



NAILAH K. BYRD
CUYAHOGA COUNTY CLERK OF COURTS
1200 Ontario Street
Cleveland, Ohio 44113

Court of Common Pleas

New Case Electronically Filed: COMPLAINT
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By: ROSEMARY E. RUPERT 0042389

Confirmation Nbr. 2285055

STATE OF OHIO, EX REL. ATTORNEY GENERAL
DAVE YOST

CV 21 949184

vs.

MICHAEL RAY AUTO GROUP INC. ET AL.

Judge: DICK AMBROSE

Pages Filed: 7

- (“CSPA”), R.C. 1345.01 et seq. and the Certificate of Motor Vehicle Title Act 4505.01 et seq.
3. The Defendants are “suppliers” as defined in R.C. 1345.01(C) because the Defendants were, at all times relevant hereto, engaged in the business of affecting consumer transactions either directly or indirectly by soliciting and selling goods or services to consumers in the State of Ohio for purposes that were primarily for personal, family or household use, within the meaning specified in R.C. 1345.01(A).
 4. Defendants, as described below, engaged in “consumer transactions” by offering for sale, selling or financing the purchase of used motor vehicles to individuals for purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.01(A) and (D).
 5. The actions of Defendants, hereinafter described, have occurred in the State of Ohio and Cuyahoga County.
 6. Jurisdiction over the subject matter lies with this Court pursuant to the CSPA, R.C. 1345.04.
 7. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(C)(2) and (3), as Defendants conducted their business from their location in Cuyahoga County and engaged in the transactions and conduct complained of therein.

STATEMENT OF FACTS

8. Defendant Michael Ray Auto Group, Inc. (“MRAG”) is an Ohio corporation company that is registered with the Ohio Secretary of State.

9. Defendant MRAG's principal place of business was 14550 Lorain Avenue, Cleveland, Ohio 44111.
10. At all times relevant to this complaint, Defendant MRAG was engaged in the business of buying and selling used vehicles from its location at 14550 Lorain Avenue, Cleveland, Ohio 44111.
11. Defendant Kenneth Wayne Adams ("Adams") is an individual whose last known address is 13374 Fairwinds Drive, Strongsville, Ohio 44136.
12. Upon information and belief, Adams is an owner of Defendant MRAG, and he exercised the authority to establish, implement, or alter the policies of Defendant MRAG and committed, allowed, directed, ratified, or otherwise caused the following unlawful acts and practices to occur.
13. Defendant Vartan Alexander ("Alexander") is an individual whose last known address is 10193 Upton Court, Twinsburg, Ohio 44087.
14. Upon information and belief, Alexander is an owner of Defendant MRAG, and he exercised the authority to establish, implement, or alter the policies of Defendant MRAG and committed, allowed, directed, ratified, or otherwise caused the following unlawful acts and practices to occur.
15. Defendants were at all times relevant to this action engaged in the business of soliciting, promoting, purchasing, selling, financing and collecting the proceeds of the sales of used motor vehicles from their location in Cleveland to consumers residing in Cuyahoga County Ohio as well as other Ohio counties.
16. Defendants, operating under the name Michael Ray Auto Group, Inc., solicited individual consumers to enter into consumer transactions, specifically for the sale

of used motor vehicles.

17. At all relevant times hereto, Defendants held license #UD022608 issued by the State of Ohio under R.C. 4517.01 *et seq.*, allowing them to engage in the business of displaying or selling at retail or wholesale used motor vehicles at 14550 Lorain Avenue, Cleveland, Ohio 44111.
18. At all relevant times hereto, the Defendants were displaying or selling used motor vehicles at the MRAG location in Cuyahoga County.
19. The Defendants displayed for sale and sold used motor vehicles without obtaining certificates of title for the vehicles in their name, and without possessing a bill of sale for each motor vehicle displayed. They also offered for sale, or sold, without a properly executed power of attorney or other related document from the prior owner of the motor vehicle giving MRAG the authority to have a certificate of title to those vehicles issued in their name.
20. The Defendants sold motor vehicles to consumers in the ordinary course of business and failed to apply for certificates of title in the name of the retail purchaser on or before the thirtieth day following the date of the sale.
21. The Defendants sold motor vehicles to consumers in the ordinary course of business and failed to obtain certificates of title in the name of the retail purchaser on or before the fortieth day following the date of the sale.
22. The Defendants received payment from retail purchasers and/or third parties on behalf of retail purchasers in full satisfaction for the purchase of the motor vehicles.

