
IN RE: Auto Special)
 4285 Northwest 2nd Street)
 Des Moines, IA 50313) ASSURANCE OF DISCONTINUANCE

ASSURANCE OF DISCONTINUANCE

This Assurance is given by Auto Special, Inc., and accepted by the State of Iowa, pursuant to § 537.6109 of the Iowa Consumer Credit Code. This Assurance shall be binding on Auto Special, Inc., and the officers, employees, agents, and assigns of Auto Special, Inc. (hereafter "Auto Special"). Auto Special agrees to enter into this Assurance in order to resolve this matter and all matters detailed below. Auto Special further agrees to comply in all respects with the Iowa Consumer Credit Code (hereafter "ICCC").

The State alleges that Auto Special has failed to comply with provisions of the ICCC. Specifically, the State alleges that Auto Special has failed to comply with the Truth in Lending Act as incorporated by Iowa Code § 537.3201, and Iowa Code §§ 537.2502, 537.3201, 537.3301, 537.5109-5111, 554.9614 and 554.9616.

Auto Special agrees to reform all of its existing and future contracts to include accurate statements of APR, total payments, total amount financed, and total sales price, as called for by the Truth in Lending Act and Iowa Code § 537.3201. Auto Special also agrees to, within ninety (90) days of signing this Assurance, provide the State with a list of the contracts reformed. This list shall include the name, address, and contact information of the consumers whose contracts were reformed as well as the VIN of the vehicle that coincides with the vehicle on contract for each consumer; in addition, Auto

Special will execute and supply to the State an affidavit swearing to the best of their knowledge that the list/spreadsheet is accurate.

Auto Special agrees to refund all fees collected which were not in accordance with Iowa Code § 537.2502. Within ninety (90) days of signing this Assurance, Auto Special will issue full refunds for all late fees assessed before 10 days after the due date and all fees in excess of the maximum allowed. The refund may be made as a statement credit for those with remaining balances or in the form of a check. Auto Special will create a list/spreadsheet that shows proof of refunds and will provide a copy of the list/spreadsheet to the State before the expiration of the ninety (90) day period. This list will have the names of the consumers that refunds were provided to, the most recent contact information for these consumers, and a list of the amount and type of refund issued, and how the refund was issued. Auto Special will execute and supply to the State an affidavit swearing to the best of their knowledge that the refund list/spreadsheet is accurate.

Auto Special further agrees to reform all of its existing and future contracts to eliminate the attempted waiver of ICCC protections. Within ninety (90) days of signing this Assurance, Auto Special will send a letter to all of its current consumers to whom the attempted waiver was made and inform them that the waiver is not applicable and that pursuant to Iowa law and in accordance with the rates set forth in the retail installment contract, the late fees will be in accordance with the Retail Installment Contract which will be the lesser of 5% or \$20.00.

Auto Special will send the State within the ninety-days of executing this Assurance a copy of the letter it sends to the affected consumers as well as a list of all

consumers that receive the letter, the addresses the letter was sent to for each consumer, and the date the letter was sent. Along with the letter and list of affected consumers, Auto Special will execute and supply to the State an affidavit swearing to the best of their knowledge that the list/spreadsheet is accurate. In addition, Auto Special will immediately exclude its attempted waiver of Iowa law from all consumer credit transactions.

Auto Special agrees to follow the procedures required by Iowa Code §§ 537.5109-5111. This would include, but is not limited to, giving consumers a ten-day grace period on payments before the consumer enters into default, giving consumers proper notice of their opportunity to cure a default, and giving consumers the proper opportunity and time (twenty days) to cure a default. The notice must include the amount of money required to cure the default. In addition, Auto Special agrees to follow the post repossession notice requirements of Iowa Code §§ 554.9614 and 554.9616. Auto Special further agrees that it will not initiate auto repossessions based on defaults of payments outside of the retail installment contract. Auto Special will provide the State copies of all paperwork associated with the first five repossessions it conducts after the Assurance is executed. Auto Special will send these first five repossessions within ten (10) days of the fifth repossession.

