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IN THE SUPREME COURT OF THE STATE OF NEVADA

DERRICK POOLE, an individual,

Appellant,

Supreme Court Case No.: 74808

VS.

District Court Case No.: A-16-737120-C

NEVADA AUTO DEALERSHIP INVESTMENTS, COREPOINT INSURANCE CO.,

Respondent.

RESPONDENTS, NEVADA AUTO DEALERSHIP INVESTMENTS LLC AND COREPOINTE INSURANCE COMPANY'S APPENDIX

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10	DISTRICT	COURT	
I 1	DISTRICT COURT CLARK COUNTY, NEVADA		
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13	DERRICK POOLE,	Case No.: A-16-737120-C	
14	Plaintiff,	Dept. No.: XXVII	
15	v.		
16	NEVADA AUTO DEALERSHIP	DEFENDANTS NEVADA AUTO DEALERSHIP INVESTMENTS	
17	INVESTMENTS LLC, a Nevada Limited	LLC'S AND COREPOINTE	
.,	Liability Company d/b/a SAHARA CHRYSLER; JEEP, DODGE, WELLS	INSURANCE COMPANY'S REPLY IN SUPPORT OF MOTION FOR	
	FARGO DEALER SERVICES INC.,	SUMMARY JUDGMENT	
19	COREPOINTE INSURANCE COMPANY; and DOES 1 through 100,	Date: November 9, 2017	
20	Inclusive,	Time: 10:30 a.m.	
21	Defendants.		
22			
23	COME NOW, Defendants, NEVADA AUTO DEALERSHIP INVESTMENTS LLC		
24			
25	DBA SAHARA CHRYSLER JEEP DODGE, ("Defendant" or "Nevada Auto" or "Sahara		
26	Chrysler") and COREPOINTE INSURANCE, ("Corepointe") by and through their counsel		
N/D 27	of record JEFFERY A. BENDAVID, ESQ. and STEPHANIE J. SMITH, ESQ. of MORAN		
BM 28	BRANDON BENDAVID MORAN, and hereby submit their Reply to Plaintiff's Opposition		
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to its Motion for Summary Judgment against Plaintiff, DERRICK POOLE ("Poole" and/or "Plaintiff"), an individual.

This Reply is made and based upon the Memorandum of Points and Authorities submitted herewith, together with the papers and pleadings on file herein, exhibits attached hereto, and oral arguments at the time of Hearing.

DATED this 3rd day of November, 2017

MORAN BRANDON BENDAVID MORAN

/s/Jeffery A. Bendavid

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MEMORANDUM OF POINTS AND AUTHORITIES

I. <u>INTRODUCTION.</u>

Plaintiff filed 89 pages of briefing in an attempt to obscure the very simple issues in this litigation. By attempting to distract the Court into thinking that there are "material issues of fact in dispute", Plaintiff reveals the blatant weakness and lack of actual authority that requires the "disclosure" to which Plaintiff insists he was entitled. Plaintiff's theory that Defendant nefariously concealed information from Plaintiff in order to deceive him and perpetrate a fraud is absurd. The simple facts are that Plaintiff happily drove his car for multiple years and thousands of miles. Plaintiff's "facts" regarding improper repairs or some kind of "safety" issue are belied by the simple fact that Plaintiff did no repairs on the subject Vehicle, and that Plaintiff continued to drive the Vehicle for approximately a year after his "expert", Rocco, inspected it. Plaintiff attempts to create a material fact regarding the details of the accident the Vehicle was in prior to his purchase, but the fact remains, any stigma related to the accident is related to the fact that it had been in any accident, not whether some small parts were replaced or repaired. Plaintiff cannot make something material by generating disingenuous concerns or issues through his expert, when the evidence does not support such findings, and when Plaintiff drove it for multiple years and thousands of miles. Accordingly, Defendants are entitled to judgment as a matter of law, as there are no material facts in dispute.

II. FACTS

Plaintiff attempts to generate additional material on which to rely by attaching an affidavit from Rocco Avellini¹ and Plaintiff himself. See Opposition.² However, Mr.



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¹ Defendants have moved to strike the declaration of Rocco Aveilini based on its untimeliness and irrelevance. ² Plaintiff filed another 27 page document of his facts, which Defendants are moving to strike. Defendants neither admit either the veracity, or material nature of Plaintiff's purported "facts" and objects the

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630 SOUTH 41H STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568 Avellini is a paid expert hired specifically by Plaintiff's counsel, and who serves primarily as a Plaintiff's expert. Plaintiff is attempting, with his 89 pages of briefing, to create the illusion of disputed "material" facts, however, Plaintiff's verbose briefing does not change the actual true facts of this matter, which are simple, and undisputed.

It is undisputed that on May 8, 2014, the Vehicle underwent a detailed inspection by a certified mechanic, Ray Gongora, to determine whether it could be a Certified Pre-Owned ("CPO") Vehicle. See Exhibit 4 to Motion for Summary Judgment.

It is undisputed that the certified mechanic conducting the CPO inspection would have had a CarFax, as Ray Gongora testified that he would look at the CarFax, prior or contemporaneous to performing the inspection, as such here, the mechanic would have been aware of a previous accident on the subject Vehicle. Exhibit 1, Excerpts of Deposition of Ray Gongora ("Gongora Depo."), 40:17-41:7. Indeed, Plaintiff does not dispute that Ray Gongora was made aware that the Vehicle had been in a previous accident. See Response filed by Plaintiff. There is no dispute that the Vehicle passed the CPO 125-point inspection, performed by Ray Gongora and accordingly was designated as a CPO vehicle in Defendant's inventory. See Id. Plaintiff contends, through his "expert" that the Vehicle should not have been sold as a CPO vehicle, and was otherwise improperly certified. See generally, Plaintiff's Separate Statement. Defendant disputes these assertions. Again, it is undisputed that Plaintiff purchased the car in May 2014, and signed the CarFax acknowledging that the Vehicle had been in a previous accident. See First Amended Complaint.

Crucially, it is undisputed that Defendant presented a CarFax to Plaintiff, dated May 10, 2014, (the "CarFax") pursuant to the CPO Delivery Check Sheet. *Exhibit 9 to MSJ*.

mischaracterization of the testimony cited to of Travis Spruell, Noah Grant, and Joshua Grant. Defendants further object to the facts set forth by Plaintiff as being material.

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630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568 It is more importantly, undisputed that when Plaintiff purchased the subject Vehicle he signed the CarFax, acknowledging it had been in a previous accident. *Id*.

It is undisputed that despite being informed of the accident on the Vehicle, Plaintiff did not ask any questions regarding any specifics about accident. See Exhibit 2, Excerpts of Deposition of Derrick Poole ("Poole Depo."), 19:2-20:6. Plaintiff, even after allegedly being informed the accident was "minor" did not even bother to ask how the salesperson knew such information or how any such information would have been obtained. Id., 84:4-13.

Additionally, it is undisputed that Plaintiff drove the car for thousands of miles over the course of approximately, three (3) years, which is directly relevant as Defendant clearly did not cause Plaintiff to incur any damages. See Response filed by Plaintiff.

It is undisputed that Plaintiff has not personally experienced any safety issues with his Vehicle. *Poole Depo., 39:7-24, 60:11-13.* Plaintiff is now attempting to generate a "safety" concern regarding a "reconditioned" wheel that may have been on the Vehicle at the time of the sale. *See Response filed by Plaintiff, see also, Opposition.* However, Plaintiff drove the car for a year after his "expert" inspected the Vehicle with this alleged "safety" issue, and was only purportedly made aware of it on August 13, 2017. *Poole Depo., 37:3-8, see also Expert Report of Rocco Avellini.*

By Plaintiff's own "facts", his expert reviewed the Allstate collision estimate, and conducted a subsequent inspection of the Vehicle. See Expert Report of R. Avellini, and Declaration of R. Avellini to Opposition, ¶10.3 As such, Plaintiff's expert then purportedly inspected a safety issue that allegedly could have resulted in "serious injury or death" in May 2016, yet, permitted Plaintiff to drive the Vehicle for another year, and indeed, did not

³ Defendant is moving to strike this superfluous and declaration, however, is choosing to cite to Mr. Avellini's sworn declaratory testimony regarding the order in which he reviewed items.

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630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568 inform him of any "safety" issue until magically the day prior to Plaintiff's deposition. *Id.*This fact alone is illustrative of Plaintiff's factually deficient claims, and his attempt to create "material facts" to preclude summary judgment.

The undisputed facts are clear. Plaintiff purchased a Vehicle that he knew had been in a previous accident where it sustained damage, and was towed. Defendant performed a good faith inspection of the Vehicle, and certified it pursuant to its 125-point inspection checklist, via its certified mechanic, Ray Gongora. Plaintiff, aside from his "expert's" own self-serving testimony⁴, provides no evidence that the car was not suitable to be a CPO in 2014, or that the price Plaintiff paid for it did not take into account the previous accident.

III. LEGAL ARGUMENT

A. Plaintiff Mischaracterizes the Arguments of Defendants as Defendants Do Not Argue to Impose a Higher Burden of Proof on Plaintiff.

Plaintiff expends significant effort in explaining that his claims are solely statutory in nature by citing to *Betsinger v. D.R. Horton*, 232 P.3d 433 (2010). *See Opposition*, 6-10. However, Defendants cited to cases regarding fraudulent conduct in order to illustrate the lack of such conduct in the present circumstances, and the fact that Plaintiff still needs to prove that <u>fraudulent</u> conduct actually occurred. Indeed, Plaintiff largely asserts his base allegations that any statement whatsoever that does not fully disclose each and every facts is somehow "fraudulent" and a "deceptive trade practice". *See generally, Opposition.* Plaintiff references the decision in *Betsinger*, however, the *Betsinger* Court did not delve into an analysis of what constituted a deceptive trade practice in the sale of consumer goods, but instead instructed that a plaintiff need only meet a "preponderance of the evidence" standard

⁴ Plaintiff's "expert" is not qualified to make such a statement as he has never conducted a Certified Pre-Owned inspection, did not perform one on the Vehicle, and did not inspect it for another two years after Plaintiff drove the Vehicle. See MSJ. Also, Defendant has a pending Motion to Strike all of Rocco Avellini's testimony, report, and opinions.

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630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX. (702) 384-6588 in proving claims for deceptive trade practices. Defendants do not argue that Plaintiff had to prove deceptive consumer practices by any other standard, only that Plaintiff must prove punitive damages claims by a "clear and convincing" evidence standard. As such, Plaintiff wastes this Court's time by explaning a standard which is not at issue. See generally, Opposition. Plaintiff fails to meet any of the requisites for any fraudulent claim, statutory or otherwise.

Indeed, as explained within Defendants' Motion for Summary Judgment, Plaintiff failed to demonstrate with actual admissible evidence that Defendants engaged in any statutory deceptive trade practice, in particular Plaintiff fails to demonstrate that Defendants knowingly engaged in any conduct prohibited by NRS 598.0915 et seq. Plaintiff also fails to show how Defendants' conduct caused him any damages, or that he relied upon those to his detriment. *See Picus v. Wal-Mart*, 256 F.R.D. 651, 658 (D. Nev. 2009). Plaintiff fails to evidence how he actually suffered damages by accepting and purchasing a Vehicle which he knew had been in an accident. Plaintiff, as in his First Amended Complaint, is still trying to concoct a story of some master scheme to defraud him by knowingly and maliciously hiding facts which Defendants were somehow required to disclose, but Plaintiff cannot meet the elements of these claims. Accordingly, Plaintiff's claims should be summarily dismissed as a matter of law.

B. This Court is the Appropriate Entity and it is Within its Discretion to Determine the Materiality of Facts, as a matter of law.

