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STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

2005 SEP 16 AM 7:34

ELIOT SPITZER
Attorney General

845-485-3924

REGIONAL OFFICE DIVISION
POUGHKEEPSIE REGIONAL OFFICE

September 7, 2005

[redacted]
Matamoras, PA [redacted]

Our File Number: **2005--506161**
Company: 2005 Volkswagon Passat

[redacted]

On behalf of Attorney General Eliot Spitzer, I am writing to notify you that we have received your correspondence.

We appreciate your alerting us to this matter. We believe the organization shown below may be able to assist you and we are forwarding your correspondence there.

If you do not receive a response in the near future, please follow up directly with that organization. I suggest you attach a copy of this letter or, if appropriate, mention that you are adding new information.

Thank you for writing to our office. We will keep your correspondence on file for future reference.

Very truly yours,

Mark T. Hoops

Bureau of Consumer Frauds
and Protection

cc: National Highway Traffic and Safety Administration
400 7th Street SW
Washington, DC 20590

Mailed 9/20/05

ATTORNEY GENERAL ELIOT SPITZER
STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
BUREAU OF CONSUMER FRAUDS AND PROTECTION
235 Main Street
Poughkeepsie, NY 12601-3194
Tel. (845) 485-3920 Fax (845) 452-3303

R-451
DDIA/19
506161

COMPLAINT FORM

Consumer Hotline 1 (800) 771-7755 For Hearing Impaired (800) 788-9898

1. PLEASE BE SURE TO COMPLAIN TO THE COMPANY OR INDIVIDUAL BEFORE FILING.
2. PLEASE TYPE OR PRINT CLEARLY IN DARK INK.
3. YOU MUST COMPLETE THE ENTIRE FORM. INCOMPLETE OR UNCLEAR FORMS WILL BE RETURNED TO YOU.
4. MAKE SURE YOU ENCLOSE COPIES OF IMPORTANT PAPERS CONCERNING YOUR TRANSACTION.

CONSUMER

YOUR NAME: [redacted]
HOME TELEPHONE NUMBER: [redacted]
STREET ADDRESS: [redacted]
BUSINESS TELEPHONE NUMBER:
CITY/TOWN: MATAMORAS COUNTY: Pike STATE: PA ZIP: [redacted]

COMPLAINT SL: 2005 Volkswagen Passat

NAME OF SELLER OR PROVIDER OF SERVICES	NAME OF OTHER SELLER OR PROVIDER OF SERVICES
MIDDLETOWN MAZDA VOLKSWAGEN	VW CUSTOMER CARE LISA McGEEN
STREET ADDRESS: 200 DOLSON AVE	STREET ADDRESS: 3499 W HAMLIN RD
CITY/TOWN: MIDDLETOWN STATE: NY ZIP: 10940	CITY/TOWN: ROCHESTER HILLS STATE: MI ZIP: 48309
TELEPHONE NUMBER: 845 344 4440	TELEPHONE NUMBER: 800 822 8987

DATE OF TRANSACTION	COST OF PRODUCT OR SERVICE	HOW PAID (Check those which apply)
05/21/05	$ [redacted]	☑ Cash ☐ Check ☐ Credit Card ☐ Other [redacted]

DID YOU SIGN A CONTRACT?	WHERE DID YOU SIGN THE CONTRACT?	DATE SIGNED
☑ Yes ☐ No	MIDDLETOLAN MAZDA VOLKSWAGEN	05/21/05

WAS PRODUCT OR SERVICE ADVERTISED?	WHERE WAS IT ADVERTISED?	DATE ADVERTISED
☑ Yes ☐ No	LOCAL & NATIONAL MEDIA	ONGOING

TYPE OF COMPLAINT (e.g. car, mail order, etc. Use the reverse side of this form to provide details)
CAR

DATE YOU COMPLAINED TO THE COMPANY OR INDIVIDUAL	PERSON CONTACTED	JOB TITLE
7/13/05 ☐ By Mail ☑ By Telephone ☑ In Person	RANDALL ZWEST LISA McGEEN	SERVICE ADVISOR MECHANIC SUPV. VW CUSTOMER CARE

NATURE OF RESPONSE	DATE OF RESPONSE
DAMAGE WAS DUE TO OUTSIDE CIRCUMSTANCES	7/15/05

HAS MATTER BEEN SUBMITTED TO ANOTHER AGENCY OR ATTORNEY? (If "Yes," give name and address)
☐ Yes ☑ No

