

**April 1, 2022**

**ATTORNEY GENERAL RAOUL, FTC ANNOUNCE SETTLEMENT WITH ILLINOIS-BASED AUTO GROUP  
OVER ILLEGAL FEES AND RACIAL DISCRIMINATION**

***Settlement Requires Edward Napleton Automotive Group to Pay \$10 Million***

**Chicago** — Attorney General Kwame Raoul and the FTC today announced a settlement that requires North American Automotive Services Inc., also known as Edward Napleton Automotive Group (Napleton), to pay \$10 million to resolve allegations dealerships charged illegal fees. The settlement was filed with a complaint alleging Napleton dealerships illegally charged consumers for unwanted “add-ons,” discriminated against Black customers by charging more for financing, and violated Illinois motor vehicle advertising regulations by including coupons and offers of free gifts in its advertisements.

“I appreciate the partnership of the FTC in holding accountable Edward Napleton Automotive Group over its abusive, discriminatory practices in Illinois and several other states around the nation,” Raoul said. “A vehicle is a large purchase, and the process can be overwhelming for consumers. We will not tolerate dealerships that take advantage of customers by charging them for added on products and features they never agreed to – or explicitly declined.”

“Working closely with the Illinois Attorney General, we are holding these dealerships accountable for discriminating against minority consumers and sneaking junk fees onto people’s bills,” said Samuel Levine, Director of the FTC’s Bureau of Consumer Protection. “Especially as families struggle with rising car prices, dealerships that cheat their customers can expect to hear from us.”

The complaint was filed in the U.S. District Court for the Northern District of Illinois against Napleton, which is based in Illinois but has dealerships in several states. Raoul and the FTC allege that eight Napleton dealerships and the general manager of two Illinois dealerships illegally tacked on fees for unwanted “add-on” products, such as payment insurance and paint protection. The illegal fees cost consumers hundreds or even thousands of dollars. A survey cited in the complaint showed that 83% of buyers were charged for add-ons without giving authorization or as a result of deception. One consumer reported that an Arlington Heights, Illinois dealership charged him for nearly \$4,000 in add-on fees after he’d paid a similar amount in a down payment.

According to the complaint, the dealerships would often wait until the end of the hours long negotiation process to sneak fees for add-on products and services into customers’ purchase contracts, which often run as long as 60 pages. These fees were often added despite customers specifically declining the add-ons or having confirmed prices that did not include the add-ons. In other cases, customers were falsely informed the add-ons were free or were a requirement to purchase or finance their vehicle.

The complaint also alleges that the Napleton dealerships discriminated against Black customers financing vehicle purchases. Napleton employees had wide latitude to increase the cost of a customer’s loan by increasing the amount paid in interest or inserting add-ons in the final contract. According to the complaint, Black customers were charged approximately \$190 more in interest and paid \$99 more for similar add-ons than similarly situated white customers.

Under the terms of the proposed settlement, \$9.95 million of the \$10 million judgment will be used to provide monetary relief to consumers, and \$50,000 will be paid to the Illinois Attorney General Court

Ordered and Voluntary Compliance Payment Projects Fund. Consumers who are eligible for relief will be contacted by the FTC.

The settlement will also require the defendants to establish a comprehensive fair lending program that, among things, will cap the additional interest markup customers can be charged. The settlement also requires the defendants to charge customers add-on fees only after receiving express, informed consent. Dealerships are also prohibited from misrepresenting the cost or terms to buy, lease or finance a car, or whether a fee or charge is optional.

The defendants in the case are:

- North American Automotive Services, Inc., also doing business as Ed Napleton Automotive Group (Oak Brook, Illinois)
- Ed Napleton Elmhurst Imports, Inc., also doing business as Napleton's Kia of Elmhurst/Ed Napleton Acura (Elmhurst, Illinois)
- Napleton's Arlington Heights Motors, Inc., also doing business as Arlington Heights Chrysler Dodge Jeep Ram (Arlington Heights, Illinois)
- Hitko Kadric, general manager of the two Illinois-based dealerships
- Napleton's North Palm Auto Park, Inc., also doing business as Napleton's Northlake Chrysler Dodge Jeep Ram (Lake Park, Florida)
- Napleton Enterprises, LLC, also doing business as Napleton's South Orlando/Kissimmee Chrysler Dodge Jeep Ram (Kissimmee, Florida)
- Clermont Motors, LLC, also doing business as Napleton's Clermont Chrysler Dodge Jeep Ram (Clermont, Florida)
- North Palm Motors, LLC, also doing business as Napleton's Northlake Kia (North Palm Beach, Florida)
- Napleton's Ellwood Motors, Inc., also doing business as Napleton's Ellwood Chrysler Dodge Jeep Ram (Ellwood City, Pennsylvania)
- Napleton's Mid Rivers Imports, Inc., also doing business as Napleton's Mid Rivers Kia (St. Peters, Missouri)