

David Berger of Ann Arbor, Michigan (a loyal customer for nearly twenty years) may never buy another Toyota. His recent Toyota experience is anything but stellar. Berger bought a new 2004 Solara off the lot and wasn't told it had \$1,300 in body and paint repair nor was he told it would need \$2,160 of additional warranty work. Berger's brand new car had lost thousands of dollars in its value before he'd even bought it!

Here's the story: on Friday, April 30th, Berger walked into Red Holman Toyota in Westland, Michigan, as he has for nearly two decades and bought a new car. This time he bought a fully loaded 2004 Solara SLE.

Thrilled with his purchase, Berger drove the car home and parked it in his garage. Several days later, as he was walking up his driveway, he noticed the bumper was a different color and didn't line up with right tail lamp. After further inspection, he discovered the right-rear quarter panel was pushed up and in. Additionally, the roof molding was flopping in wind, since it wasn't reinstalled properly. At that time, Berger realized the car had been in an accident and repaired.

Later that same day, Berger contacted, Don Stimmel, Assistant Sales Manager at Red Holman, from whom Berger always buys his cars. Berger gave Don the disturbing news and was asked to bring the car in for inspection. Before Berger brought the car in, he contacted Don's boss, Steve McGowan. Steve told Berger he didn't have to disclose the damage since it was less than 5% of the vehicle's MSRP (Manufacturer's Suggested Retail Price). Steve also told Berger that he should contact Bob Hamptom, Service Manager, because it was now Toyota's problem not Red Holman's. Steve, neither acknowledged nor denied knowing anything about the damage prior to the sale.

On the way to Red Holman, Berger stopped in at a reputable body repair shop and secured an estimate. It was three-pages long and totaled \$2,160; Berger was shocked. It appeared whoever did the repair didn't do a very good job and had left it unfinished. Who would do such a thing? Berger wondered.

Arriving at Red Holman, Berger met with Bob Hamptom. Bob put the car up on a hoist and could see where the bumper took a hit. The car's bumper frame was dented and the right-rear body section was out of alignment. According to Bob, the car had sustained an accident at the Toyota plant in Kentucky where it was made. Bob told Berger that in his opinion, Toyota didn't repair the car to its original condition, and it now needed extensive warranty repair. What makes Berger's case so distressing is that Toyota had done the work at its factory and released the car as new, knowing it would need thousands of dollars in warranty repair.

Berger insisted on getting a new vehicle, but Toyota refused his request. Berger didn't want to have his brand new car repainted under warranty, because the three-page repair estimate stated the car needed the rear bumper, quarter panel, door and roof painted--not to mention all the glass that would have to be removed and reinstalled. By repainting Berger's car, it would be substantially devalued.

A few days later, Bob told Berger that Toyota had spent \$1,300, keeping the cost just below the legal disclosure limit; however, after doing some research on his own, Berger found a copy of the Dealer's Manual published by the Michigan Secretary of State. It states any damage must be disclosed if it exceeds 5% of MSRP or \$750 in surface coating repair (excluding bumper).

Berger asks; is Toyota in violation of not disclosing the damage to him, knowing the repairs were incomplete? He feels a judge will be sympathetic to him, since the cost of the unfinished repair was just \$48 dollars shy of being 5% of the car's actual purchase price. Moreover, in

Berger's opinion the 5% may be a moot point. Toyota may have trouble proving it spent less than \$750 on the body and paint repairs (not including the bumper) after acknowledging it had spent a total of \$1,300. Berger is interested in seeing how the repair costs break down once his attorney (or a judge) requests the factory's service records from Toyota.

In any event, Berger feels Toyota clearly practiced questionable sales tactics, selling a car as new knowing it would need extensive repair work after the sale. If Toyota had done the job right the first time, it would have legally had to disclose the damage. The question remains; has Toyota done anything wrong? Berger believes so and wishes to tell his story to a judge and have him/her decide whether Toyota broke any laws.

Furthermore, the fact that it took Erik Fisher, Toyota Factory Representative, four days to return Bob's call frustrates Berger. Disappointingly, Erik offered just two options: repaint the car under warranty or file for arbitration. Berger's attorney advised him to not repaint the car unless part of the car's purchase price would be refunded, since Berger would no longer be getting a new undamaged car. Berger is confident a judge will rule in his favor once all the facts are presented in court.

Berger's car is sitting in his garage collecting dust, since he is afraid to drive it, risking further damage to it. He hopes to have a court date within a month's time.

It's unfortunate that Toyota has taken the fun out of buying a new car. Berger's, long-term relationship with Red Holman is now strained. Don Stimmel told Berger that if he'd known the car had been damaged; he wouldn't have sold it to him. Berger is disappointed that no one at Red Holman took the time to read the invoice very carefully (which stated the car had sustained damage) and investigate what had happened.

After five weeks, Toyota decided to buy back Berger's Solara. Berger's efforts had finally paid off. His lawyer didn't charge him since he hadn't done any work (in record time).

When Berger picked up his new car it had an empty tank of gas and only one key. Don told Berger that he'd have to come back a week later to pick up his additional keys. Berger didn't understand why Don, having the new car for over a week, didn't take care of this matter or at the very least inform Berger before he signed all the documents. Berger risked driving the car without a spare set of keys. If Berger had lost the key, the anti-theft system wouldn't have allowed anyone to drive the car and he'd have to tow it to Red Holman.

In the end, Berger was terribly disappointed in Red Holman's attitude and its unwillingness to even fill up the car's gas tank. After all, Berger was a loyal customer for nearly twenty years.

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