IS COURT ACTION PENDING? (Please describe as necessary)
☐ Yes ☑ No

ADDITIONAL INFORMATION

MANUFACTURER OF PRODUCT	PRODUCT MODEL OR SERIAL NUMBER
VOLKSWAGEN	PASSAT GLS
ADDRESS: 3499 W Hamlin Rd Rochester Hills MI 48309	WARRANTY EXPIRATION DATE: 05/2010

DID BUSINESS ARRANGE FINANCING? (If "Yes," give name and address of bank or finance company)
☑ Yes ☐ No VOLKSWAGEN CREDIT PO Box 650301 COCKEYSVILLE, MD 21065-0301

PLEASE DESCRIBE COMPLAINT ON REVERSE SIDE

BRIEFLY DESCRIBE YOUR COMPLAINT PLEASE SEE ATTACHED

WHAT FORM OF RELIEF ARE YOU SEEKING? (e.g., exchange, repair or money back, etc.) Money back or REPAIRMENT REPAIR SO CAR IS SAFE TO DRIVE IN RAIN

WHO REFERRED YOU TO THIS OFFICE? [redacted]

READ THE FOLLOWING BEFORE SIGNING BELOW

PLEASE ATTACH TO THIS FORM **PHOTOCOPIES** of any papers involved (contracts, warranties, bills received, canceled checks, correspondence, etc.). **DO NOT SEND ORIGINALS.**

NOTE: In order to resolve your complaint, we may send a copy of this form to the person or firm about whom you are complaining.

In filing this complaint, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from misleading or unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities, I should contact a private attorney. I have no objection to the contents of this complaint being forwarded to the business or person the complaint is directed against. The above complaint is true and accurate to the best of my knowledge.

I also understand that any false statements made in this complaint are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the [redacted]

Signature: [redacted] Date: 8-19-05

HAVE YOU ENCLOSED COPIES OF IMPORTANT PAPERS?

Return to: **Office of the Attorney General**
Bureau of Consumer Frauds and Protection
235 Main Street
Poughkeepsie, NY 12601-3194

I was driving home from work on 7/06/05 on Kennedy Boulevard, a main thoroughfare in Jersey City, NJ. It was raining heavily and traffic was moderate. There were puddles of water on the highway but no flooding or major flooding. With cars behind me and in front of me my car stalled. No other cars stalled. I tried to start my car but it would not restart. I let the car rest for approx. ten minutes and tried to start it again. The car started so I drove to my apartment in Bayonne, NJ. The next day it was not idling right so I drove the car to Metropolitan Volkswagen in Jersey City NJ to service the problem. I was told by Randall Zuest, service advisor at Metropolitan VW, the engine was damaged and the cost to fix it was around $7000. dollars. I contacted Volkswagen customer care who told me the problem was due to outside circumstances and not covered under warranty.

Two days later while telling these events to my parents at their restaurant I was told by an auto body shop owner, who was at their restaurant, that my problem was a common one with Volkswagen and Hondas ever since they moved the engine air in-take from the top of the engine to a lower location in those cars.

I bought a new car for its dependability to get me to and from work. I don't need a car I cannot drive in the rain.

Sincerely,

[redacted]

Volkswagen Credit

Customer Care Phone Number 1-800-428-4034

Payment Address Only:
Volkswagen Credit
P.O. BOX 7247-0136
PHILADELPHIA, PA 19170-0136

See reverse side for correspondence address

[redacted]

01266VHBIGR

[redacted]
MATAMORAS PA [redacted]

Account Statement

TOTAL AMOUNT DUE: [redacted]

PAYMENT DUE DATE: August 21, 2005
Monthly Payment: $439.10

Customer Information

Statement Date: August 02, 2005
Account Number: [redacted]
Borrower:
Vehicle:
VIN: WAWBD63F[redacted]
Vehicle Garaging Address: [redacted]
MATAMORAS, PA [redacted]

Account Summary

Last Payment Received: July 27, 2005
Amount:
Payments Made:
Payments Remaining:
Year to Date Principal 2005:
Year to Date Interest 2005:

[redacted]

Important Messages

We Thank You for Your Business

Need an idea of how much equity you have in your home? Go to www.vwbankusa/homevalue to get an estimate of what your home is worth.

