

Article from Dealer Magazine (http://www.imakenews.com/dealercomm1/e_article001016024.cfm?x=b11,0,w)

February 12, 2008

Stuff I read in depositions – training

by Gil Van Over

I've read more than a few depositions over the last couple of years. Some of the questions asked by plaintiff's attorneys shed light on the risks faced in a dealership's operations. Today I will discuss training.

Background

The basis for this lawsuit was that the dealership sold a used vehicle to a consumer and did not disclose prior damage as required by the state statute. This particular deposition is taken of a sales person who had been with the dealership for one month at the time of the transaction with the consumer. The sales person was only with the dealership for nine months with no previous automotive experience. Further, this deposition was taken two years after the sales person left the dealership and business and was working in construction.

The dealership's standard practice was for the sales manager print the paperwork required to close the deal and have the sales person to execute the paperwork signing.

Interrogation

Attorney: Tell me, Mr. Sales Person, at the time you had my client sign the paperwork in connection with this transaction, how long had you been employed at XYZ Motors?

Sales person: One month.

Attorney: What did you do previously?

Sales person: I was building houses.

Attorney: What paperwork did you have my client sign?

Sales person: The contract, the Buyer's Order, the credit application.

Attorney: Did you input the information into the computer system?

Sales person: No.

Attorney: Who did?

Sales person: The sales manager.

Attorney: Were there any other documents you had my client sign?

Sales person: No.

Attorney: What about the Used Car Buyer's Guide?

Sales person: Oh, yeah. That too.

Attorney: Any other forms?

Sales person: No.

Attorney: What about the Privacy Notice?

Sales person: Oh, yeah.

Attorney: Are you still employed at XYZ Motors?

Sales person: No. I quit the car business after nine months. I am working in construction right now.

Attorney: I am going to ask you about the training you received at XYZ Motors. You were responsible to have customers sign documents related to the sale and financing of vehicles. How much training did XYZ Motors give you in the federal Truth in Lending Act at the time you disclosed the paperwork with my client?

Sales person: None. I never got no training.

Attorney: Do you know what the federal Truth in Lending Act is?

Sales person: No.

Attorney: How much training did XYZ Motors give you in the federal Used Car Rule at the time you disclosed the paperwork with my client?

Sales person: None.

Attorney: Do you know what the Used Car Rule is?

Sales person: No.

Attorney: Did XYZ Motors give you any training in the laws and regulations that govern the sale and financing of motor vehicles?

Sales person: I done told you, I never got no training.

Moral of the Story

The dealership decided to use untrained sales people to close the F&I deals, thus opening itself up to various disclosure claims against the Used Car Rule and the Truth in Lending Act. This did not shed a favorable light on the dealership managers when they tried to explain that they disclosed prior damage to the customer.

Solution

Regardless of the process you use to close deals, whether you use an F&I Manager or sales people, make absolutely everyone is trained in the federal and state laws and regulations that govern the sale and financing of automobiles.

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