edgy...fraud.

### Unfair and Deceptive Practices – Lawyer Definition

In my dealer presentations, I flash a slide that provides this definition of an unfair and deceptive practice from a particular state. Never mind which state, your state probably has something very similar to this definition:

Unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.

Now, read it really fast like I do in my presentations. Try it translated to Tagalog. It will make as much sense.

I've asked many of the attorneys I work with to define this definition for me and they all stumble trying to provide an answer in the same fashion your sales people fumble if a customer asks about the best rate.

### Layman's Definition

I am not an attorney. I am not an accountant. I am just a simple guy. I need to understand complex issues in a simple way. I have translated the legal definition into a simple term that makes sense to me and most of my clients:

If it appears confusing, it is probably deceptive.

### Examples

Does your four-square have five different sharpie colors, 12 terms and 14 payments? Could you really expect a jury of six citizens to decipher your four square and overturn their suspicions that you are being shady?

Try this test. Take a four square like I just described, show it to all of your desk managers and ask them to tell you what the final deal was. I will be shocked if they all agree.

If it appears confusing, it is probably deceptive.

Does your copy of the Used Car Buyers Guide accurately reflect the final agreement with the customer, or is the customer's copy just checked "Warranty" without limiting the warranty?

If the customer has a problem with her tranny, brings it to you for service and you send her to her attorney, you may have a problem. Her copy does not limit the warranty and her copy will probably rule.

If it appears confusing, it is probably deceptive.

Do all of the products you sell in the F&I Office have a price listed on the enrollment form? Or are you omitting the price on the enrollment form, or printing N/A in the price box?

Try this test: Take all of the forms the customer leaves with. If the price is blank on the enrollment form, is included in the cash price on the Buyer's Order and Retail Installment Sales Contract or Lease Agreement, you cannot produce a form that the customer signed showing the price of the product.

Ergo, the customer cannot show his attorney any form that shows how much he paid for etch, or paint, or alarm, etc.

If it appears confusing, it is probably deceptive.

The dark side is continually trying to find a deceptive twist or spin too many of the old school car sales practices. They will likely use the same litmus test we use...confusion equals deception.

Trust your gut. Look at the execution of the documents in your files. If they appear confusing, they can be perceived as deceptive.

Gil Van Over is the President and founder of gvo3 & Associates ([www.gvo3.com](http://www.gvo3.com)).

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