FAX

TO: [redacted]
Company:
Fax Number: [redacted]
Phone Number:

FROM: [redacted]
Fax Number:
Phone Number: [redacted]

NOTES:

Date and time of transmission: Tuesday, August 09, 2005 11:59:48 AM
Number of pages including this cover sheet: 06

838251952-01

MECHANICAL FAILURE SERVICE CONTRACT
NEW VEHICLE COVERAGE

VEHICLE INFORMATION

CONTRACT NUMBER [redacted] | SERIAL NUMBER

YEAR 2005 | MAKE VOLKSWAGEN | MODEL | ENGINE/TRANSMISSION

ADDITIONAL EQUIPMENT (Check All That Apply) FOR PRICING PURPOSES ONLY: TURBO ☐ DIESEL ☐ 4X4 ☐

DEALER INFORMATION

SELLING DEALER | DEALER #

DEALER ADDRESS | CITY | STATE | ZIP

SALESPERSON | ADDRESS

DEALER PHONE

SERVICE CONTRACT INFORMATION*

TERM / MILEAGE SELECTED		COVERAGE SELECTED
4 YEARS / 60,000 MILES ☐	6 YEARS / 72,000 MILES ☐	PLATINUM (100) ☐ GOLD (100) ☐
5 YEARS / 60,000 MILES ☐	6 YEARS / 100,000 MILES ☐	GOLD PLUS (100) ☑ SILVER (100) ☐
5 YEARS / 75,000 MILES ☐	7 YEARS / 70,000 MILES ☐	
5 YEARS / 100,000 MILES ☑	7 YEARS / 100,000 MILES ☐	
6 YEARS / 60,000 MILES ☐		

DEDUCTIBLE SELECTED
$0 ☐ $50* ☐ $100 ☑
* NOT AVAILABLE ON GOLD PLUS OR SILVER PACKAGE.

	SEE "SERVICE CONTRACT PERIOD" TO DETERMINE EXPIRATION DATE AND MILES	VOLKSWAGEN CERTIFIED PRE-OWNED VEHICLE (100) ☐
SERVICE CONTRACT COVERAGE DATE	SERVICE CONTRACT PURCHASE DATE	

*THIS SERVICE CONTRACT MAY PROVIDE COVERAGES WHICH ALREADY MAY BE INCLUDED IN ANY APPLICABLE MANUFACTURER'S WARRANTY.

SERVICE CONTRACT HOLDER INFORMATION

FIRST NAME | LAST NAME

ADDRESS | CITY | STATE | ZIP

MAIN DAYTIME PHONE | YOU UNDERSTAND THAT THE PURCHASE OF THIS SERVICE CONTRACT IS NOT REQUIRED IN ORDER TO OBTAIN FINANCING OR TO PURCHASE THIS VEHICLE AND HAS A $100 DEDUCTIBLE.

[redacted] | ADDITIONAL TELEPHONE NUMBER: YOU are required to obtain authorization prior to beginning any repairs covered by this Service Contract except in an Emergency (See "Emergency Repairs")

OPTIONAL GAP (GUARANTEED ASSET PROTECTION) SERVICE PLAN INFORMATION

SEE OWNER'S MANUAL FOR COMPLETE LISTING OF FULL FACTORY RECOMMENDED SERVICES.	SELECT SERVICE INTERVAL					
	EVERY 5,000 MILES			EVERY 10,000 MILES		
		NON-SYNTHETIC OIL	SYNTHETIC OIL		NON-SYNTHETIC OIL	SYNTHETIC OIL
SELECT BOTH TERM (YEARS)/MILEAGE AND PLAN TYPE	30,000 ☐	VALUE (100) ☐	VALUE (100) ☐	30,000 ☐	VALUE (100) ☐	VALUE (100) ☐
	35,000 ☐	VALUE PLUS (100) ☐	VALUE PLUS (100) ☐	40,000 ☐	VALUE PLUS (100) ☐	VALUE PLUS (100) ☐
CAR CARE PURCHASE DATE	40,000 ☐	HIGHLINE		45,000 ☐	HIGHLINE	
	45,000 ☐	VALUE (100) ☐		50,000 ☐	VALUE (100) ☐	
CAR CARE PURCHASE PRICE	50,000 ☐	VALUE PLUS (100) ☐			VALUE PLUS (100) ☐	