23. As a result of the Defendants' conduct, retail purchasers have been unable to obtain certificates of title to their used motor vehicles and have filed numerous complaints with Plaintiff pursuant to Ohio's Title Defect Recision (TDR) statute, R.C. 4505.181.
24. TDR consumer claims totaling \$154,545.81 thus far were paid from the TDR Fund, administered by the Ohio Attorney General's Office, after the Defendants failed to obtain certificates of title on or before the fortieth day after the sale of the motor vehicles.
25. Defendant Alexander filed a voluntary Chapter 7 bankruptcy petition on January 22, 2021 in the United States Bankruptcy Court for the Northern District of Ohio case number 21-50090. A discharge was granted on May 25, 2021. The discharge applies only to those debts legally dischargeable.

PLAINTIFF'S CAUSE OF ACTION

VIOLATIONS OF THE CONSUMER SALES PRACTICES ACT

26. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Twenty-Five (1-25) of this Complaint.
27. The Defendants committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) by failing to file applications for certificates of title within thirty days after the assignment or delivery of motor vehicles as required by R.C. 4505.06(A)(5)(b).
28. The Defendants engaged in unfair and deceptive acts and practices in violation of R.C. 1345.02(A), by selling motor vehicles to consumers, in the ordinary course

of business, and then failing to obtain certificates of title on or before the fortieth day after the sale of the motor vehicles as required by R.C. 4505.181(B)(1).

29. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. The Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

PRAYER FOR RELIEF

Wherefore, Plaintiff respectfully requests that this Court:

1. **ISSUE A DECLARATORY JUDGMENT**, pursuant to R.C. 1345.07(A)(1) declaring that each act or practice described above violates the CSPA, R.C. 1345.01 et seq. in the manner set forth therein.
2. **ISSUE A PERMANENT INJUNCTION**, pursuant to R.C. 1345.07(A)(2), enjoining Defendants and their agents, representatives, salespeople, employees, successors or assigns and all persons acting in concert or participating with them, directly or indirectly, from engaging in the acts or practices of which Plaintiff complains and from further violation of the CSPA, R.C. 1345.01 et seq.
3. **ISSUE A PERMANENT INJUNCTION**, pursuant to R.C. 1345.07(A)(2), enjoining the Defendants from engaging in further consumer transactions as a supplier until all monetary amounts awarded under this action has been paid.
4. **ORDER** Defendants MRAG and Adams jointly and severally, pursuant to R.C. 1345.07(B), to reimburse all consumers damaged by their unfair and deceptive acts or practices, including non-economic damages.

5. **ORDER** Defendants MRAG and Adams jointly and severally, pursuant to R.C. 1345.52, to make payment to the TDR Fund equal to all monies paid to resolve consumer complaints and deficiencies in the fund caused by the unfair and deceptive acts and practices of the Defendants as set forth in this complaint
6. **ASSESS, FINE, AND IMPOSE** upon the Defendants a civil penalty of Twenty-Five Thousand Dollars (\$25,000) for each appropriate violation described herein pursuant to R.C. 1345.07(D).
7. **ORDER** that Defendants Adams and Alexander be prohibited from maintaining or applying for an auto dealer or salespersons license under Chapter 4517 of the Revised Code.
8. **GRANT** the Ohio Attorney General its costs in bringing this action, including but not limited to, the costs of collecting on any judgment awarded.
9. **ORDER** Defendants to pay all court costs.

GRANT such other relief as the Court deems to be just, equitable, and appropriate.

Respectfully submitted,

DAVE YOST
Ohio Attorney General

/s/ Rosemary E. Rupert

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