

# KEMNITZER, BARRON & KRIEG, LLP

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June 29, 2015

Honorable Jim Beall, Chairperson  
California Senate Committee on Transportation and Housing  
State Capitol, Room 5066  
Sacramento, CA 95814

**Re: AB 516 (Mullin)**

**Position: Oppose**

Dear Senator Beall:

I am an attorney who recently came on board with a firm that has practiced law for over three decades in California on behalf of consumers who purchased new and used vehicles. With the support of the senior partner Mr. William Krieg, I write to oppose AB 516, which would unfairly penalize consumers who are unable to obtain proper registration of their vehicles, and their permanent plates, through no fault of their own.

This firm's Fresno office receives approximately 50 new consumer complaints a month, with approximately 20% of these, or 10 per month, complaining of registration and titling issues. These complaints commonly include:

- Car dealer's failing to timely file the DMV registration and transfer paperwork leaving car buyers stranded for as long as six months without current DMV registration, and requiring them to keep their purchase documents in the vehicle in case they get pulled over for delinquent registration tags. Often a car buyer has to go to DMV directly and pay the fees again to obtain their registration directly from DMV. Less often but just as frustrating, a consumer is required to pay for and file a lost or stolen title report with the DMV to get a valid title that the dealer either doesn't have or refuses to turn over.
- Car dealer's charging a minimum amount on the purchase contract for DMV registration/title/license fees when the actual fees are much higher, and directing DMV to send the registration documents to the dealership's address rather than the consumer's

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address. This practice increases a credit-challenged car buyer's chance of being put into a loan (in violation of the Truth In Lending Act). It also allows the dealer to engage in an illegal "bait and switch" operation to force a car buyer to return to the dealership to receive the registration tags, typically demanding additional DMV fees and often resulting in the car buyer being required to sign another purchase contract with very unfavorable terms.

I currently represent Mr. C, a resident of Fresno, who on August 31, 2014, purchased a 2007 Dodge Ram 1500 from a local used car dealer that disclosed only \$30 on the purchase contract for Registration/Transfer/Titling fees. The actual fees were \$366. DMV records show that the dealer did not pay the fees of \$366 until two months later on October 29, 2014. Then on January 17, 2015, without the consumer's pre-authorization, the dealer charged the balance of \$336 to Mr. C's credit card (previously used to make the down payment). Mr. C only found out about the charge when his next credit card statement arrived.

This is not an isolated case, but it is illustrative of the type of case where clearly it makes no sense to penalize the consumers.

I strongly urge you to reject this ill-advised measure. Should you or your staff have any questions regarding my position, please do not hesitate to contact me.

Sincerely,



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cc: Assemblymember Mullin