☐ Washington Residents Only: By initialing this box, YOU acknowledge YOU have reviewed with Selling Dealer the sections of this Service Contract titled: SERVICE CONTRACT COVERAGE, VEHICLE COVERED PARTS, SERVICE CONTRACT PERIOD, EXCLUSIONS FROM COVERAGE, HOW TO MAKE A CLAIM, CANCELLATION, DEDUCTIBLE AND UNCOVERED COSTS and IMPLIED WARRANTY; CONTRACTUAL LIABILITY POLICY # 08-30-0001.

SERVICE COMPANY AND ADMINISTRATOR:

FIDELITY WARRANTY SERVICES, INC.

P.O. BOX 8667 ▼ DEERFIELD BEACH, FLORIDA 33443 ▼ 1-877-660-0868

COPY 1 - FWS ▼ COPY 2 - DEALER ▼ COPY 3 - LIENHOLDER ▼ COPY 4 - CUSTOMER

CSM 2004

3610

15118138

GREAT AMERICAN

GREAT AMERICAN INSURANCE COMPANY

580 Walnut Street, Cincinnati, OH 45202

— CERTIFICATE OF COVERAGE —

"BEACON INDUSTRIES WORLDWIDE" THEFT DETERRENT SYSTEM

CERTIFICATE HOLDER NAME(S) [redacted]			SYSTEM REGISTRATION CODE [redacted]
ADDRESS [redacted]			
CITY MATAMORAS	STATE PA	ZIP [redacted]	
YEAR 2005	MAKE VOLKSWAGEN	MODEL PASSAT	[redacted]
VIN WVWRD63 [redacted]			
CERTIFICATE PURCHASE DATE 05/21/05		VEHICLE PURCHASE PRICE [redacted]	
AMOUNT FINANCED [redacted]		SYSTEM SALES PRICE [redacted]	
☒ NEW VEHICLE ☐ USED VEHICLE	COVERAGE PERIOD: 36 Months		REPLACEMENT BENEFIT [redacted]

DEALER NAME MIDDLETOWN MAZDA VOLKSWAGEN			[redacted]
CITY MIDDLETOWN	STATE NY	ZIP 10940	
CONTACT KENNETH KOCK		PHONE [redacted]	
[redacted]			

CLAIMS PROCEDURES

In the event of theft, You must contact Us to establish a claim file by calling 1-888-722-3824 within five days of the Date of Theft. Within sixty (60) days of the Date of Theft, You must provide Us or Our Agent with proof of claim to include a copy of:

1. This Certificate of Coverage;
2. Primary insurance documents clearly identifying the Vehicle and specifying insurance coverage;
3. Primary insurance claim settlement check(s) showing final payment as applicable;
4. Police report;
5. Purchase/lease agreement for Replacement Vehicle as applicable;
6. Such other documents as may be reasonably requested by Us or Our Agent listed below.

BEACON INDUSTRIES WORLDWIDE, INC.
PO BOX 9827
FORT LAUDERDALE, FL 33310
1-888-722-3824

[redacted]

DATE 05/21/05

This certifies that a Theft Deterrent System has been installed on the Vehicle listed above.

DEALER AUTHORIZED SIGNATURE

DATE 05/21/05

WHAT WE WILL PAY

We will pay You up to the Maximum Replacement Benefit amount if the Stolen Vehicle is not recovered or, if recovered, deemed a total loss by the Primary Carrier and You purchase a Replacement Vehicle equal to or greater than the Vehicle Purchase Price.

[redacted]

NOTICE OF REQUIREMENT TO PROVIDE INSURANCE

Volkswagen Credit

1. TO BE COMPLETED BY CUSTOMER . . . . . .

[redacted]	
[redacted] MATAMOROS, PR [redacted]	
[redacted]	
BEICO	
MOCKSBURY RD MOCKSBURY, NY 12550	
[redacted]	
	[redacted]
	05/21/05 — 11/22/05 — YES ☐ NO ☐

I have recently financed the purchase of a motor vehicle and agree to the following conditions (a. through e.) as required by *VW Credit, Inc.:

a. I must maintain physical damage coverage on the financed vehicle for the entire term of the contract.

