



Highway 1

AUTOS CALIFORNIA STYLE

Classified

▶ INSIDE

Bad Deal? Squeaky Wheel Gets the Grease

An unhappy car buyer who knows how and where to complain can often repair the damage.

By CLIFF ROTHMAN
SPECIAL TO THE TIMES

Tom Hirko's head was spinning when he left the auto dealership. And after discussing the deal with a customer at his barbershop the next day, his stomach was spinning too.

He had walked into Sheridan Toyota near his shop in Santa Monica last summer with \$12,000 in cash and a trade-in, ready to purchase the \$20,800 RAV4 sport-utility he had seen on the lot.

But after the sales team had finished with him, he'd paid more than \$25,000 for the same RAV4, with no added features. And he had agreed to finance it for 72 months at almost

12% interest—much higher than justified by his credit history. Altogether, he'd be paying about \$36,000 by the time the pink slip was his.

He was what industry insiders call a "lay-out," a customer anxious to buy and ripe for exploitation.

With his excellent credit rating and upfront cash outlay, most dealers would have negotiated a four-year loan for Hirko at an interest rate of about 9%. And most Toyota dealers at the time were cutting prices on similarly equipped RAV4s to about \$19,000 to clear inventory. A deal like that would have saved Hirko almost \$9,000 over the life of the contract.

"What can I say? I was naive and gullible," he said in retrospect. "I was overwhelmed by the pressure. They kept putting one deal after another in front of me, including pressure to lease. I was overwhelmed and didn't look at the figures carefully enough."

Hirko's story has a happy ending—he persevered and got through to dealership owner

Daniel Sheridan, who tore up the old deal and wrote a new one. But many similar stories don't end well.

not true
Certainly, only a small portion of auto dealers are shady operators. A recent national Gallup survey of new-car buyers for the trade journal Automotive Retailing Today found that 85% of new-car buyers had positive feelings about the experience and that 94% were happy with the dealership where they bought their vehicle.

But that still leaves 2.7 million car buyers with negative feelings about the purchase process and 1 million who didn't much like the dealership they used.

EASY
A bad car deal can happen to anyone. California has no cooling-off period for car purchases. You're expected to be prepared and to live with the consequences when you sign a lease or purchase contract.

But if you truly believe you were taken advantage of and are willing to push and know

Please see Deal, G2

Questionable Tactics

The state attorney general's office is soliciting complaints from consumers who suspect they have been victimized by unscrupulous car dealerships.

The complaints most frequently filed against dealers fall into five broad categories, said Herschel Elkins, head of the attorney general's consumer law unit. In order of frequency, they are:

1. Bait-and-switch: sales agents switching the deal from a sale to a lease.
2. Unavailability of advertised cars.
3. Being charged for products and services not ordered.
4. Oral misrepresentation by a salesperson or finance manager—usually promised goods or services that do not appear on the completed contract.
5. Undue sales pressure that exhausts and confuses the consumer.