



THE PUBLIC INTEREST LAW OFFICE OF THE LOS ANGELES COUNTY AND BEVERLY HILLS BAR ASSOCIATIONS
The Southern California Affiliate of The Lawyers' Committee for Civil Rights Under Law

March 7, 2017

The Honorable Ed Chau
Chair, Assembly Committee on Privacy and Consumer Protection
State Capitol, Room 5016
Sacramento, CA 95814
VIA FAX: 916-319-2149

Re: AB 380 (Dababneh): Electronic Motor Vehicle Sales Transactions: OPPOSE

Dear Chairperson Chau,

I write this letter on behalf of Public Counsel to oppose AB 380 (Dababneh) which would eliminate protections for consumers buying and leasing cars.

Founded in 1970, Public Counsel is the nation's largest pro bono law firm. One of our main goals is to foster economic justice by providing individuals and institutions in underserved communities with access to quality legal representation. In 2015, Public Counsel staff along with over 4,500 volunteers provided legal services to more than 22,000 individuals, benefitting over 330,000 underserved people and more than 350 nonprofit organizations and small businesses. Public Counsel's activities are far ranging and impact a wide spectrum of people who live at or below the poverty level. In the Consumer Law Project, we regularly assist low income consumers dealing with contract and unfair business practices claims related to car buying and leasing.

Existing law requires that consumers be provided with a single complete, written document including all contract terms, in advance of their agreeing to the terms and signing the contract. This is intended to ensure consumers are not presented with the transactions in a piece meal fashion, and are able to review and consider the document in its entirety prior to signing. The proposed bill would allow new and used car dealerships to have customers enter into conditional sales contracts for the purchase or lease of new or used cars online.

If transactions are conducted on a computer screen the entire, complete document may not be visible. Even if it is, there is a growing body of research that demonstrates that people do not read online fine print. For example, Florencia Marotta-Wurgler, a professor of law at New York University tracked how many consumers actually click on online contracts and spend more than

one second reading them, and estimates that is only one in one thousand.¹ Moreover, a computer screen may also be under the control of the finance and insurance manager, or other sales person, who has a potential conflict of interest regarding how they present transactions because they are paid commission based on sales. This law would make it far easier for unscrupulous car dealers to engage in fraud and other predatory practices. We already see a steady stream of clients with unfair business practices claims related to car leasing and buying, many of whom are elderly and who have limited English proficiency.

This is why Public Counsel strongly oppose AB 380. Should you have any questions, please feel free to contact me on (213) 385 2977 ext. 137.

Sincerely yours,



Stephanie Carroll
Senior Staff Attorney
Consumer Law Project

4820-8832-0822, v. 1

¹ Bakos, Yannis and Marotta-Wurgler, Florencia and Trossen, David R., Does Anyone Read the Fine Print? Consumer Attention to Standard Form Contracts (January 1, 2014). *Journal of Legal Studies*, Vol. 43, No. 1, 2014 (the abstract reads: “We track the Internet browsing behavior of 48,154 monthly visitors to the Web sites of 90 online software companies to study the extent to which potential buyers access the end-user license agreement. We find that only one or two of every 1,000 retail software shoppers access the license agreement and that most of those who do access it read no more than a small portion. “)