b. The physical damage coverage must not exceed a maximum of $750.00* Deductible Comprehensive (or Fire, Theft and Combined Additional Coverage), and a maximum of $750.00 Deductible Collision.

c. Coverage must be in effect on the date of my contract and the policy must name Loss Payee as Volkswagen Credit.

d. The following will not be considered acceptable insurance coverage: Maintenance or Repair Contracts, One Month Policies or Insurance Certificates that make reference to a "Master Insuring Agreement".

e. The Insurance Agent must be instructed to send the Policy Endorsement or Certificate to: VOLKSWAGEN CREDIT, P.O. BOX 650301, COCKEYSVILLE, MARYLAND 21065-0301.

*In the state of Hawaii, physical damage coverage must not exceed a maximum of $1,000.00 Deductible Comprehensive.

The vehicle described in section 2 is replacing the following vehicle presently covered under the policy mentioned above:

[redacted]	N/A	
[redacted]		

2. TO BE COMPLETED BY DEALER (If customer has written proof of acceptable insurance coverage, please attach) . . . . . .

VEHICLE IDENTIFICATION: YEAR 2005	MAKE VOLKSWAGEN	MODEL PASSAT	VEHICLE IDENTIFICATION NO. WVWBD63B75P053211	
TELEPHONE VERIFICATION OF INSURANCE COVERAGE: YES ☐ NO ☐	NAME OF INSURANCE COMPANY OR INSURANCE AGENCY	DEALER EMPLOYEE KENNETH BOCK	DATE 05/21/05	

*VW Credit, Inc. (d.b.a. Volkswagen Credit, Audi Financial Services, and Bentley Financial Services) servicer for VW Credit Leasing, Ltd. and Volkswagen Bank USA (d.b.a. Audi Bank USA).

RETAIL INSTALLMENT CONTRACT

[redacted]

MIDDLETOWN NISSAN VOLKSWAGEN
200 DOLSON AVENUE
MIDDLETOWN, NY 10940

USE OF VEHICLE: ☒ PERSONAL ☐ BUSINESS ☐ AGRICULTURAL

☐ NEW ☐ USED	2005	VOLKSWAGEN	PASSAT		WVWRH63	[redacted]	22	

Amount Financed	Total of Payments	Total Sale Price
[redacted]	[redacted]	[redacted]

$ [redacted]		$ N/A		

Late Charge. [redacted]

Security Interest. You are giving a security interest in the property being purchased.

See this Retail Installment Contract for any additional information about nonpayment, default, any required repayment in full before the scheduled date, prepayment and refunds.

☒ See insurance requirements.

ITEMIZATION OF THE AMOUNT FINANCED

1. Cash Price	
a. Vehicle including accessories, delivery, manufacturer charges, if any	[redacted]
b. Document Fee	
c.	N/A
d. Cash Price (1a + 1b + 1c)	[redacted]
2. Downpayment	
a. Cash Downpayment	$ [redacted]
b. Gross Allowance on Trade-in: $ N/A	[redacted]
c. Payoff on Vehicle: $ N/A	
d. Net Allowance on Trade-in (2b—2c)	$ 0.00
e. Downpayment (2a + 2d)	$ [redacted]
3. Unpaid Balance of Cash Price (1d—2e)	$ 21,825.00
4. Amounts Paid to Others on Your Behalf	
a. Paid to Insurance Companies for premiums for insurance policies or policy fees in connection with this contract:	
(1) Physical Damage Insurance	N/A
(2) Mechanical Breakdown Insurance	N/A
(3) Credit Life Insurance	N/A
(4) Accident and Health Insurance	N/A
b. Paid to Public Officials for:	
(1) State and Other Taxes	$ 1,798.74
(2) Registration, Title and Transfer Fees	$ 18.00
(3) Certificate of Title	N/A
(4) Registration	$ 218.00
c. Paid to GREAT AMERICAN/FIDELITY for:	
(1) EXTENDED SERVICE CONTRACT	$ 1,375.00
d. Paid to	
For:	
e. Subtotal (4a + 4b + 4c + 4d)	[redacted]
5. Amount Financed (3 + 4e)	$ [redacted]

PHYSICAL DAMAGE INSURANCE is required under this contract. You may obtain physical damage insurance from anyone you want that is acceptable to us. If a premium is shown in 4a(1), it covers what you choose to get the protection through us and that you will pay the premium shown for the coverages checked for the term of N/A months. ☐ a. N/A Deductible Comprehensive, ☐ Fire-Theft and Combined Additional Coverage, ☐ c. N/A Deductible Collision, ☐ Towing and Labor (if checked, cost of $ N/A is included in the premium). Insurance authorized will be based upon actual cash value of the vehicle or, upon at loss, the lesser amount. Any insurance covered in the policy, and payable to you and the Assignee of Contract, as interests may appear.