Plaintiff cites to various other jurisdictions to support his contention that only a jury can decide whether the fact that some parts were repaired or replaced prior to Defendants' possession of the subject Vehicle was material. See Opposition, 11, fn. 5. However, the substantive law controls which factual disputes are material. See Wood v. Safeway, 121

Nev. 724, 731 (2005). Notably, Plaintiff does not cite to applicable cases within Nevada, because Nevada's standards are different than those of other states, and it has its own unique consumer fraud/deceptive trade practices standards. See generally, Opposition. The cases cited to by Plaintiff from a variety of other jurisdictions each with their own statutory acts regarding consumer fraud and varying standards address extremely different facts. For example, Plaintiff's first cited case dealt with significant unrepaired damage, and a representation that the car purchased was in "perfect condition" with no mention of any accident, and the plaintiffs in that case made their discovery within a day of purchasing the vehicle. See Totz v. Cont'l v. Du Page Acura, 236 Ill. App. 3d 891, 899 (1992)⁵. Further, again, the nonmoving party may not defeat a motion for summary judgment on the "gossamer threads of whimsy, speculation, and conjecture." See Wood, 121 Nev. at 732. Plaintiff's claims are premised largely on conjecture, that he would not have purchased the Vehicle had more detailed information regarding parts being repaired or replaced had been given to him. See First Amended Complaint. However, this is pure, self-serving conjecture, not evidence of a disputed material fact.

Plaintiff cites to only two related Nevada cases that address the provenance of this Court to assess what facts are material, *Powers v. United Services Augo. Ass'n.*, to substantiate his contention that materiality is an objective standard to be submitted to a jury. *See Opposition 10:19-11:7.* In *Powers I*, as Plaintiff refers to it, the Court states, "...the issue whether there is a material 'variance between the representation and the existing facts" (internal citation omitted), 114 Nev. 690, 698 (1998), *Opposition*, 10:19-21. However, there is no such determination to be made here, and thus the Court is the appropriate "fact finder". Indeed, in *Powers II*, as Plaintiff identifies it, the Court is careful



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⁵ Plaintiff's other cases cite to a host of significantly factually different cases, including proposed class actions, and cases with evidence of uniform fraudulent practices, which is not present here.

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630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568 to state that, "...every case must be considered on its own facts." 115 Nev. 38, 45, 979 P.2d 1286, 1289 (1999).

Plaintiff was told that the Vehicle was in an accident previously, and knew that the Vehicle was not a brand new Vehicle, at the time he purchased it, and he did so anyhow. See Id. Plaintiff attempts to frame the fact that some parts on the Vehicle had been repaired and/or replaced as a "material" fact which should have been disclosed to Plaintiff, because vehicles that have been in an accident have a "stigma." See First Amended Complaint, and generally, Opposition. Plaintiff admits he knew of the previous accident, therefore, he already accepted the "stigma" and/or any possible issues which may be associated with a pre-owned vehicle, including price, value and other factors.

C. The Only "Material Fact" about the Vehicle was that it was in an Accident Prior to Plaintiff's Purchase, which Plaintiff admits was Disclosed to Plaintiff Prior to Purchase.

Plaintiff is trying to generate issues of "material" fact that simply do not exist, and do not need to be in the provenance of a jury. Indeed the standard is that where, "reasonable minds cannot differ" then summary judgment may be granted as a matter of law. Here, it is disingenuous for Plaintiff to argue that had he known of each and every part that was repaired or replaced that he would not have purchased the Vehicle. Plaintiff specifically testified, "I'm not really a mechanic or a car guy. So I don't really know when it comes to what I'm looking at as far as details and stuff." Deposition of Derrick Poole, 13:14-18. As such, whether or not Mr. Poole was given information that a specific part being repaired or replaced is irrelevant, and not material. In Powers v. United Servs. Auto Ass'n, which does have markedly different facts and involves different obligations placed particularly upon an insurance company, the Nevada Supreme Court still stated that, "[T]o be deemed a material misrepresentation, it must be shown that an insurer's 'investigation would have proceeded

differently had' the insured told the truth." (internal citation omitted), 114 Nev. 690, 699, 962 P.2d 596 (1998).

Similarly, by Plaintiff's own argument Plaintiff should demonstrate the materiality of the additional information that his investigation or course of action would have been different had he been informed specific parts had been repaired or replaced. *Id.* However, aside from Plaintiff's self-serving testimony, there is no actual evidence that Plaintiff would have proceeded any differently including otherwise not purchasing the Vehicle.

He was informed that the car had been in an accident, and signed a CarFax that reflected damage had been reported, and that the Vehicle had been towed. See Exhibit 9 to MSJ-CarFax. Plaintiff also testified that he was satisfied with the knowledge that the Vehicle had undergone and passed the CPO inspection by a certified mechanic, which Plaintiff admitted he is not. Poole Depo., 42:1-10. Plaintiff attempts to argue that being informed the Vehicle had sustained \$4,088.70 in previous damage would have been "material" or "important" to disclose, however, even Plaintiff's own expert testified as follows:

Q: Based on your extensive experience in performing car repairs and as a repair shop owner, if someone told you their vehicle had \$4,088.77 of repairs, would that signify anything to you?

A. Not at all.

Exhibit 3, Excerpts of Deposition of Rocco Avellini ("Avellini Depo."), 142:12-17. As such, it is clear that such a disclosure is immaterial, as it does not actually signify anything, even to an "expert." After Plaintiff was informed that the Vehicle had been in a wreck, he felt completely assuaged at The Vehicle was still a CPO pursuant to Defendant's inspection, and Plaintiff continually drove the Vehicle without any actual problems for three (3) years with the Vehicle. See MSJ, UFs 16-18. Plaintiff cannot prevail on his claims,



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Indeed, the citations that Plaintiff sets forth deal in hypotheticals and pure speculation. See Opposition, 12:22-13:16. Defendant made the requisite disclosure that the Vehicle was in an accident, Plaintiff, no matter how many times he claims, details of the previous accident were "material," cannot seek to impose extra duties on Defendant with zero legal basis. It is undisputed that the Vehicle had been in a previous accident and undisputed that such a fact was disclosed to Plaintiff, in writing, via the CarFax.

Any reasonable person would surmise that if a vehicle was in an accident from which it had to be towed, some of the parts would have been repaired and/or replaced. For Plaintiff to now allege that he would have not purchased any vehicle from Defendant is entirely disingenuous, particularly because he personally experienced no issues with it (aside from being in his own accident), and he continued to drive the Vehicle for three years and even after filing his Complaint in this matter, and after his "expert's" inspection.

1. Defendant Disclosed All <u>Material Facts</u> Which it was Legally Required to Disclose, and therefore Did Not Commit a Deceptive Trade Practice Pursuant to NRS 598.0923(2) et seq.

NRS 598.0923 (2) does not provide that any and all known facts about a transaction must be affirmatively disclosed to a consumer. It provides only a "material fact in connection with the sale" should be disclosed. See NRS 598.0923(2). Despite Plaintiff's self-serving testimony and "expert" testimony, there is no actual evidence that disclosure of any or all of the repaired or replaced parts or the cost to repair and/or replace those parts was "material" at the time of the sale. See generally Opposition, and Exhibits thereto. There is no dispute that Plaintiff was specifically informed of the material fact that the Vehicle had been in a previous accident. See Plaintiff claims that any information about a repaired or replaced part would have been "material." See generally, Opposition. However, during

deposition, Plaintiff testified he had no idea what the various parts even were or what it meant that they were repaired and/or replaced. For instance, Plaintiff testified:

- Q. Do you know what -- I believe you keep referring to a frame bracket; is that right?
- A. Yeah. I believe that's what I read on the estimate.
- Q. Do you know what that is?
- A. I have no idea what that is.
- Q. Do you know what it does?
- A. I have no idea what it does. Poole Depo., 73:21-74:3.

Accordingly, the evidence points to the fact that Plaintiff would have proceeded along the exact same course as he actually did, and still purchased the Vehicle after receiving "the information" that the Vehicle had been put through the CPO process. The information contained within the Allstate report could not have been material to Plaintiff because he did not even know what it meant, or what specific parts were used for or did. In truth, Plaintiff would have utilized the same information, the CPO inspection, that was provided to him when he was originally informed that the Vehicle had been in an accident.

Additionally, Plaintiff also neglects to consider is the fact that the repairs were performed not by Defendant, but by an independent third-party automotive repair shop, and authorized by an insurance company. See MSJ, Exhibit 3- Allstate documents. As such, Plaintiff's claims that repairs were improperly performed has even less credibility. Here, Defendant did not knowingly conceal any "material" information, nor did it fail to disclose any "material" information, because in this set of circumstances, the details of the accident were not material, and the condition of the Vehicle at the time of purchase was not otherwise misrepresented.



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630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:{702}384-8424 FAX: (702) 384-6568 Only the omission of a "material fact" which may constitute a false representation. See Nelson v. Heer, 123 Nev. 217, 163 P.3d 420 (2007). Plaintiffs have not actually provided evidence or legal authority which declares the details of a previously repaired automotive accident are "material" to the purchase of a vehicle when it has been disclosed that there was an accident, and that the vehicle sustained damage. Plaintiff cites to cases regarding "common law" fraud and disclosure, however, in one of them the court recognizes that there was a special relationship beyond that of buyer and seller, and the other, case included facts wherein, the person making representations had no knowledge or actual basis on which to base some of her representations. See Opposition, fin. 9. Defendant did not notice defects, safety issues, or other issues which caused it concern, prior to, during or after the sale of the Vehicle. See generally, MSJ, UFs.

The nature and extent of the accident previously sustained by the Vehicle is <u>not</u> material, because the Vehicle had been fully repaired prior to Defendant's acquisition of it, and then was put through a comprehensive multi-point inspection. *See MSJ, UFs 4-7.* It is <u>purely speculative</u> that Plaintiff would not have purchased the Vehicle if he had obtained any other additional information about specific parts that had been replaced/repaired on the Vehicle, or the amount of money which was spent on repairs or replacements. Plaintiff purchased the car knowing it had sustained damage from a previous accident. *See MSJ. UFs* 10-13.

Defendant fulfilled their affirmative duty to disclose that the Vehicle had been in an accident and had sustained previous damage, Defendant did not otherwise perceive or discovery any latent defects or other problems for which it may have had an additional duty of disclosure. *See MSJ*. Therefore, Defendant did not violate NRS 598.023(2). Plaintiff's claim should be summarily dismissed, as a matter of law.

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2. Defendant Did Not Make Any False Oral or Written Misrepresentations that Constitute Any Violation of 16 C.F.R. § 455 (A)(1) or of NRS 598.023(3).

Plaintiff for the first time asserts that Defendant made an oral misrepresentation that the previous accident on the Vehicle was "minor" and that it otherwise made a written misrepresentation regarding the condition of the Vehicle. See Opposition, 17:17-19:17. The evidence is clear, the Allstate estimate and the subsequent repair and inspection of the Vehicle, paired with its performance as a vehicle that was in good working condition (save for Plaintiff's own accident) conclusively demonstrates that the previous accident was "minor". There was no indication either from the Allstate documents or the subsequent inspection that the Vehicle was considered a total loss, or that it had sustained frame damage. See Exhibit 3 to MSJ. Indeed, the CarFax did not indicate any significant or "major" damage. See Exhibit 9 to MSJ. Therefore, there was no oral misrepresentation.

Further, Ray Gongora testified that he only would notate on the CPO checklist if he discovered an improper or subpar repair. *Gongora Depo.*, 38:18-39:2. As such, Mr. Gongora did not find an improper or subpar repair, and accordingly did not mark any down on the CPO checklist. *Id.* There is no evidence that Defendant failed to perform an inspection of the Vehicle, and no actual evidence that there was any policy and practice to hide information regarding previous accidents. *See generally, Opposition.* Thus, it is unclear how any affirmative written misrepresentation was made. Any reasonable consumer who was informed that a vehicle they purchased was in an accident and sustained damages would affirmatively know that some part(s) would have been repaired and/or replaced. Perhaps if Defendant had specifically notated that all parts were original, or that the vehicle had not had any repairs done, they could have made an affirmative misrepresentation, however, no such facts exist.

