



**HAYNSWORTH
SINKLER BOYD**

**LEGAL & REGULATORY
AUDIT PROGRAM
COMPLIANCE OFFERINGS
FOR SOUTH CAROLINA AUTOMOBILE DEALERS**

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Automobile dealers are subject to significant regulation, from federal and state statutes to government agency policies and directives. A periodic inventory of a dealership's policies and practices is recommended to maximize legal compliance and minimize the risk of litigation or an adverse agency determination.



MAKE SURE YOU'RE PREPARED.

We know your business. Our attorneys know the laws and regulations that affect automobile dealers inside and out, and we want to share that knowledge.

Haynsworth Sinkler Boyd is pleased to partner with the South Carolina Automobile Dealers Association (SCADA) in providing the Legal and Regulatory Audit (LRA) Program. The SCADA LRA program focuses on promoting compliance with state statutes, regulations and legal precedents that govern sales, leases and service transactions between dealers and their customers. The program provides for review and comment on key documents in the sales transaction, including the dealer's buyer's order or purchase order, service department work order or repair order and arbitration clause, if any.

SCADA has negotiated price reductions and discounts on these legal services for the benefit of its members who enroll in the audit. The price list is set forth in this brochure.

Legal and Regulatory Audit Offerings

	REGULAR PRICE	DISCOUNTED PRICE
<p>Initial Legal and Regulatory Audit</p> <p>Dealers will have the opportunity to provide HSB with a set of key documents they use in a sales transaction. These documents are: (a) the buyer’s order or purchase order; (b) the service department work order or repair order; and (c) the dealer’s arbitration clause, if any. Dealers will also complete an audit survey on South Carolina legal compliance topics. HSB will review these documents and survey responses to evaluate a dealer’s compliance with applicable laws and meet with dealers to discuss potential compliance issues and suggest revisions or alternate forms of the reviewed documents where appropriate.</p>	\$1,500	\$1,000 ¹
<p>Form Deal Jacket Review and Suggested Revisions to Dealer Documents</p> <p>Dealers will have the opportunity to provide HSB with a set of <u>all</u> of the blank form documents they use in a sales transaction along with any written policies or procedures. HSB will review the documents for compliance with applicable laws, proper coordination with all other form documents and suggest potential revisions or alternate forms where appropriate.</p>	\$2,000	\$1,500 ²
<p>Complete Deal Jacket Review</p> <p>HSB will offer a comprehensive audit of a representative sample of complete deal jackets at a fixed flat fee, depending on the total number of deal jackets to be reviewed. These complete deal jackets would be audited for a variety of issues, including possible forged signatures, proof of income documents which do not match income reported on a credit application or simple failure to execute documents which should be included in the deal file.</p>	\$3,000	\$2,250 ³

¹ A written executive summary of the review can be purchased for an additional \$200.

² Denotes average price. Prices may vary based on the volume of documents submitted for review.

³ Denotes average price based upon review of 10 random deal jackets. Price may vary if additional deal jackets are reviewed or travel is required.

Compliance Manuals

To correct compliance deficiencies identified in the initial Legal and Regulatory Audit, HSB offers various “compliance manuals,” such as checklists, form documents or clauses, employee training materials, consumer disclosures, etc. Each of these manuals will be offered at a flat rate negotiated by SCADA, as well as a discounted rate if multiple compliance manuals are purchased. Manuals can be purchased in paper or electronic format. Compliance manual titles and prices are listed below:

	REGULAR PRICE	DISCOUNTED PRICE
<p>► Vehicle Sale or Lease Contract The vehicle sale or lease contract is the primary contract between a dealer and its customer in a motor vehicle sale or lease transaction. This agreement merits careful attention because its content and layout are crucial in protecting a dealer from lawsuits and administrative penalties. This manual contains suggested provisions to assist dealers in managing risk, and it also includes complete and separate model form sale and lease contracts.</p>	\$1,000	\$750
<p>► Vehicle Repair or Service Contract The vehicle repair or service contract is the primary contract between a dealer and its customer in a service department transaction. This agreement warrants careful attention because its content and layout are crucial in protecting a dealer from lawsuits. This manual contains suggested language and provisions to assist dealers in managing risk, and it also includes a complete model form repair/service contract, with an arbitration agreement.</p>	\$700	\$550
<p>► Arbitration Agreement An arbitration clause or agreement should be part of every sale/lease or repair/service transaction. It is the most effective way to minimize potential class action liability. This manual includes information about the arbitration process, model arbitration agreements and clauses for both sale/lease and repair/service transactions and FAQs for explaining arbitration to customers.</p>	\$500	\$375
<p>► Closing Fees Closing fees are now clearly defined by statute and regulated by the South Carolina Department of Consumer Affairs. This manual provides step-by-step instructions for how to calculate a closing fee, register the fee with the Department of Consumer Affairs, disclose the fee inside the dealership and include the closing fee in vehicle advertising.</p>	\$400	\$300
<p>► Consumer Credit Maximum Rate Filing and Posting All dealers must comply with the Consumer Credit Grantor and Maximum Rate filing and posting requirements of the South Carolina Consumer Protection Code. This manual provides detailed instructions on how to complete the required forms properly and what consumer disclosures to post in your dealership.</p>	\$250	\$185
<p>► Conditional Delivery (aka Spot Delivery) Conditional delivery occurs when the customer takes possession of the vehicle before financing is finalized. This manual includes:</p> <ul style="list-style-type: none"> ▪ Guidance on ensuring documents are internally consistent for conditional delivery; ▪ FAQ's from customers and suggested answers for dealership personnel; ▪ A disclosure form or addendum; and ▪ Training materials including a list of prohibited statements or actions in conditional delivery transactions for training dealership personnel. 	\$500	\$375