MECHANICAL BREAKDOWN INSURANCE is not required under this contract. If a premium is shown in 4a(2), it means that you choose to get the insurance through us and that you will pay the premium shown for coverage for a term of N/A months and/or N/A miles and cost $ N/A Deductible.

YOU MAY CHOOSE THE PERSON THROUGH WHOM THE INSURANCE IS TO BE OBTAINED.

LIABILITY INSURANCE COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE CAUSED TO OTHERS IS NOT INCLUDED.

CREDIT LIFE INSURANCE AND ACCIDENT AND HEALTH INSURANCE are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

TYPE	PREMIUM	PREMIUM ADVANCE	TYPE	PREMIUM	PREMIUM ADVANCE
☐ CREDIT LIFE	$ N/A		☐ ACCIDENT AND HEALTH	$ N/A	

I want the insurance checked above.

SIGNATURE: _____ DATE: _____

CREDIT LIFE INSURANCE AND ACCIDENT AND HEALTH INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT, AND WILL NOT BE PROVIDED UNLESS YOU SIGN AND AGREE TO PAY THE ADDITIONAL COST.

Transfer of this Contract. You understand and agree that this Retail Installment Contract will be transferred to VW Credit, Inc. which will then become the Assignee within the meaning of the Federal Truth-in-Lending Act.

SEE BACK OF THIS CONTRACT FOR ADDITIONAL AGREEMENTS.

A. **PROMISE TO PAY.** Buyer promises to pay to Creditor the Total of Payments at the dates and in the manner set forth in the Payment Schedule on the previous page. Each payment received will be applied first to interest and unpaid Finance Charge, other charges, and then to principal, and any prepayment will be applied to reduce the Amount Financed. The Finance Charge, Total of Payments, and the Total Sale Price are based on the assumption that Buyer will make every payment on the date it is due. The Finance Charge, Total of Payments and Total Sale Price will be more if you pay late and less if you pay early. Your final payment may be larger or smaller, depending on whether you have made payments late or early. The Creditor will send you a correction if it is due after the final scheduled payment is shown on the front of this contract.

B. **PREPAYMENT.** Buyer may prepay the obligations under this contract in full at any time prior to maturity and you will be liable for the unearned Finance Charge for the actual date of prepayment. Any premium refunds of voluntary insurance, credit life and/or accident and health insurance financed with the contract are determined by Creditor unless otherwise prescribed by law. Buyer grants and Creditor shall have a Security Interest, as the term is defined in the Uniform Commercial Code and other applicable laws of any state in which this contract is executed, in the property and the proceeds thereof, including any insurance in the property or any premium refund thereof financed in voluntary insurance. Financed Insurance, in the proceeds of any insurance on the property, and in the proceeds of any credit life and/or accident and health insurance financed hereunder, until all amounts due under this contract are paid in full.

C. **LATE CHARGES AND COLLECTION COSTS.** You agree to pay us a late charge for each payment or part thereof we receive more than 10 days after it is due. The amount of the late charge is shown on the front of this contract. If we accept a late payment or a late charge from you, it does not excuse your being late and it does not mean that you can keep making your payments after they are due. If we hire a lawyer to collect what you owe us, you also agree to pay our reasonable lawyer's fee up to 15% of the amount due and payable under this contract, plus court costs.

NOTICE TO THE BUYER: 1. Do not sign this contract before you read it or if it contains any blank spaces. 2. You are entitled to a completely filled-in copy of this contract when you sign it. 3. Under the law, you have the following rights, among others: (a) to pay off in advance the full amount due and not pay a premium; (b) to voluntarily repay the property; (c) to require, under certain conditions, a resale of the property if repossessed. 4. According to law you have the privilege of purchasing the insurance on the motor vehicle provided for in this contract from an agent or broker of your own selection.