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630 South 41h Street Las Vegas, Nevada 89101 Phone:(702) 384-8424 Fax: (702) 384-6568 Plaintiff keeps reiterating that his expert purportedly saw issues two years after he had purchased and driven the Vehicle, however, the only certified mechanic that inspected the Vehicle at the time of the sale was Ray Gongora. See Opposition. Plaintiff, or his expert, never performed their own CPO inspection, and in fact Plaintiff's expert did not actually take measurements of the Vehicle to compare with all of the Chrysler standards listed on the CPO checklist. Avellini Depo., 104:7-11, 202:10:12. In fact, Plaintiff's expert has never performed any CPO inspection for any dealership. Avellini Depo., 21:23-25. Thus, there is no evidence that Defendant made any misrepresentations about the condition of the Vehicle, mechanical or otherwise. Further, there is no evidence that Defendant "knowingly" made any misrepresentations of any kind regarding the vehicle. As such, Defendant did not engage in any deceptive trade practices pursuant to NRS 598.0923(c) or any other federal regulation relating to the sale of goods.

3. There are No Disputed Issues of Material Fact about Representations as to the Source, Sponsorship, Approval or Certification of Goods for Sale therefore Defendant did not violate NRS 598.0915(2).

Plaintiff asserts that Defendant's advertisement states "only the finest late model vehicles get certified" and because the Vehicle had previously sustained damage which had been repaired, it could not possibly be one of the "finest late model vehicles." See Opposition, 19:26-20:8. Firstly, an advertising phrase, such as "finest late model vehicles" is non-actionable puffery. See generally, Henderson v. Gruma Corp., 2011 U.S. Dist. LEXIS 41077, see also, Summit Tech., Inc. v. High-Line Medical Instruments, Co., 933 F. Supp. 918, 931 (C.D. Cal 1996) (finding a statement that is "incapable of objective verification" cannot be expected to induce reasonable consumer reliance). Here, there is no objective verification of the term "finest." The advertisement does not say that each and every certified vehicle will be free from accidents or previous damage of any kind. And,

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630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568 indeed, a used car is very plainly not a new car and not subject to the same expectations that any consumer may have for a new car. As to the extent that, such a phrase imparts fact by stating "late model vehicles", there is no dispute that Plaintiff purchased a late model (at the time) vehicle, with fewer than 7,000 miles, that had undergone Defendant's CPO process and had been certified accordingly.

Plaintiff argues that Joshua Grant the "director of used car sales...could have easily avoided selecting a vehicle for CPO certification that he knew had an known accident history." (emphasis omitted). *Opposition, 20:20-23*. Again, there was no assertion that any CPO late model vehicle would be pristine, or have had no repairs or accidents. Plaintiff was informed at the time of purchase that his "fine late model vehicle" had in fact, been in an accident. *See Exhibit 9 to MSJ.* Furthermore, Mr. Grant did not "select the vehicle" as a CPO vehicle he submitted it for an inspection to determine whether it could be a CPO, and performed all requisite steps to do so. *See MSJ.* Accordingly, based on the inspection by Mr. Grant of the Allstate records, and the subsequent physical inspection by Ray Gongora, the mechanic that performed the CPO inspection and reviewed the CarFax, the Vehicle was then determined, in good faith, to be eligible as a CPO Vehicle. Plaintiff has provided no actual evidence that these steps were not taken, or that the Vehicle was otherwise uncertifiable for any other reason at the time of the sale in 2014.

Plaintiff is attempting to put forth a red herring, as Defendant did concede that informing a consumer that a vehicle had been in a previous accident would be important for a variety of reasons. However, Plaintiff is attempting to make specific details about precise parts, which Plaintiff admittedly has no knowledge of, some type of material issue. Indeed, Plaintiff's own First Amended Complaint, which was filed after Plaintiff had taken depositions and discovery in this matter still provided no specific facts that would

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630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568 demonstrate Defendant had engaged in deceptive trade practices.

Although not within his initial Complaint, or First Amended Complaint, and not specifically referenced as a safety issue in Plaintiff's expert report, Plaintiff is now fixated on an alleged "safety" issue with a possible "reconditioned" wheel. See Opposition, 21:2-22:15. Plaintiff hinges this on a "position statement" regarding reconditioned wheels found on the internet. Id. However, the document on which Plaintiff relies is a position statement, not an actual requirement and it specifically states a reconditioned wheel is "not recommended" not that it is impermissible for another body shop to use or that the presence of such a wheel bars certification as a CPO vehicle. See Exhibit 8 to Plaintiff's Opposition. It is not Defendant that performed any of the repairs on the Vehicle. Further, if the Court were to rely upon this assertion then Plaintiff is alleging that both Allstate insurance company and Universal Motorcars authorized and performed repairs which presented an imminent safety threat or hazard. Ironically, even Plaintiff's own "expert" admitted he would put "reconditioned" wheels on to vehicles that he repaired. Avellini Depo., 213:21-14:4. Plaintiff is attempting to generate issues of material fact, when there are none.

Plaintiff has yet to produce any conclusive admissible evidence that the Vehicle had been in a condition that precluded it from being properly certified as a CPO. Indeed, Plaintiff's own expert said he did not conduct any tests on the allegedly "unsafe" wheel, he did not even remove the wheel to examine it, additionally, he never put it on a frame rack or took any measurements to determine whether there were actually frame issues in 2016 or whether distances he observed were otherwise within acceptable manufacturing tolerances.

Avellini Depo., 93:17-25, 202:10-12, 17-23. Defendant did not make any misrepresentations about the Approval or Certification of the Vehicle and as such, did not engage in a deceptive trade practice. As such, Defendant is entitled to a judgment as a matter of law as to

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630 SOUTH 41H STREET LAS VEGAS, NEVADA 89101 PHONE:{702} 384-6424 FAX: (702) 384-6568 Plaintiff's claim that Defendant violated NRS § 598.0915(2).

4. Plaintiff Fails to Specifically Address How Defendant Engaged in Violations of 598.0915 (7), or How Defendant Violated NRS 5989.0915(15).

Plaintiff's First Amended Complaint contends that Defendant somehow engaged in statutory consumer fraud/deceptive trade practices pursuant to NRS §41.600(2)(e) and NRS 598.0915(7) by allegedly knowingly representing falsely that the Vehicle for sale to Plaintiff was of a particular standard, quality or grade, style or model. See First Amended Complaint at 13. Defendant informed Plaintiff that he was purchasing a used vehicle that had experienced an accident in which damage was reported and from which it was towed. See Exhibit 9 to MSJ. This is exactly the vehicle that Plaintiff signed for, purchased, and drove for three years. See generally MSJ. Plaintiff's First Amended Complaint actually does not identify the allegedly false representation knowingly made to Plaintiff by Defendant that constitutes a deceptive trade practice under NRS 598.0915(7). See Id. at 10-12.

Regardless, no evidence exists in this matter that establishes that the standard, quality, or grade of the Vehicle was anything other than CPO at the time Plaintiff purchased the Vehicle from Defendant. *Cf. supra*. Plaintiff does not allege and no evidence exists that Defendant did not perform the required 125-point inspection of the Vehicle before certifying the Vehicle as a CPO. Plaintiff does not allege and no evidence exists that demonstrates the Vehicle failed its 125-point inspection and Defendant certified the Vehicle as CPO regardless of this failure. *See Id*.

The only admissible evidence that exists demonstrates that the Vehicle was inspected and accordingly certified as a CPO vehicle at the time Plaintiff purchased it. See infra. Defendant's representative, Josh Grant, testified that he thoroughly reviewed all information he received to determine whether the Vehicle was suitable to be considered as a

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630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568 CPO before it was sold to Plaintiff. See MSJ UF 2. Based upon his inspection, mechanic Ray Gongora, signed a CPO inspection checklist, certifying the Vehicle as a CPO. Id., MSJ- Exhibit 5, 38:18-39:2. Defendant could not, and did not knowingly make a false representation about the certification of the Vehicle, or otherwise falsely certified it, prior to it being sold to Plaintiff. Defendant had a sufficient basis for making the representation that the Vehicle was suitable for CPO. See supra. Blanchard. Accordingly, Defendant had a reasonable basis for representing that the Vehicle met CPO standards.

Defendant had the Vehicle inspected and had a sufficient basis for making the representation that the Vehicle was suitable for CPO. See supra., Blanchard. As such, it is clear that Defendant could not, and did not knowingly make a false representation about the certification of the Vehicle, or otherwise falsely certify its condition, or falsely represent that the Vehicle met the Chrysler standards that were checked on the CPO checklist.

Plaintiff thoroughly fails to identify any misrepresentations that would fall into his allegations that Defendant violated NRS 598.0915(15), which is the catchall for any other misrepresentations which were not necessarily encompassed by the other specified misrepresentations of NRS 598. Clearly by neglecting this portion of the statute within his Opposition, Plaintiff is conceding any allegations made by Plaintiff regarding purported misrepresentations by Defendant are encompassed wholly in the other specifically defined "deceptive trade practice" definitions in the other sections of NRS 598.0915 as alleged in the First Amended Complaint. *Id.* Therefore, Plaintiff does not have a claim that Defendant engaged in "deceptive trade practice" pursuant to 598.015(15).

D. Plaintiff's Cause of Action for Rescission Fails as a Matter of Law, Because He Fails to Meet the Elements of that Claim, and Fails to Establish Any Disputed Material Facts that Preclude Summary Judgment on this Claim.

Plaintiff entirely ignores the main case cited by Plaintiff, of Scaffidi v. Nissan, which

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similarly to Plaintiff's claims also alleged a claim under the NDTPA, and one for Deceit. Plaintiff is not entitled to Rescission because Defendant did not engage in any "deceptive trade practices" therefore, he is not permitted a return of all of his payments. "Rescission is an equitable remedy which totally abrogates a contract and which seeks to place the parties in the position they occupied prior to executing the contract." Scaffidi v. United Nissan, 425 F. Supp. 2d 1172, 1183 (2005) citing Bergstrom v. Estate of DeVoe, 109 Nev. 575, 854 P.2d 860, 861 (Nev. 1993). Where a contract between two parties has been partially performed, and one party does not fully perform, the other has a choice of remedies. Id. Here, Plaintiff and Defendant cannot be put in the same position they occupied prior to executing the contract. Furthermore, as in Scaffidi, "[T]here is no evidence Defendants made a false representation...with the intention to induce" Plaintiff to purchase a "defective car." See Scaffidi, supra. There is no evidence that Defendants knew or even should have known that there were defects in the Vehicle, or that there were any problems which should have been disclosed to Plaintiff, aside from the simple fact that the Vehicle had been in an accident. See Opposition and Exhibits. Additional support for this fact is that the Vehicle had no actual adverse issues, did not require repairs, and Plaintiff made no warranty claims during the three years he drove it. See MSJ-UFs 16-18.

"The law is clear that damages and restitution are alternative remedies and an election to pursue one is a bar to invoking the other in a suit for breach of contract. *Mullinix v. Morse*, 81 Nev. 451, 454, 406 P.2d 298, 300 (1965). Plaintiff must, "rescind or affirm the contract, but he cannot do both. If he would rescind it, he must immediately return whatever of value he has received under it, and then he may defend against an action for specific performance . . . and he may recover back whatever he has paid..." *Scaffidi v. United Nissan*, 425 F. Supp. 2d 1172, 1183 (2005)(internal citation omitted)(emphasis added).

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630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568 Here, despite any "notice" of rescission per the Complaint, Plaintiff continued to utilize the Vehicle for three years and put thousands of miles on the Vehicle, and got into an accident. *UFs 23-25*.

Plaintiff is not entitled to Rescission, because the parties can never be put back into their original position. See generally, Id. In Scaffidi, the Court found that summary judgment was appropriate for that defendant dealership because the plaintiff did not provide evidence that the defendant failed to perform, and the vehicle at issue in that case was totaled. Id. Furthermore, there are no triable issues of material fact regarding Plaintiff's entry into the contract, as there was no fraud in the inducement, and Plaintiff has not adequately plead or introduced evidence of either. Plaintiff entered into the contract knowing that the Vehicle had been in an accident. There is no evidence that the introduction of additional information regarding specific parts or monetary amounts spent on repair in an insurance estimate would have put Plaintiff on any other course.