Auto Special agrees to forgive any outstanding balance/money owed for any consumer who has had his/her vehicle repossessed in the past two years without being provided a proper Notice of Right to Cure, Notice of Disposition, and Post-Sale Notification. Within ninety (90) days of signing this Assurance Auto Special will send the State proof of forgiveness of outstanding balances in the form of list and/or

spreadsheet that shows the name of the consumer, last known address, vehicle make, VIN, and the outstanding balance forgiveness. Auto Special will also provide copies of dismissals of any court cases or garnishments if applicable. Auto Special will execute and supply to the State an affidavit swearing to the best of their knowledge that the list/spreadsheet is accurate. Auto Special will notify consumers of any forgiveness by letter and indicate in the letter the amount forgiven. Auto Special will provide the State with a copy of a list/spreadsheet that shows that this letter has been sent to the consumer's last known address. Auto Special will execute and supply to the State an affidavit swearing to the best of their knowledge that the list/spreadsheet is accurate.

In any instances where a consumer paid tax, title, license fees, and other fees to transfer the title of their vehicle, but the title was never transferred, Auto Special agrees to refund all costs and fees paid to Auto Special by the consumer. To the extent the refund of these transfer of title fees to consumers is not noted on another list/spreadsheet provided to the State, Auto Special agrees to provide to the State within the ninety-days of executing this Assurance a list/spreadsheet that shows the name of the consumer, last known address, vehicle make, VIN, and the amount of tax, title, license, and other fees refunded. Auto Special will execute and supply to the State an affidavit swearing to the best of their knowledge that the list/spreadsheet is accurate.

If applicable, Auto Special agrees to refund the amounts paid after repossession by every consumer who has had his/her vehicle repossessed without receiving a proper Notice of Right to Cure, Notice of Disposition, or Post-Sale Notification, and has paid the charges incurred by that repossession. These refunds will be made within ninety (90) days of receipt of this Assurance. Within the ninety-days of executing this Assurance

Auto Special will provide the State with a list of all consumers to whom refunds are to be made; this list shall include the consumer's name, contact information, and VIN of the vehicle associated with the refund, the amount of the refund, the date of the refund, and how the refund was made. Photocopies of all refund checks do not need to be attached to the list, but must be kept in the client's file. Auto Special will execute and supply to the State an affidavit swearing to the best of their knowledge that the list/spreadsheet is accurate.

For any provision above wherein Auto Special owes a consumer a refund, if Auto Special is unable to make contact with or provide remittance to any consumer within ninety (90) days of signing this Assurance, Auto Special will notify the State and provide the funds to the State. The State will then attempt to contact the consumer and forward the refund. If the State cannot locate a consumer after six months, the money will be deposited by the State into the Consumer Education and Litigation Fund established by Iowa Code Section 714.16C.

Within the ninety-days of executing this Assurance Auto Special agrees to provide a list to the State of all consumers who should receive a refund, the most recent contact information for each consumer, if they have it, otherwise the consumer's last known address per Auto Special Records, the reason for the refund, the amount of the refund, whether it was paid, and how it was paid. Auto Special will include on the list/spreadsheet, the information on the vehicles and consumers in which this is applicable since the Subpoena was issued up until the execution of the Assurance. Auto Special will execute and supply to the State an affidavit swearing to the best of their knowledge that the list/spreadsheet is accurate.

Finally, ninety (90) days after the execution of this Assurance, Auto Special agrees to send the State copies of all the documents involved in its five most recent credit transactions. If at any point during the ninety (90) days Auto Special makes a request for additional time in order to complete the steps required in the Assurances, the Attorney General's Office Representative shall allow a reasonable extension of time based on the request for the extension.

FOR THE STATE OF IOWA
THOMAS J. MILLER, ATTORNEY GENERAL

By: Jessica Whitney

Jessica Whitney
Assistant Attorney General
Deputy Administrator ICCC
1305 E. Walnut St.
Des Moines, IA 50319
(515)281-5926

Subscribed and sworn to before me by the above-named individual on the 10th
day of December, 2013.

Anna M. Cimino
NOTARY PUBLIC



FOR AUTO SPECIAL

By: A Javier Escobedo

President or Owner, Auto Special

Subscribed and sworn to before me by the above-named individual on the 10th
day of December, 2013.

Bethany Hempel
NOTARY PUBLIC



By: 

President or Owner, Auto Special

Subscribed and sworn to before me by the above-named individual on the 3rd
day of December, 2013.


NOTARY PUBLIC