IMPORTANT NOTICE TO BUYER: (a) STATE LAW REQUIRES THAT SELLERS OF SECOND HAND CARS CERTIFY IN WRITING TO THE BUYER THAT EACH CAR IS IN SAFE CONDITION AT THE TIME OF SALE. (b) THIS CERTIFICATION IS A GUARANTEE THAT THE CAR IS IN SAFE CONDITION AT THE TIME OF SALE. (c) YOU HAVE A RIGHT TO REQUIRE THE DEALER TO REPAIR OR TO PAY IN FULL FOR REPAIRS OF ANY UNSAFE CONDITION IF THE CAR WHICH DOES NOT COMPLY WITH THIS CERTIFICATION. (d) THIS INSPECTION IS LICENSED BY THE DEPARTMENT OF CONSUMER AFFAIRS, 42 BROADWAY STREET, NEW YORK, NEW YORK 10004, COMPLAINT FORMS ARE AVAILABLE.

YOU AGREE that you signed this contract and received a completely filled-in copy on JULY 21, 2005.

[redacted]

RETAIL INSTALLMENT CONTRACT

[redacted]

This contract is assigned by the Creditor (Seller) named above and assigned to VW Credit, Inc. (Holder) according to the terms of the Assignment on the back of this contract.

Authorized signature _____ Title _____

* MIDDLETOWN NISSAN VOLKSWAGEN

ORIGINAL

[illegible] [illegible] ADDITIONAL AGREEMENTS

A. **SUBSEQUENT INTEREST.** By signing this contract, you are giving us a security interest in the vehicle described on the face of this contract and in (1) any replacement part, engine, or equipment installed in the vehicle, (2) any proceeds received from insurance policies or service contracts financed by this contract, (3) payments of any insurance policies obtained on the vehicle, and (4) proceeds of any insurance policies on you (if we require insurance) that are financed by this contract. This security interest will secure the amount and performance of all your other agreements under contract.

B. **DEFAULT PAYMENT.** For purposes of this contract, a "Default Payment" is an originally scheduled total payment owed to us that is subsequently larger than any of the other scheduled payments, or the contract describes a Default Payment, you agree that when each payment becomes due to be paid in order (1) your two highest Payments in the full amount when it is due to be paid, (2) likewise the Default Payment as described in paragraph F below, or (3) not the vehicle as described in paragraph G below.

C. **ACCELERATION DEFAULTS PAYMENTS.** If the originally scheduled total payment owed to us is a Default Payment, we may advance the Default Payment unless you have validated some part of this contract. You must promptly do each point that the vehicle is repaired in a manner that is acceptable to us before you may advance the Default Payment. The Annual Percentage Rate and the terms of the agreement for Default Payments and renewal dates allowed by law. You must notify us in writing if your intention to advance the Default Payment at least 20 days before the date the Default Payment must be paid except as allowed in paragraph I below.

D. **REPOSSESSION OF VEHICLE.** If the originally scheduled total payment owed to us is a Default Payment, you may call the vehicle to us by an amount that is equal to the amount of the Default Payment you owe us. After you have you for such sale you have the option to accept of the total number of miles allowed or abandon the form of abandonment after the date of repossession that you owe us under this contract. Repossession and repossession, among other things, (1) [illegible] damaged or destroyed glass, (2) damage to the body, mechanical, [illegible] sales or price, (3) removal of equipment that has been part of the vehicle when you accepted the vehicle unless your authorized replacement equipment that is equivalent or (4) damage from flood, wind, hail or sand, or (5) any damage or other condition that makes the vehicle other unsafe or unlawful or that does not meet at least [illegible] All that must be part of a repairing us. Note that we are responsible. You must maintain the vehicle according to the manufacturer's recommended maintenance schedule and must produce evidence of this upon our request.

In order to sell the vehicle back to us, you must request us in writing 30 days before the due date of the Default Payment and provide a time and place suitable to us for inspection of the vehicle no less than 15 days before the due date of the Default Payment. At this inspection we will determine whether there is any excess mileage or unusual wear and tear on the vehicle. If after the inspection of the vehicle you decide to sell the vehicle to us, you must give us the vehicle at later than the due Default Payment is due along with a certified check in the amount you owe us for excess mileage and unusual wear and tear. If you do not keep appointment of the vehicle inspection and a certificate of title to the vehicle that allows us free of the lien or lien and the remaining ownership of the vehicle to us. If you decide not to sell us the vehicle after the inspection, you must either (1) pay the next payment of the Default Payment owed under the balance due or (2) cancel or refund it upon after the inspection and return to you you owe us pursuant the Default Payment and reinstate the Default Payment as if before the date it is due.