Summary judgment is appropriate, because Plaintiff has not produced any admissible evidence that Defendant actually engaged in any "deceptive trade practice" and the Vehicle has had an additional accident, repair work, and three additional years of use. As such, Plaintiff has failed to meet the requisites for a claim for rescission (sounding in either tort or contract), and as there are no material facts in dispute as to this claim, summary judgment for Defendant is appropriate, as a matter of law.

E. Plaintiff Fails to Satisfy the Requisites of Equitable Estoppel, therefore his Claim Fails as a Matter of Law.

As Plaintiff acknowledges, "equitable estoppel operates to prevent a party from asserting legal rights that, in equity and good conscience, they should not be allowed to assert because of their conduct." *Nevada State Bank v. Jamison Partnership*, 106 Nev. 792,

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630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568 799, 801 P.2d 1377, 1382 (1990). The elements of estoppel are as follows:

(1) the party to be estopped must be apprised of the true facts; (2) he must intend that his conduct shall be acted upon or must so act that the party asserting estoppel has the right to believe it was so intended; (3) the party asserting estoppel must be ignorant of the true state of facts; (4) he must have relied to his detriment on the conduct of the party to be estopped.

NGA #2 Ltd. Liab. Co. v. Rains, 113 Nev. 1151, 1160 (1997)(internal citation omitted). There are no material facts in dispute regarding Defendant's actual conduct, with respect to estoppel. Defendant admitted that it had no recollection of whether it disclosed details regarding which specific parts may have been repaired or replaced on the Vehicle to the mechanic who performed the inspection or to the Plaintiff. However, all parties agree that Defendant did affirmatively disclose to both the inspecting mechanic and the Plaintiff, that the Vehicle had been in a wreck, from which it was towed, and that it had sustained damage. See Exhibit 9 to MSJ, see also Plaintiff's Response.

Regardless of Plaintiff's self-serving allegations about whether the details of specific parts were "material" to his decision to purchase the Vehicle, he has still failed to provide evidence that Defendant conducted itself in a way that precludes it from asserting its all of its legal rights and defenses. See generally FAC. Plaintiff was informed that the Vehicle was in a previous accident and made no investigation into the nature and extent of the accident at the time of purchase. See Exhibit 7 to MSJ. Josh Grant testified to reviewing the Allstate documents and not seeing anything that would preclude the Vehicle from being submitted for a CPO inspection. See MSJ- UF 3. Accordingly, there is no evidence that Defendant intended to fraudulently, either by affirmative representation or silence, induce Plaintiff to act in a way that would be detrimental to him. Again, there is no evidence of intentional and knowing misconduct.

MB BM MORAN BRAN 630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568 Plaintiff still has produced no evidence, aside from his own self-serving testimony that he relied on Defendant's representations to his "detriment." See Opposition and Exhibits thereto. However, Plaintiff continuously drove his car for 3 years without any incident or repair attributable to any of Defendant's conduct affirmative or otherwise. Accordingly, summary judgment is appropriate with respect to this claim.

F. Defendant is Entitled to Summary Judgment on Plaintiff's Claim for Restitution/Unjust Enrichment Because He Fails to Meet the Requisites for his Claim.

Plaintiff's only claim of damages for his unjust enrichment/restitution is the return of his payments on the Vehicle. However, Plaintiff continuously neglects to take into account that he has been utilizing the Vehicle for over 3 years, and thousands of miles, since he purchased it. As such, there is no equitable relief he is entitled to recover. He already received the benefit of the bargain.

Plaintiff's First Amended Complaint alleges both a statutory and common law claim for Restitution and Unjust Enrichment and as discussed in Defendants' MSJ fails to meet the basic requisites for a claim for unjust enrichment and thus it fails as a matter of law. Regardless of Plaintiff's argument that he is seeking the amount Defendants have been "unjustly" enriched, such relief still must be equitable. "[U]njust enrichment occurs whenever a person has and retains a benefit which in equity and good conscience belongs to another." *In re Amaro Derivative Litig.*, 252 P.3d 681 (Nev. 2011)(internal citation omitted).

Here, Plaintiff paid monthly payments on the Vehicle, which he used and/or had the ability to use, from the time of his purchase through the time of filing his Complaint, and past that date. See generally, FAC, Exhibit 7 to MSJ, 20:24-21:3. Plaintiff neither ceased using the Vehicle (aside from the collision he was in), nor sold it or attempted to sell it. Id., Exhibit 7, 83:8-21. Plaintiff's claim for unjust enrichment fails, on its face, because he has a

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630 SOUTH 4TH STREET LAS VEGAS, NEVADA 89101 PHONE:(702) 384-8424 FAX: (702) 384-6568 full and adequate remedy at law, which would include his damages, which are the same as what he is claiming would be the "unjustly" retained amount by Defendants. Plaintiff had a purchase agreement for the Vehicle with Defendant, and Plaintiff obtained and utilized the Vehicle for two (2) years prior to filing his Complaint and continued to use the Vehicle after he filed his Complaint for another year. *See MSJ, UFs 22-24*.

Plaintiff was not injured by the Vehicle, and did not sustain other "damages" aside from what he paid for the Vehicle that he has been using actively for 3 years. As such, Defendant has not been unjustly enriched, as it has only been paid for Plaintiff's usage and ownership for the car to-date, and is not inequitably retaining any "benefit" that belongs to Plaintiff. There is no evidence that Defendant did not take into account the Vehicle's history prior to pricing the Vehicle for sale, and pursuant to the CPO certification. See Opposition. And, Plaintiff's "expert" opined the untenable opinion that no matter what price was assigned to the Vehicle on the day Mr. Poole purchased it, it was "inherently worth \$8,000 less that day." Avellini Depo. 182:18-22. As such, Plaintiff, in essence arbitrarily assigned a value, "no matter what he paid for the Vehicle", for his damages. Plaintiff did not actually "suffer" these damages nor were they imposed on him. It is contrary to equitable relief to attempt to compensate Plaintiff on that basis for more than he actually can prove as damages.

Nevada still maintains the long-standing general rule that a plaintiff may not recover equitable remedies where a plaintiff has a full and adequate remedy at law. See State v. Second Judicial Dist. Court in & for Washoe County, 49 Nev. 145, 159, 241 P. 317, 322 (1925). Since Plaintiff has an express agreement with Defendant regarding the purchase of the Vehicle, his claims in equity fail, as a matter of law. See MSJ, UF 8. Therefore, entry of summary judgment is appropriate for Defendant.

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G. Plaintiff's Claim for Declaratory Judgment is Duplicative, Thus Summary Judgment is Appropriate.

Plaintiff alleges that he entered into the RISC contract with Defendant and Wells Fargo, and further alleges that he is entitled to Rescission and/or Restitution because the RISC is void ab initio or voidable, due to "fraud". Defendant maintains that the RISC is valid and binding contract, from which Plaintiff benefitted and abided by, and that Plaintiff accepted and utilized the full value for which he agreed, including up until the present.

Here, the "justifiable controversy" stems from Plaintiff's First Cause of Action for Fraud/Deceptive Trade Practices only, the actual RISC itself and the Parties' respective positions are not what is actually at issue. Plaintiff's claim for Declaratory Judgment therefore completely encompasses claims and defenses of both, Plaintiff and Defendant, which would be resolvable ultimately at the time of trial (or pursuant to summary judgment). See FAC. Plaintiff has already alleged a claim for Rescission, and thus his claim for declaratory judgment claim is redundant and rendered moot by adjudication of the main action. See FAC. The main premise of Declaratory Relief cause of action is solely related to the other claims, upon which the voiding of the RISC is dependent. As such, a determination on the RISC is inappropriate at this juncture and summary judgment is properly entered in favor of Defendant.

H. Plaintiff is Not Entitled to Punitive Damages, as a Matter of Law.

Plaintiff cannot prevail on his punitive damages claim under Nevada law, pursuant to the undisputed material facts, and it must be summarily dismissed. Unlike the standard for some of Plaintiff's other supposed claims, in order to prevail on a claim for punitive damages, a plaintiff must prove "by <u>clear and convincing evidence</u>" the defendant "has been guilty of oppression, fraud or malice, express or implied." *Nev. Rev. Stat.* 42.005(1). To

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LAS VEGAS, NEVADA 89101

PHONE:(702) 384-8424 FAX: (702) 384-6568 reiterate, "a plaintiff is never entitled to punitive damages as a matter of right." *Dillard Dep't Stores, Inc. v. Beckwith*, 115 Nev. 372, 380, 989 P.2d 882, 887 (1999). Nevada corporations cannot be held liable for punitive damages, save for specific circumstances with a high burden of proof. *See N.R.S. 42.007*. The employer is not liable for the exemplary or punitive damages unless:

- (a) The employer had advance knowledge that the employee was unfit for the purposes of the employment and employed the employee with a conscious disregard of the rights or safety of others;
- (b) The employer expressly authorized or ratified the wrongful act of the employee for which the damages are awarded; or
- (c) The employer is personally guilty of oppression, fraud or malice, express or implied.

If the employer is a corporation, the employer is not liable for exemplary or punitive damages unless the elements of paragraph (a), (b) or (c) are\ met by an officer, director or managing agent of the corporation who was expressly authorized to direct or ratify the employee's conduct on behalf of the corporation.

See also Countrywide Homes Loans, Inc. v. Thitchener, 124 Nev. 725, 747, 192 P.3d 243, 257-258. Notably in Plaintiff's Opposition is the first time he tries to impute "personal" allegations against Joshua Grant. Further, NRS 42.001 defines, and provides clear guidance in defining the conduct that meets the level of egregiousness requisite to impose punitive damages. Specifically,

- 1. "Conscious disregard" means the knowledge of the probable harmful consequences of a wrongful act and a willful and deliberate failure to act to avoid those consequences.
- 2. "Fraud" means an intentional misrepresentation, deception or concealment of a material fact known to the person with the intent to deprive another person of his or her rights or property or to otherwise injure another person.
- 3. "Malice, express or implied" means conduct which is intended to injure a person or despicable conduct which is engaged in with a conscious disregard of the rights or safety of others.
- 4. "Oppression" means despicable conduct that subjects a person to cruel and unjust hardship with conscious disregard of the rights of the person. NRS 42.001.

The Supreme Court of Nevada has clarified recklessness or even gross negligence is insufficient to impose punitive damages, and there must be more than a "theoretical" risk of harm to a particular person. See Thitchener, 192 P.3d at 255. Plaintiff has plainly failed to plead allegations to impose punitive damages on Defendant as a company, or to provide any evidence that imposes any personal liability on Joshua Grant. See generally, FAC. Plaintiff has not provided evidence of any of the categories delineated in 42.007(a)-(c). There was no unfitness by any employee alleged. Plaintiff does not allege that the employer "expressly authorized or ratified" any legally wrongful act. Plaintiff does not provide any actual admissible evidence that Defendant, via Joshua Grant, engaged in any "deceptive trade practice", or that there was some underlying scheme to otherwise misrepresent information or defraud persons by following the CPO guidelines. Therefore there is no evidence that demonstrates any of the requisite conduct to impose punitive damages on the Defendant.

Plaintiff's testimony and "evidence" is purely speculative, and unsubstantiated testimony that he would not had purchased the Vehicle if he had been provided more information years after purchasing it, is merely speculation and conjecture, which is insufficient to defeat summary judgment. See Wood, 121 Nev. at 732. Any testimony by his expert based on an inspection two years after Plaintiff drove it, is equally conjecture, as he provided no actual measurements or comparisons, or other proof regarding any frame damage nor is he otherwise qualified to opine on whether the Vehicle should have qualified as a CPO vehicle. See generally, MSJ, Exhibit 11. There is no evidence that Defendant itself is guilty of conduct meriting punitive damages, as by all accounts, Defendant abided by CPO standards of submitting the Vehicle for inspection to its qualified mechanic, and then certifying the Vehicle which was reasonably based on that inspection. See MSJ, UFs 4-7.