	REGULAR PRICE	DISCOUNTED PRICE
<p>► Shop Fee Best Practices This manual includes:</p> <ul style="list-style-type: none"> ▪ How to calculate the fee and compute sales tax; ▪ How to disclose the fee to consumers and how to handle challenges to the fee; ▪ Recommendations on advertising the fee; and ▪ A form disclosure to be posted in the service area to explain the fee. 	\$350	\$265
<p>► Shop Liens This manual includes:</p> <ul style="list-style-type: none"> ▪ What to do when service customers will not pay and claim their vehicle; ▪ Best practices for charging storage fees for unclaimed vehicles; ▪ Negotiating with the lienholder; and ▪ Imposing a repair lien and selling the vehicle to recover repair costs. 	\$250	\$185
<p>► Avoiding Dealers Act and Unfair Trade Practices Act (UPTA) Claims</p> <p>This manual includes:</p> <ul style="list-style-type: none"> ▪ Strategies for limiting exposure to two of the most dangerous legal claims facing South Carolina dealers; ▪ Includes the reasons why these claims are so dangerous for dealers; ▪ Discusses limited insurance coverage for these claims; ▪ Includes guidance and training materials concerning avoiding misrepresentations about vehicle history, avoiding claims arising from credit applications and requiring purchase of non-factory equipment or accessories; ▪ Includes sample used car disclosures; and ▪ Includes 10 Commitments for Salespersons and Tips for Training. 	\$500	\$375
<p>► Buying Back Loans from Lenders This manual includes what to do when a lender requires repurchase of the loan and includes detailed instructions for:</p> <ul style="list-style-type: none"> ▪ Repurchasing loans, taking an assignment from the lender and notifying the consumer; ▪ Sending a notice of default and right to cure to the borrower; ▪ Self-help repossession of the vehicle; ▪ Sale of the vehicle after repossession; and ▪ FAQ's for customers with suggested answers for dealership personnel. 	\$350	\$265
<p>► What to do if You Get Sued: Step-by-Step Process to Handling Claims This manual explains what to do if the dealership is sued and includes:</p> <ul style="list-style-type: none"> ▪ Checklist of steps to follow if served with a lawsuit; ▪ Guidance and training for dealership personnel on who can accept service of process; ▪ Training for handling relevant documents for a deal that is the subject of litigation; and ▪ Guidance for dealing with your liability insurance carrier if served with a complaint. 	\$250	\$185
<p>► Electronic Lien and Title Program This manual explains what fees can be charged for electronic vehicle registration.</p>	\$300	\$225



Receive a 10% discount
when you commit to three or
more manuals. Volume discounts
available for multiple stores.

	REGULAR PRICE	DISCOUNTED PRICE
► Dealer Advertising and Internet Pricing This manual focuses on state advertising requirements and procedures for avoiding liability for advertising violations. It provides guidance on listing and marketing the price of vehicles on the internet, and it includes a discussion of dealer promotions and contests.	\$250	\$185
► Temporary License Tag Fee This manual explains what fees may be legally charged by dealers when issuing temporary license tags.	\$200	\$150
► New Motor Vehicle Damage Disclosure This manual explains a dealer's statutory obligations to consumers involving new motor vehicle damage. It also includes a model form for new motor vehicle damage disclosure to consumers.	\$200	\$150
Total cost of all compliance manuals	\$6,000	\$4,520

Volume Discounts	Multiple Store Volume Discount	
Compliance manuals are sold on a per store (rooftop) basis. A dealer who purchases three (3) or more compliance manuals at one time will receive an additional 10% reduction off the already discounted price for each compliance manual purchased.	Store # 1	regular price
	Store # 2	less 10%
	Store # 3 to 5	less 20%
	Store # 6 to 10	less 30%

Contact our LRA Team for additional information:



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