If you disagree with the amount of mileage you owed, you or we may and your or abandoned as the inspection of the vehicle you may obtain, at your own expense, from a dealer established dealer of the vehicle approved by us a dollar estimate of the mileage of your vehicle. The estimate that you open the inspection and submit to us the lesser of the estimate determined by us. except wear and tear on the vehicle up the repair the damaged shown or the estimate obtained at your expense.

E. **USE OF VEHICLE.** You promise not to use the vehicle illegally or improperly. You agree that the vehicle will not be subjected to abnormal or extreme or unreasonable by any government. You agree not to use the vehicle for hire unless we consent in this contract. You agree you to take the vehicle out of the state where you first obtained it, or we may, if vehicle you take for more than 30 days without our written permission. You agree to keep the vehicle in good repair and in good if we or other we ask.

F. **OWNERSHIP AND USE OF LAWS.** You agree that you are the lawful owner of the vehicle. You promise not to sell or transfer the vehicle or any of your interest in it or to add accessory without our written permission. You agree to pay all your taxes under this contract and on portions of your obligations under this contract. Even if the vehicle is damaged, destroyed or missing.

G. **CLAIMS AND THE CLAIMS OF OTHERS.** You agree that your rights in, if any, in how how of yours and the claims of others (liens) except any payoff shown on the face of this contract. You promise to keep the vehicle being purchased free from all liens and false claims and liens. We promise as long as we have ownership on the title of the vehicle and you have paid of your cost under the contract. If you pay any fees or taxes on the vehicle for us, you agree to repay us on demand, with interest at the Annual Percentage Rate as disclosed on the face of this contract.

H. **MAINTENANCE PHYSICAL DAMAGE INSURANCE.** You promise to keep the vehicle insured in your insurance against physical damage or insurance that covers to pay in full, and with the loss payable to us to the amount of our interest in the vehicle. You agree to follow all such insurance policies to us when required. If a provision the physical damage insurance is included on the face of this contract, it does not change the requirement that you must keep the vehicle insured, including the purpose on the DEMAND only means you will try to obtain such insurance for your damage or accident insurance agent. If you are unable to obtain such insurance, for the term and coverages described, you agree that we can use to apply the premium included in the course according to paragraph I below.

I. **FAILURE TO INSURE.** At any time during the term of this contract, if the vehicle is not insured as required by this contract or if you fail to give us satisfactory evidence of such insurance when we ask for it, you agree that except for physical damage insurance on the vehicle protecting you and us as only us. If the claim shows that we are required to buy any insurance policy not stated, if we do buy such insurance, you agree to pay us additional sum of your debt, the cost of this insurance as charged, or if not stated, limited insurance under the purchase shown on your Payment Schedule plus interest at the Annual Percentage Rate as disclosed on the front of this contract.

J. **APPLICATION OF PROCEEDS.** You agree that we can use any proceeds from insurance received under this contract, regardless of who keep the insurance, either to repair or replace the vehicle or to reduce your debt under the contract, as we decide. If the vehicle is repaired or a total loss, the following amounts, regardless of priority, will apply: (1) any unpaid late charges and amounts due under this contract, (2) any unpaid amounts you owe us for insurance premiums we purchased or obtained for you because you failed to insure the vehicle as required, (3) any unpaid balance of the amount financed, (4) any deductible amount for the insurance policy and (5) any other amounts owed under this contract. We will not apply insurance proceeds to any unpaid late charges that become due after obtaining a replacement from your insurance company. We will not apply insurance proceeds to any unpaid charges for any insurance we purchased or obtained for you because you failed to insure the vehicle as required except the insurance may provide reimbursement for out-of-pocket expenses that become due after obtaining a replacement from your insurance company. We will not apply insurance proceeds to any unpaid charges for any insurance we purchased or obtained for you because you failed to insure the vehicle as required except the insurance may provide reimbursement for out-of-pocket expenses that become due after obtaining a replacement from your insurance company. We will not be entitled to and