Plaintiff is now attempting to argue that Joshua Grant was the implementer and



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630 South 4th Street Las Vegas, Nevada 89101 Phone:(702) 384-8424 Fax: (702) 384-6568 creator of policies and practices that are somehow per se representative of Fraud and/or implied malice. However, aside from Plaintiff's lacking First Amended Complaint, Plaintiff fails to provide any actual evidence of conduct by Joshua Grant that meets the requisites for an award of punitive damages. Plaintiff highlights "concealment of a material fact" and tries to de-emphasize that such concealment must occur with the "intent to deprive another person of his or her rights or proper or to otherwise injure a person." See Opposition 36:11-13; see also, NRS 41.001(2).

Here, Plaintiff has provided no evidence of intent by Joshua Grant to deprive anyone of their rights or to otherwise injure someone, in particular, not Plaintiff. See generally, Opposition. Indeed, Plaintiff continuously neglects to account for the extra warranties and assurances that also accompany a CPO vehicle, and which accompanied the subject Vehicle. See MSJ, UF 15. In fact, Joshua Grant testified he did not disclose any additional details because such a disclosure was not required pursuant to CPO guidelines and he did not see any issues that would preclude the Vehicle from being submitted to a CPO inspection. See MSJ, UFs 3-4, see also Exhibit 4- Excerpt of Joshua Grant Deposition, 30:2-10, 142:5-23. Further, there was an inspection of the Vehicle by Ray Gongora that also revealed no safety issues or other serious issues which would require an additional disclosure beyond the fact that the Vehicle was in an accident. See generally, MSJ.

Plaintiff argues that there needs to be no "actual knowledge" if there is a reasonable inference of implied malice. *Opposition, 39:20-22*. However, as the Nevada Supreme Court has held, the statutory "language plainly requires evidence that a defendant acted with a culpable state of mind, we conclude that NRS 42.001(1) denotes conduct that, at a minimum, must exceed mere recklessness or gross negligence. *Countrywide Home Loans, Inc. v. Thitchener*, 124 Nev. 725, 743, 192 P.3d 243, 255, 2008 Nev. LEXIS 79, *33, 124

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Nev. Adv. Rep. 64.

Here, there is no evidence of a "culpable state of mind", and Defendant, even through Joshua Grant, did not have any indicators that there was any imminent safety matter, as Plaintiff would have this Court believe. The Allstate documents do not on their face indicate any risk or harm or injury, and in fact, these were authorized repairs performed by a presumably licensed repair shop and authorized by an insurance company. Accordingly, there is no indication that Joshua Grant acted with any conscious disregard or implied malice. All of the allegations, if taken as true, would, at the very most amount to reckless or grossly negligent behavior, which fails to meet the level of egregiousness necessary to impose punitive damages. Id. Plaintiff has failed to make the requisite showing for punitive damages, and any such any claim should be summarily dismissed.

Plaintiff's Claim for Recovery Under the Auto Dealership Bond, does Not Satisfy the Requisites of that Claim, and therefore Fails as a Matter of Law.

Plaintiff asserts a claim under NRS 482.345(7), which provides in pertinent part:

If a consumer has a claim for relief against a dealer, distributor, rebuilder, manufacturer, representative or salesperson, the consumer may:

- (a) Bring and maintain an action in any court of competent jurisdiction. If the court enters:
 - (1) A judgment on the merits against the dealer, distributor, rebuilder, manufacturer, representative or salesperson, the judgment is binding on

Here, this claim should be summarily dismissed, because the Court has not entered a judgment on the merits against any "dealer, distributor, rebuilder, manufacturer, representative or salesperson." Plaintiff did not bring a claim for contribution and indemnity against Corepointe. Plaintiff has definitively not obtained a judgment on the merits or a judgment in any other capacity with respect to Defendant Corepointe, and his claims against

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Corepointe hinge on findings specifically with respect to the dealership. Therefore, Corepointe should be entitled to summary dismissal on this claim, as it is premature, and subject only to the entry of a judgment.

VI. CONCLUSION

Based on the underlying Motion for Summary Judgment, and the foregoing, Plaintiff has failed to meet the requisites for any of his causes of action, therefore they each fail. The simple undisputed <u>material</u> facts, merit summary judgment in favor of both Defendants, as a matter of law, and as such, Defendants respectfully request that judgment be entered for Defendants with respect to each of Plaintiff's claims.

DATED this 3rd day of November, 2017

MORAN BRANDON BENDAVID MORAN

· /s/Jeffery A. Bendavid

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Exhibit "1"

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                          DISTRICT COURT
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                       CLARK COUNTY, NEVADA
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       DERRICK POOLE,
                    Plaintiff,
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                                   ) No. A-16-737120-C
            vs.
                                  ) Dept. No. XXVII
       NEVADA AUTO DEALERSHIP
 8
       INVESTMENTS, LLC, a
       Nevada Limited Liability
 9
       Company d/b/a SAHARA
       CHRYSLER, JEEP, DODGE,
10
       WELLS FARGO DEALER
       SERVICES, INC.,
       COREPOINTE INSURANCE
11
       COMPANY, and DOES 1
       through 100, Inclusive,
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13
                   Defendants.
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15
              VIDEOTAPED DEPOSITION OF RAY GONGORA
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                Taken on Wednesday, December 14, 2016
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                  By a Certified Court Reporter
                           At 2:18 p.m.
19
                      At Thorndal, Armstrong
                        1100 East Bridger
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                        Las Vegas, Nevada
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     Reported By: Cindy Huebner, CCR 806
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HUEBNER COURT REPORTING, INC. (702) 374-2319

A. No.

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Q. Why not?

Α. Because it is at a standard of the vehicle. If it was bent, yes. If it is up to standard, no.

Q. Were you trained or -- were you trained or did someone tell you that if a vehicle had been in a previous accident but was properly repaired, that did not have to be notated on the report?

MR, TERRY: On his inspection report? MR. WEST: Yes, on the inspection report, Exhibit 1.

THE WITNESS: As far as -- can you 14 rephrase that? 15

BY MR. WEST: 16 Q. 17 Sure.

In the normal custom and practice of you conducting the 125-point CPO inspection in Exhibit 1, if a car had indications that it was in a previous accident based upon a series of components and parts being replaced, were you ever told or was it custom and practice for you not to notate that on the report if the repair was done correctly?

HUEBNER COURT REPORTING, INC. (702) 374-2319

Α. No. You didn't have to report it if it was correctly. If it was shabby work, yes.

Who told you that, with respect to what your protocol was, if you found work that was either done properly or improperly with respect to a previous accident?

Α. You deal with experience. If the work wasn't up to standard, that is when you notate it. If it was fine, it was fine.

10 So if there was a proper repair, it wasn't something that was notated? 11

> Α. Not notated.

13 If it was a proper repair, it was not 14 notated, correct?

> Α. It was not notated.

Q. Thank you.

MR. WEST: Let's go ahead and take a quick five-minute potty break real guick.

> (Recessed from 3:05 p.m. to 3:11 p.m.)

BY MR. WEST: 21

> Q. Back on the record.

> > Going back and looking at Exhibit 2,

which is the body shop estimate, and in 24

conjunction with the vehicle inspection report

HUEBNER COURT REPORTING, INC. (702) 374-2319

and your usual customary way of conducting the

125-point inspection, with respect to the things

we talked about specifically on this report,

would you have been able to identify all of those

5 replaced parts upon your inspection?

Α.

6

23

Q. And you had specific training, given your vast experience, that you would be able to identify those as replaced parts, correct?

10 To the point if the stickers were left 11 on them and up to that point if -- if it is up to a standard, that's -- it's up to a standard. But 13 if you were to look at a vehicle and parts were 14 replaced, usually it has new part stickers on 15 them and that's up to standard. They have been 16 replaced.

17 Q. If you will look at Exhibit 1 which is a certified pre-owned, up on Page 1, it says 19 CarFax report Item 9 checked off. You would have 20 had the CarFax report in your possession before 21 you did the inspection, that's why you checked it 22 off, correct?

> Α. I believe so.

24 Was that -- I understand you don't have any personal recollection, so I totally get why

HUEBNER COURT REPORTING, INC. (702) 374-2319

you have to go on "this is what I would do all

the time." I mean, you don't have any personal 2

recollection. So based upon your custom and

4 practice as you know it to be when you did these

inspections, would it be your custom and

practice, based on your recollections, to always

look at the CarFax before you did the inspection? 7

> A. Yes.

9 Q. And that's the prudent thing to do,

10 correct?

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Α. Yes.

12 Q. And if the CarFax report that you looked at in this particular -- with respect to 13 this particular vehicle would indicate the car 14 was in an accident, it was towed, would that be 15 an important fact for you in determining -- as to 16 looking at the vehicle in a different way than 17 you otherwise would if there was a clean CarFax? 18

> Α. No, not necessarily.

20 Q. You as a mechanic, would you want to be 21 given a heightened awareness or put on alert if a 22 vehicle was in a previous accident if you are going to conduct a safety inspection? You would 23 want that information? 24

> Yes. I would have to say yes. HUEBNER COURT REPORTING, INC. (702) 374-2319

> > 33

Exhibit "2"

Poole v. Nevada Auto Dealership Investments LLC, et al.

Deposition of: Derrick Poole

August 14, 2017



500 South Rancho Drive, Suite 8A Las Vegas, Nevada 89106 Telephone **702.474.6255** Facsimile 702.474.6257

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                      DISTRICT COURT
CLARK COUNTY, NEVADA
                                                                                                                                   EXHIBITS
                                                                                                                 Number
                                                                                                                                          Description
   3
                                                                                                                 Ex. 1 Carfax 17
Ex. 2 Certified Pre-owned Vehicle Inspection
                                                                                                        3
           DERRICK POOLE
                   Plaintiff,
                                                                                                                       Checklist
   5
                                  )
                                                                                                        5
   6
                                 )Case No. A-16-737120-C
                                                                                                                 Ex. 3 Certified Pre-owned Vehicle Delivery
Check Sheet 46
   7
         NEVADA AUTO DEALERSHIP )
INVESTMENTS LLC, a Nevada )
Limited Liability Company d/b/a)
SAFIARA CHEVSLER; JEEP, DODGE, )
WELLS FARGO DEALER SERVICES )
INC., COREPOINTE INSURANCE |
COMPANY; and DOES 1 through )
100 Indulin
                                                                                                                 Ex. 4 Disbursement Request Form
                                                                                                        7
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.cc
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 11
          100, Inclusive,
                                                                                                                 Ex. 8 Buyers Guide
                                                                                                     13
12
                                                                                                     14
                   Defendant.
                                    )
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17
                   DEPOSITION OF DERRICK POOLE
                                                                                                     18
                 Taken on Monday, August 14, 2017
                                                                                                     19
                   At 9:34 a.m.
At 630 South Foundi Street
                                                                                                     20
                                                                                                     21
                       Las Vegas, Nevada
                                                                                                     22
                                                                                                     23
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                                                                                                     25
         Reported by: Marnita J. Goddard, RPR, CCR No. 344
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	2		4
1	APPEARANCES	1	(Upon inquiry by the reporter prior to the
2		2	commencement of the proceedings, Counsel present
3	FOR THE PLAINTIFF.	3	agreed to waive the reporter requirements as set
4	George O. West III, ESQ	4	figure to ware the reporter requirements as set
_	ATTORNEY AT LAW		forth in NRCP 30(b)(4) or FRCP (b)(5), as
5	10161 Park Run Drive	5	applicable.)
_	Suite 150 Lns Vegas, Nevada 89145	6	DERRICK POOLE,
6 7	Las vegas, nevaus dyins	7	having been first duly sworn, was
8	FOR DEFENDANT NEVADA AUTO DEALERSHIP INVESTAIENTS LLC.	8	examined and testified as follows:
9	STEPHANIEJ SMITH, ESQ	9	EXAMINATION
•	MORAN BRANDON BENDAVID MORAN	10	BY MS, SMITH:
10	630 South Founti Street		
	Las Vegas, Nevada 89101	11	Q. Hi, Mr. Poole.
11	•	12	A. Hi.
12		13	 We met previously, but my name is Stephanie
13	FOR DEFENDANT WELLS FARGO DEALER SERVICES INC.:	14	Smith. I'm here on behalf of Nevada Auto Dealership
14	MICHAEL PARETTI, ESQ.	15	Investments, LLC. I think you would more commonly
	SNELL & WILMER LLP	16	know them as Sahara Chrysler, Jeep, Dodge, Ram.
15	3883 Howard Flughes Porkway	17	A. Yes, ma'am.
15	Spite 1100	1	
17	Las Vegas, Nevada 89169	18	Q. When I say "defendant," I'll be referring to
18		19	that entity. Does that make sense?
19	INDEX	20	A. Yes, ma'am.
20	WITNESS EXAMINATION	21	Q. I may also refer to them as Nevada Auto or
21	DERRICK POOLE	22	Sahara Chrysler. Is that all right?
22	(BY NIS SMITH) 4, 91	23	A. Yes, ma'am.
23	(BY MR. WEST) 99	24	Q. Okay, I'm also representing Corepointe
24		1	
25		25	Insurance, and I likely will not be referring to them,

Q. Nothing occurred that caused you to take it

in possibly for tire check?

Q. Any kind of alignment?

A. No.

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A. Yes.

vehicle in the next six months?

O.

Are you planning on purchasing another

A. I don't know. I have no plans as of right

	37		39
1 2 3 4 5	as you know, has that been fully repaired? A. Yes, it has. Q. Do you know when you were informed of an issue with the left wheel? A. Do I know when? Q. Yes.	1 2 3 4 5	 35 and 36? A. I don't know. I never got to look. Q. You didn't test drive any new trucks? A. No. Q. Why is that? A. He talked me into looking at the used ones.
7	A. Yesterday.	7	Q. When you were driving your vehicle, did you
8	Q. Yesterday?	8	ever notice any issues personally when you were
9	A. Uh-huh.	9	driving it?
10	Q. Do you know the last time that your vehicle	10	MR. WEST: Let me just object to the extent
11	was inspected?	11	of time.
12	A. Prior to the subsequent accident?	12	You can answer.
13	Q. By anyone.	13	THE WITNESS: No. I mean, I felt I
14	A. I guess when they looked at it during this	14	always felt that it handled a little bit differently.
15	past accident. I don't know the exact date.	15	But every vehicle handles differently than the other.
16	Q. What about prior to that?	16	Q. (BY MS. SMITH) So no issues in 2014?
17	 A. It was when the lawyer before you guys had 	17	A. No.
18	it inspected at 215 Dodge.	18	Q. What about in 2015?
19	Q. Do you intend on purchasing another vehicle?	19	A. No.
20	A. In the future?	20	Q. What about in 2016?
21	Q. Yes.	21	A. No. Not that I recall.

40 38 A. No. I was just told at 215 Dodge when I now, no. 2 went for the oil change that it was out of alignment. Q. Before you went in to Sahara Chrysler, did you do any online research of other car dealerships? 3 So I had them do the alignment. Q. When 215 Dodge did the alignment, did they 4 A. Not so much research. I might have just looked at vehicles online trying to find exactly what 5 say anything to you about your vehicle? б A. No. I wanted. Looking at all the different options, 7 Q. Did they mention any issues to you about basically. 8 Q. Did you have a specific price range you your vehicle? 9 A. Other than the alignment, no. wanted to be in? 10 Q. Do you know if they did any kind of a check A. I did. I don't remember exactly the number, but it was below, I think, 33,000 or 34,000 or on your vehicle? 11 something. I think I was approved through Capital One A. I don't know. At that time, I don't know. 12 for 35 or 36. I don't recall. But I still wanted to 13 Other than the oil change and the alignment, I don't be lower than that. I didn't want to use the whole 14 know of anything else they did. 15 Q. You don't know if they did a multi-point 16 Q. What types of trucks that were brand new inspection? fall into that type of price range? Do you recall? 17 A. If it was part of the service, I guess they did. I wasn't back there when they did it. I was in 18 A. I don't. the waiting room. Q. Anything that you had your eye on when you 19 Q. Did they say -- I'm sorry. had gone down to Sahara Chrysler aside from just 20 Did 215 Dodge say anything to you about why trucks generally? 21 A. Just a Dodge Ram. King cab. Looking at the 22 the truck might be out of alignment? A. No. I just assumed it was from being 23 hemi motor. Q. Would you have been able to purchase a 24 driven. Our roads in Vegas. brand-new Dodge Ram with the good motor for between O. Did you ask them any questions about why it

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Q. Okay. What was your interpretation of that 2 language? A. Like I said, I would imagine that maybe the tire got flat so they towed it. 4 Q. Flat tire? A. Flattire. б Q. From the accident? 8 Yes. Q. Prior to trying to refinance your car the 10 last time with State Farm, did you have any complaints about your vehicle? 11 12 A. No. Except for maybe the payment? 13 Q. Except for maybe the payment. 14 Q. Do you think the vehicle you purchased was 15 appropriate to be a CPO vehicle? 16 A. No, I do not. 17 18 Q. Why is that? 19 A. Because of the extent of the damage and the 20 type of repairs that they did.

Q. Did you come to that conclusion

bought that as a CPO vehicle.

Q. Why is that?

independently or with assistance from your expert?

A. Just by reading the estimate I wouldn't have

outside of manufacturer allowances?

A. Not that I know of.

You didn't notice anything yourself?

No. I'm not an expert.

When you personally looked at the vehicle, you didn't notice that anything was amiss?

A. No. I wouldn't know what to look for. Other than apparent signs of damage. I wouldn't know what to look for as far as anything under the hood.

Q. Did you ever ask to speak to a CPO

11 technician? 12

A. No.

Q. Why is that?

A. I don't know why I would. The inspection report was right there. I don't know what I would ask him. I'm not an expert.

Q. When you say "inspection report," do you

18 mean the CPO checklist?

A. Yes.

MR. WEST: For the record, that's Exhibit 2.

Q. (BY MS, SMITH) Okay. When you pulled your AutoCheck report and you looked at it and thought it indicated some kind of extra damage that you didn't know about, did you take that into anyone and ask them

about the language you were reading?

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A. The extent of the damage. There was something -- like I said, I'm not a mechanic, but there's something that says frame bracket or something repaired. I would have walked away from that vehicle from that point. I'm not going to look to buy a CPO vehicle that has any type of frame issue or anything like that. Who would do that? Q. But it's your belief that that indicates

there was frame damage?

A. In my mind, yes.

Q. Did you ask anyone what that meant?

For what? On the estimate? A.

Q. Yes.

A. No, I haven't. I haven't had any

15 conversations with experts. 16

Q. Okny. Any other documents you rely upon to make that assertion? Are you just going off of the --

A. Just my perception from the estimate and the pictures.

Q. Are you aware of any items on your vehicle not meeting manufacturer tolerances at the time of your purchase?

A. I'm not aware of any of it. That would be a question for the expert.

Q. To your knowledge, was there any that were

A. No. 1 didn't.

Q. Why not?

A. Because it stated that it was frame/unibody daniage.

Q. What is your understanding of what that means?

A. Means unsafe, no value. Danger to the community, basically.

What do you base that opinion on?

A. Just my own perception.

Q. Did you experience a safety issue with your vehicle personally?

A. No.

Q. Any harm to the community from your vehicle?

15 A. Not as of yet. But if that wheel falls 16

apart, there could be. 17

Q. And you were just told that there might be an issue yesterday?

A. Yes. It was in the shop for two months, of

Q. Who told you that there might be a left wheel issue?

23 MR. WEST: Well, to the extent that it calls 24 for attorney-client privileged information, you can't 25 divulge that. If you got the information from an

15 (Pages 57 to 60)

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A. Yes, I did. 2 Q. What did you think about that? 3 A. I liked the truck. I liked the interior. 4 That was one of the things I liked about it. I liked the motor that was in it. Q. Did you pop the hood of the truck? б 7 A. I believe he opened it to show me. But I'm not really a mechanic. I don't really know anything 8 about cars. All I know is I liked the motor. Q. Did you walk around the truck at all? 10 11 A. Yes. Q. You looked at all of its specifications that 12 13 you could see? 14 On the window sticker. And then, you know, just visually looking at the interior. Like I said, 15 I'm not really a mechanic or a car guy. So I don't 16 really know when it comes to what I'm looking at as 17 far as details and stuff. 18 19 Q. What kind of vehicle did you have when you 20 drove down to the dealership to look at trucks? 21 A. It was a 2005 Dodge Durango. It had the 22 hemi motor. That's why I was interested in the truck. 23 Q. Is the Durango also a truck? A. It's an SUV. 24 25 Q. Had you had trucks previously?

took a	test	driv	c.	Do you	recall	what	happened	next?

A. During the test drive or after the test drive?

Q. Let's go with you during the test drive.

He basically talked up the vehicle.

Q. Okay. Anything in particular?

A. Talked about the CPO, about the safety inspection that's done on it.

Q. Were you happy with the way the vehicle drove?

A. Yeah.

MR. WEST: Yes?

THE WITNESS: Yes. Sony.

Q. (BY MS. SMITH) Did you notice any issues?

A. Not that I knew of, no.

Q. Then after the test drive was over?

A. During the test drive, he had mentioned that it was in a minor accident.

Q. Okay. Anything else about that conversation that you can recall?

A. I asked him about it, but he said it was a minor accident, that it was a CPO vehicle, and there was nothing to worry about.

Q. That was the only discussion that you had about that?

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What about when the test drive ended? A. We went in to -- I guess on the sales floor

to do the application.

Q. Okay. And did you fill out paperwork that day?

A. Yes, I did.

Were you approved to purchase that day?

A. Yes, I was. I actually went in preapproved but still had to fill out an application.

Q. When you say you went in preapproved, what do you mean by that?

A. I did a preapproval with Capital One. So I had that with me when I went in.

Q. When did you do that?

A. Oh, geez. I actually probably had it for a 16 17 couple months, because I had thought about it for a while. Kind of tossed around the idea of buying a new 18 19

Q. Had you looked at any other new or used vehicles prior to this subject vehicle?

A. No.

23 Q. Did you end up purchasing the vehicle that day, then? 24

A. Yes, I did.

A. I had in the past, yes.

Q. How long had you had the Dodge Durango?

A. I want to say four years maybe,

Q. Do you remember where you bought that?

A. I want to say it's Towbin in Henderson. Is that the chopper? Chopper, Towbin.

Q. I'm not sure. There's so many commercials out there.

When you bought that Dodge Durango, was that a new vehicle?

A. No. It was used.

Q. Do you know if that had any certification on it when you purchased it?

I don't recall, to be honest with you.

Q. Do you recall what you had before the Dodge Durango?

 Yes. I actually had two different vehicles. I had a pickup truck, 2002 Chevy, and I had a 2002 Ford Taurus.

Q. Were either of those purchased as new vehicles?

A. No. Both used.

Q. So you mostly purchase preowned vehicles?

24 A. Yes. 25

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Q. So going back to the subject vehicle, you

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Q. You are referring to the checklist as a report?

A. Yes, ma'am. There's an additional information comment box right here that they could have wrote in anything that was repaired or replaced. That would have been pertinent information for me to buy the vehicle.

Q. If something -- why do you believe that would have been pertinent information for you?

A. Because that would have been all the information regarding the accident that was -- for me to believe that it was a minor accident. I don't believe that accident was a minor accident. That was a major accident. And the fact that there was a repaired frame bracket or something of that nature and a damaged wheel, things of that nature should have been divulged to me in that report. It takes away my choice to walk away from the vehicle with all the information, because I wasn't given all the information as I should have been.

Q. Do you know what -- I believe you keep referring to a frame bracket; is that right?

A. Yeah. I believe that's what I read on the estimate.

Q. Do you know what that is?

wouldn't make any difference if I asked somebody what it is or not. I wasn't given the information when I bought the vehicle. So it took away my choice, my informed choice, of being able to buy the vehicle.

All the information wasn't given to me.

Q. Are you aware of any legal requirements that state a dealership has to tell you if any individual part was repaired or replaced?

MR, WEST: Objection. Asked and answered for the third time. Asks for expert testimony. Actually, excuse me. Calls for a legal opinion. Pure legal opinion.

THE WITNESS: I'm not aware of the legal. Is it the right thing to do? That's a different question.

Q. (BY MS, SMITH) Do you want to further explain that statement?

A. Well, I mean, it is a moral thing if you have all the information on something before you sell it to somebody that you should divulge all that information before you sell it to somebody. If you are telling them that it's a CPO'd, top-of-the-line, best-of-the-best car, quality and safety, but you leave out the fact that you have pictures and a report from an accident that it was in before that you led me

74

A. I have no idea what that is.

Q. Do you know what it does?

A. I have no idea what it does.

 Q. You've just testified to wheel -- the wheel being repaired or replaced.

A. Ùh-huh.

Q. Can you expand on what you are referring to?

A. Just that I would have -- as far as the repair?

Q. Yes.

A. I don't know what they did, to be honest
with you. I just know it says repaired.
O. But you don't know what the repair was

Q. But you don't know what the repair was to the wheel?

A. I do not.

Q. When you reviewed the Allstate documents, did you know what any of those parts were?

A. I know what a headlight is. I know bumpers, things like that. I really don't know what a lot of this stuff is, no.

Q. Did you ask anyone about parts that you were unfamiliar with?

A. No, I have not.

24 Q. How come?

A. It's not really portinent at this time. It

to believe was minor, just not a very good human thing
 to do.
 O. Do you know the cost of a comparable new

Q. Do you know the cost of a comparable new truck had you purchased a new truck that day in May?

A. I do not.

Q. Don't recall any estimates of price?

A. We never got that far.

Q. You didn't look up any trucks prior to going down there?

A. I just looked at vehicles online. I didn't look at anything specific as far as what the price was going to be.

Q. The time you spent I believe looking at -briefly at the new trucks before making contact with the salesperson, you don't recall the pricing on any of those?

A. I don't recall, no. I'm sure I was looking at the coolest, nicest vehicle on the lot that was probably -- probably would have been quite a bit more than I could afford. No, I don't recall the prices.

Q. Do you have any estimate if they were more expensive or less expensive than the vehicle you ended up purchasing?

A. I don't. No, I don't.

Q. Is it your belief that your vehicle is worth

19 (Pages 73 to 76)

Exhibit "3"

Poole v. Nevada Auto Dealership Investments, LLC, et al.

Deposition of: Rocco J. Avellini

September 22, 2017



500 South Rancho Drive, Suite 8A Las Vegas, Nevada 89106 Telephone **702.474.6255** Facsimile 702.474.6257

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                          DISTRICT COURT
 2
                       CLARK COUNTY, NEVADA
 3
     DERRICK POOLE,
                                      )
 5
                   Plaintiff,
 6
     vs.
                                      )Case No. A-16-737120-C
 7
     NEVADA AUTO DEALERSHIP
 8
     INVESTMENTS LLC, a Nevada
     Limited Liability Company d/b/a)
     SAHARA CHRYSLER, JEEP, DODGE,
     WELLS FARGO DEALER SERVICES
                                      )
10
     INC., COREPOINTE INSURANCE
                                      )
     COMPANY, and DOES 1 through
11
     100, Inclusive,
12
                   Defendants.
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16
                 DEPOSITION OF ROCCO J. AVELLINI
17
               Taken on Friday, September 22, 2017
18
                           At 1:36 p.m.
19
                   At 630 South Fourth Street
20
                         Las Vegas, Nevada
21
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25
     Reported by: Marnita J. Goddard, RPR, CCR No. 344
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 9
     AND COREPOINTE INSURANCE COMPANY:
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    Las Vegas, Nevada 89101
12
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9/22/2017 Deposition of Rocco J. Avellini Poole v. Nevada Auto Dealership Investments, LLC, et al.

21 1 0. Yes. 2 Α. No. 3 Q. Have you served for other plaintiffs on 4 certified pre-owned matters? 5 Α. I believe I have, yes. 6 Specifically, Chrysler, Dodge, Ram CPO --7 I'm sorry. 8 When I say "CPO," I'm going to use that term 9 to refer to certified pre-owned. Are you comfortable 10 with that? 11 Α. I am. 12 So any matters in which you testified 13 specifically about Chrysler, Jeep, Dodge, Ram CPO 14 standards? 15 Α. Off the top of my head, I do not know. 16 you would like, I can go through the list that I have. 17 No, that's okay. Just nothing you recall? Q. 18 A. I have testified in CPO cases. I don't 19 remember if they were Chrysler or not. 20 Q. Have you ever been involved in developing 21 any CPO standards for any type of vehicle? 22 Α. No. 23 Q. Have you performed any CPO inspections for 24 any dealership? 25 I viewed, but I didn't take part in. Α.

- 1 certified pre-owned vehicle seller knew or -- sorry.
- 2 That was a terrible question. Never mind.
- A. All you have to look at is their
- 4 certification program.
- 5 Q. Okay.
- 6 A. I guess that's what you're looking for.
- 7 Q. Have you ever -- when you inspected the
- 8 subject vehicle in May of 2016, did you go down the
- 9 CPO checklist that was provided to you in relation to
- 10 the subject vehicle?
- A. At that time I did not.
- 12 Q. You make another statement on page 3 that
- 13 says when Mr. Poole discloses the prior collision
- damage to any potential buyer, he will never be able
- to recover financially to be made whole as the car has
- 16 also sustained diminished value. What do you mean by
- 17 that?
- 18 A. That the -- well, when he tells a potential
- buyer that his vehicle was involved in an accident,
- 20 it's common knowledge and industry knowledge that the
- vehicle's worth less. I believe Mr. Grant said that,
- 22 that if a vehicle was involved in an accident it would
- 23 be worth less. The vehicle would be worth less.
- 24 Inherent diminished value. I mean, that's what Carfax
- 25 spends millions and millions of dollars on a year, to

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- 1 A. Explain significant.
- Q. Let me try and rephrase that.
- 3 Hearing that a vehicle had sustained damages
- that required \$4,088.77 of repair work, what
- 5 information could you glean from hearing that amount?
- 6 A. Without --
- 7 MR. WEST: Let me object. Vague and
- 8 ambiguous to the extent in a vacuum or with respect to
- 9 everything else that he's considered? Lacks
- 10 foundation.
- But you can answer.
- Q. (BY MS. SMITH) Based on your extensive
- experience in performing car repairs and as a repair
- shop owner, if someone told you their vehicle had
- 15 \$4,088.77 of repairs, would that signify anything to
- 16 you?
- 17 A. Not at all.
- Q. So that could be -- could that just be
- 19 cosmetic damage?
- 20 A. I couldn't tell you until I saw the car. As
- 21 in this situation, there was a fender, a bumper, and
- 22 suspension. So if someone didn't tell me what was
- listed on the estimate, I couldn't tell you. I don't
- think anyone could. Were you saying someone called me
- up and said they have \$4,000 worth of damage, you

- Q. With respect to the diminished value
- opinions that you made here, do you have an opinion as
- 3 to what -- how much less the vehicle was worth on
- 4 May 26th, 2014?
- 5 A. Correct.
- 6 Q. Hang on. Do you have an opinion?
- 7 A. I do.
- 8 O. How much less was the vehicle worth at the
- 9 date of sale based upon the Diminished Value
- 10 Assessment that you made, based upon the nature and
- 11 extent of the previous collision?
- 12 A. In total, with the inherent diminished value
- 13 and the improper repairs on -- I'm sorry, yes, the
- 14 repair related diminished value, what we call, is
- 15 thirty-two ninety-seven. So the total would be the
- 16 sum of them both, which would be fifty-one zero two
- 17 and 32 is 83, 84.
- Q. So is it your opinion that whatever the
- 19 vehicle was sold for by Sahara Chrysler to Mr. Poole
- on May 26th, 2014, that car was inherently worth
- 21 \$8,000 less that day?
- 22 A. Yes. At least.
- Q. Do you have any evidence or indication --
- 24 strike that.
- You've heard a lot of terms thrown around

- Q. Is that -- the questions I just asked you,
- 2 is that true for every single one of the remaining
- points, 9 through 22? That's that same methodology?
- A. Of snapping the picture with the camera?
- Q. And then basing your statements off of your
- 6 personal observations?
- 7 A. And experience in the industry. My
- 8 background, inspecting vehicles for 25, 30 years.
- 9 More than that.
- 10 Q. Okay. But I'm just verifying. No specific
- measurements for Items 8 through 22?
- 12 A. Correct.
- Q. When you performed the inspection of the
- vehicle on May 2016, do you know if any of those
- 15 wheels were reconditioned?
- 16 A. According to the estimate, they were.
- 17 Q. Just the one wheel?
- 18 A. The left front wheel as it's shown on the
- 19 estimate.
- Q. Did you do any testing of that wheel?
- 21 A. I did not.
- Q. Did you remove that wheel?
- 23 A. Second time. I did not.
- Q. Just verifying.
- Is it possible it was a different wheel?

- insurance policy. I didn't get into the accident.
- Our only duty is to put the car back together with the
- 3 monies we have. If the consumer doesn't want it, we
- 4 can't force them. What we would do is tell them what
- 5 the hazards would be, have them sign a liability
- 6 release, supply them with as much information as we
- 7 could for them to make an educated decision, and if
- 8 they decided to continue with the process, that would
- 9 be an issue they'd have to deal with, not me.
- 10 Q. But you were comfortable putting on a wheel
- 11 that you knew could create a public safety or hazard
- 12 issue?
- MR. WEST: Objection. Argumentative.
- THE WITNESS: Ma'am -- exactly. I just told
- 15 you my answer. You want me to repeat it again?
- 16 Q. (BY MS. SMITH) I just want a yes or no.
- A. Listen what happens.
- Q. I don't need your answer again. I would
- 19 just like a yes or no.
- 20 A. You asked me for the --
- Q. Okay. So you would put the reconditioned
- 22 wheel on; is that correct?
- 23 A. I would put the reconditioned wheel on if
- 24 the consumer supplied and signed the release of
- 25 liability, was aware of what the repercussions might

214 1 be safetywise. And if they made that decision, I 2 can't force them to do anything else. I'm a collision 3 shop owner, not a gangster. Or was a collision shop 4 owner. No more. 5 MS. SMITH: Okay. 6 THE WITNESS: Pack it in. 7 MR. WEST: I have a couple follow-ups. 8 Sorry. 9 THE WITNESS: Boy, can you get me a check so 10 I can go home? 11 MR. WEST: She'll get it to you later. 12 THE WITNESS: Later? 13 MR. WEST: Yep. 14 THE WITNESS: What do you mean later? 15 MR. WEST: Stop arguing and just listen. 16 THE WITNESS: I don't do laters. 1.7 MR. WEST: Well, that's the way the rules 18 work. 19 FURTHER EXAMINATION 20 BY MR. WEST: 21 Q. Mr. Avellini --22 Α. Later. 23 -- counsel said in your experience as a body 24 shop collision repair owner if the insurance company 25 would deny a claim to repair a wheel as opposed to

Exhibit "4"

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1
                          DISTRICT COURT
 2
                       CLARK COUNTY, NEVADA
 3
       DERRICK POOLE,
                   Plaintiff,
 6
                                  ) No. A-16-737120-C
            vs.
                                  ) Dept. No. XXVII
       NEVADA AUTO DEALERSHIP
 8
       INVESTMENTS, LLC, a
       Nevada Limited Liability
 9
       Company d/b/a SAHARA
       CHRYSLER, JEEP, DODGE,
       WELLS FARGO DEALER
10
       SERVICES, INC.,
11
       COREPOINTE INSURANCE
       COMPANY, and DOES 1
      through 100, Inclusive,
1.2
13
                   Defendants.
14
15
              VIDEOTAPED DEPOSITION OF JOSHUA GRANT
16
          30(b)(6) Representative from Sahara Chrysler
17
1.8
                Taken on Wednesday, December 14, 2016
                  By a Certified Court Reporter
                           At 9:34 a.m.
19
                     At Thorndal, Armstrong
20
                        1100 East Bridger
                        Las Vegas, Nevada
21
22
23
24
     Reported By: Cindy Huebner, CCR 806
25
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F			ż	j					
1	APPE	ARANCES:	2		4				
2				1 2	(Court reporter's opening statement was waived.)				
3					* * * * *				
	ryi the Platitin, Delitick Povic.				(Witness sworn.)				
4	GEORGE O. WEST, III, ESQ.				WHEREUPON:				
5		Law Offices of George O, West, II 10161 Park Run Drive	ſ	5	JOSHUA GRANT				
6		Suite 150		6	having been first duly sworn, was				
7		Las Vegas, NV 89145		7	examined and testified as follows:				
8				8					
-		e Defendants, Nevada Auto Dealersh	lp	9	EXAMINATION				
9	Invest	ments, LLC:		10	BY MR, WEST:				
10		BRIAN TERRY, ESQ.		11	Q. Can you please state and spell your				
11		Thondale Armstrong		12	name for the record, please?				
12		1100 East Bridger Avenue Las Vegas, NV 89101		13	A. Joshua Grant, J-O-S-H-U-A, G-R-A-N-T.				
13		•		14	4 Q. Mr. Grant, have you ever had your				
			7	15	deposition taken before?				
14	ror th	e Defendant, Wells Fargo Dealer Serv	rices, Inc.:	16	A. No.				
15		NATHAN KANUTE, ESQ.		17	Q. I know that Mr. Terry has gone over				
16		Snell & Wilmer		18	with you some of the rules and explained to you				
17		3883 Howard Hughes Parkway Suite 1100		19	what this process is all about, but I have to go				
18		Las Vegas, NV 89169		20	over a few of the ground rules with you so that				
				21	we have a clear understanding of what this				
19				22	procedure is all about and so that you know				
20 21				23	exactly what is going on here.				
22				24	The person to your left is a Certified				
23 24				25	Court Reporter. She is empowered under the laws				
25		HUEBNER COURT REPORTING, INC. (702) 374	-2319		HUEBNER COURT REPORTING, INC. (702) 374-2319				
1			3		5				
2		INDEX OF EXAMINATIO	N S	1	of the State of Nevada to give you an oath to				
		NATIONS	A C B	2	tell the truth, which you just took. It is the				
3	-		AGE	3	same oath you would take in a court of law as if				
4	BYMR	. W EST	4	4	we were in front of a judge and jury. And even				
5				5	though we are in an informal setting here today				
6		INDEX OF EXHIBITS		6	and there is no judge and jury present, the oath				
7	NO.	DESCRIPTION P	AGE	7	you took today carries the same penalties of				
8	1.	Second Amended Notice of Taking	21	8	perjury and the same requirements to tell the				
9	••	Deposition of 30(b)(6) Representati from Sahara Chrysler and Notice to	ve	9	truth as if we were in court. Consequently, you				
10		produce Documents		10	are giving sworn testimony in this case here				
11	2.	W ebsite	53	11	today as if we were in front of a judge and jury.				
12	3.	CD	166	12	Because of that, it is extremely				
13	4.	Appraisal form	72	13	important for you to give your best and most				
14	5.	Allstate Estimate of Record,	96	14	accurate testimony here today with respect to the				
15		NVAUTO000017-20		15	questions that I have to ask.				
16	6.	Carfax, NVAUTO000013-16	100	16	As you sit here today, is there any				
17	7.	Carfax, NVAUTO000079-86	113	17	reason why you believe you cannot give your best				
	8.	Dealer Operations Manual	115	18	and most accurate testimony here today?				
18	9.	Certified Pre-Owned Vehicle Inspect	ion 116	19	A. No.				
19		Checklist, NVAUTO000075-76		20	Q. No issues with medications, no issues				
20	10.	5/6/14 Repair Order, NVAUTO0002	3-255 154	21	with not getting enough sleep, anything like				
21				22	that? You feel comfortable going forward here				
22				23	today?				
23		INFORMATION TO BE PRO	VIDED	24	A. Ido.				
24		None		25	Q. So far, you are doing very well, but I				
25				23	HUEBNER COURT REPORTING, INC. (702) 374-2319				
		HUEBNER COURT REPORTING, INC. (702) 374-		Page 2 to 5 of 1	<u> </u>				

provided, yeah.

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Q. I just want to make sure, just for clarity, that there is no policy, handbook, or anything written down on paper or anything that you generated or anybody in the dealership generated that said this is how we are going to make the decision to CPO cars, this is what has to happen. Nothing like that?

No. We follow the manufacturer's guidelines to a T.

Item Number 2 to Exhibit 1 asks for documents, any written policies, practices, or procedures that were in effect at the time you, Sahara Dodge, acquired the Plaintiff's vehicle into Sahara Dodge's inventory that refer, reflect, or relate to any requirement, process, method, manner in which you are required to undertake any inspection of the vehicle in which you intend to display or sell as a certified pre-owned identified in Exhibit 1.

With respect to the vehicle at issue 22 here again, there was nothing written with respect at the time that the vehicle at issue came into acquisition into your inventory, I think it was in May of 2015, nothing written with

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respect to the decision to CPO that car, correct, other than the manufacturer's recommendations, correct?

A. Correct.

Q. Thank you.

Number 3 asks for any and all documents generated by you, Sahara Dodge, that refer, reflect, or relate to the CPO sale, CPO inspection, CPO eligibility involving the vehicle.

Your lawyer has given me a whole host of documents relating to that. We are going to go over those.

A.

As you sit here today, do you believe Q. all responsive documents in Number 3 have been provided?

A. I believe so.

Before you came here to the deposition Q. 20 today, other than talking with Mr. Terry, what have you done to prepare for your deposition here today? Have you talked to anybody other than Mr. Terry, reviewed any documents, anything like that?

Met with the paralegal. Α.

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Q. I don't want to know what was said. I 1

2 just want to know --

Yeah. There was a meeting with the 3 Α. paralegal. They gathered documents and whatnot 5 that were going to relate to the trial, yes.

6 Before you came to the deposition here 7 today, did you review the deal file with respect to Mr. Poole? Я

> A. Yes.

10 Q. Did you review the deal file with 11 respect to Mr. Hinton who was the person who

traded in the car that was ultimately resold to 12

13 Mr. Poole?

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Α. Yes.

Q. 15 Did you talk to anybody in service or 16 in sales regarding this particular case in 17 preparation for your deposition here today?

Α.

Q. 19 As you sit here today, do you have a 20 pretty good understanding based upon your review

21 of the documents as to the type of transaction

that occurred, how the vehicle at issue was

23 acquired into Sahara Dodge's inventory, how it

24 was CPO'd, that type of thing?

> Α. Yes.

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Q. And that testimony would be based on 1 both your review of those documents and your

personal familiarity and experience with that

4 process, correct?

> A. Yes.

6 Q. Number 4 asks for all CarFax,

AutoChecks, or other similar report obtained by

you, Sahara Dodge, prior to certifying the

vehicle as CPO and given -- and presented to the 9

10 Plaintiff.

11 Are you aware that there were some

CarFax reports that were generated on the vehicle 12

13 that were given to Mr. Poole?

> A. Yes.

> > Q. Have you reviewed those?

Α. 16

Q. Based upon you being a used car manager 17

within the dealership industry for over ten 18

19 years, how many vehicles would you say,

20 estimating, that you have been responsible for

21 selling to the community throughout your tenure

22 in the industry?

MR. TERRY: Just any vehicle or CPO?

24 MR, WEST: Used vehicles. It is a big

25 number.

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9 of 59 sheets

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- Q. I'm sure they exist. But on the other 1 side, there are customers that might find those 2 things important, true? 3
 - Α. Maybe.
- You as the used car manager, would you 5 Q. deem those things important and require those 6 types of disclosures if those things existed on a 7 CPO vehicle prior to sale? 8
 - Α. Would I require them, no.
- Q. 10 No?

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- Α. No. 11
- Q. Why not? 12
- Α. It is not a requirement of the program. 13
- Q. Other than it not being a requirement of the program as designated by the manufacturer, would it be prudent business practice to make full disclosure, as you testified previously, to 17 the consumer about things that might affect the vehicle's value or safety? If it affects a vehicle's value or safety it should be disclosed, right? 21
 - Α. If it affected a vehicle's safety, it would be listed here.
- My question is: If it affects safety 24 or value, you previously testified that it is 25

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- common practice and the custom and practice to make full disclosure to the consumer about things that might affect a vehicle's safety and value, 3 true? 4
- I don't know if I testified to that. 5 Α.
- Q. Let me ask the question again then. 6
- 7 A. Okay.
- Does Sahara Dodge, at the time this vehicle was sold to a consumer within the community, did they have a policy of making full disclosure to the car buyer who is about to buy a CPO vehicle about any information they may have 12 known about that might have affected a vehicle's safety or value?
 - Α. Safety, yes. Value, no.
 - Well, isn't part of the entire reason or underlying major reason why consumers are drawn to CPO vehicles is because they have a better value than non-CPO comparable vehicles?
 - Because of certification, you mean?
- Just in general, because they are 22 better quality cars. Value is part of the core principle in the sales process for a CPO, true?
 - Α. Yes.
 - So if value is a core principle that is Q. HUEBNER COURT REPORTING, INC. (702) 374-2319

- communicated to the community with respect to a
- CPO vehicle inducing them to buy a CPO vehicle
- because it is of a better value, if something
- 4 affects a vehicle's value, wouldn't that be
- something important to disclose to a CPO consumer
- before they sign their name to the contract?
 - Α. There was no policy for that, no.
 - Q. My question wasn't whether there was a
- policy. My question was: Did you as the person 9
- 10 here in the dealership to testify about these
- 11 things, did the dealership deem that important to
- 12 disclose to a car buyer within the community
- 13 prior to signing their name on the contract?
 - Α. No.
- 15 Q. So your testimony here today is, just so we have clarity, that items affecting a 16 17 vehicle's value involving a CPO vehicle is not part of the full disclosure requirement that 18
- 19 Sahara Dodge had at the time when they sold the
- vehicle to Mr. Poole? 20
- 21 Α. That's correct.
 - Q. If all of these things that I just
- 23 listed, the frame bracket, et cetera, et cetera,
- 24 went through a 125 comprehensive, thorough CPO
- inspection, would you have expected the service

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- department to have discovered all of those 1 things? 2
- 3 If they were damaged, yes. Α.
 - MR. TERRY: Let me just object. The
- question is vague and ambiguous. 5
 - THE WITNESS: If they were damaged at
- the time of inspection. 7
- 8 BY MR. WEST:
- Q. Yes. My question would -- obviously if 9
- 10 they weren't damaged at the time of the
- inspection, there wouldn't be any reason to 11
- disclose them, correct? 12
 - Α. Correct.
- 14 Q. So my question presupposes and assumes
- 15 that if these things existed that I just
- 16 listed --
 - MR. TERRY: And had been repaired.
 - MR. WEST: Whether they were repaired
- 19 or not.
- BY MR. WEST: 20
- 21 My question is: Had those things
- existed, and I did say whether they were repaired 22
- or replaced. I went repaired, replaced, 23
- repaired, replaced. So all of those items I 24
- talked about, the repaired front frame end 25

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