

STATE OF RHODE ISLAND
PROVIDENCE, SC.

SUPERIOR COURT

STATE OF RHODE ISLAND,
Plaintiff,
v.
MAG Ventures LLC
Defendant.

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C.A. No.: PC 22 -

COMPLAINT

The State of Rhode Island *ex rel.* Peter F. Neronha, Attorney General, and for its Complaint against Defendant states:

I. INTRODUCTION

1. This is a consumer protection action brought to redress and restrain violations of the Rhode Island Deceptive Trade Practices Act, R.I. Gen. Laws § 6-13.1.1 – § 6-13.1.11.
2. Defendant is engaging in a course of continuing conduct directed at Rhode Island motor vehicle buyers constituting unfair and deceptive trade practices.
3. As discussed further below, Defendant’s advertisements offering certain used vehicles at “wholesale prices” similar to “what we pay” misleads Rhode Islanders to believe that they are able to buy vehicles for prices usually only available to motor vehicle dealers which leads to consumer confusion and harm, and is in direct violation of the rules and regulations governing how motor vehicle dealers can advertise prices.

II. PARTIES

1. Rhode Island Attorney General Peter F. Neronha is authorized to bring this action on behalf of the State of Rhode Island by R.I. Gen. Laws § 6-13.1, *et seq.*

2. Defendant, MAG Ventures LLC, operating under the fictitious name Grieco Toyota (“Grieco Toyota”), is a domestic Limited Liability Company registered with the Rhode Island Secretary of State. Grieco Toyota’s principal business office address is 123 Atlanta Street, Woonsocket, RI 02895. Grieco Toyota has filed documents with the Secretary of State describing itself as a “NEW VEHICLE FRANCHISE AUTOMOBILE DEALERSHIP.”

3. Grieco Toyota operates a new and used car dealerships using the name Grieco Toyota of East Providence located at 415 Taunton Avenue, East Providence, RI 02914.

III. JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction over this matter under R.I. Gen. Laws § 6-13.1-5.

5. This Court has personal jurisdiction over Grieco Toyota because it is a Rhode Island business.

IV. FACTUAL ALLEGATIONS

Advertisement of “Wholesale” and Dealer Prices

6. Grieco Toyota is unfairly and deceptively advertising that it is selling vehicles at “wholesale prices” and that car buyers could “pay what we pay going to the auction.”

7. Grieco Toyota’s advertisements, including the advertisement attached as Exhibit A, promote that cars are available from a “value lot” at their East Providence dealership for “wholesale prices.”

The screenshot shows the Grieco Toyota website. The navigation menu includes: Home, New Inventory, Value Lot Vehicles, Used Inventory, KBB Trade-In Value, Specials & Financing, Service Your Vehicle, and About Grieco Toyota. A search icon is also present. Below the navigation is a promotional banner with the heading "Check out our selection of Value Lot Vehicles!" and a list of bullet points:

- What if you could pay what we pay going to the auction? That's exactly what we are doing with our **Value Lot Vehicles**. Buy direct from us at **wholesale prices** instead of us sending our inventory to the auction. Think of it as if you were buying the vehicle off Craigslist, Facebook Marketplace or from your neighbor.
- We here at Grieco Toyota are offering these vehicles to you on an "As Is" basis.
- There are **NO** written or implied warranties from our company to you on these vehicles.
- These vehicles have **passed the emission test** along with a safety inspection required by the State of Rhode Island.

8. The advertisement in Exhibit A also promotes: “What if you could pay what we pay going to the auction?”

9. This advertisement misleads potential car buyers to believe that they are purchasing vehicles for prices only available to motor vehicle dealers or what the auction value of the car would be.

10. As of March 3, 2022 at 1:46 P.M., Grieco Toyota had 107 vehicles listed on their “Value Lot Vehicles” page underneath these advertisements.

Violation of Division of Motor Vehicle Rules and Regulations

11. Grieco Toyota is licensed to operate its motor vehicle dealership by the Rhode Island Division of Motor Vehicles (“DMV”).

12. Therefore, Grieco Toyota is subject to DMV rules and regulations, including rules and regulations related to how dealerships can advertise pricing.

13. DMV rules and regulations provide that “[t]he word ‘wholesale’ shall not be used in retail motor vehicle advertising to imply that motor vehicles are being offered to the general public at ‘wholesale prices.’” 280-30-20 R.I. Code R. § 1.9(B)(3).

14. DMV rules and regulations also provide that “[t]he price of motor vehicles shall not be advertised in relation to the vehicles ‘dealer cost’, or words of similar meaning.” 280-30-20 R.I. Code R. § 1.9(B)(4).

15. The purpose of these rules and regulations is to “protect the interest of the public when dealing with motor vehicle dealers in Rhode Island.” 280-30-20 R.I. Code R. § 1.2(A).

V. COUNTS

**COUNT I: VIOLATION OF THE RHODE ISLAND
DECEPTIVE TRADE PRACTICES ACT
R.I. GEN. LAWS § 6-13.1-2**

16. Paragraphs 1 through 15 are incorporated herein.

17. Defendant’s advertisements regarding “wholesale pricing” and the ability to pay the same price that Grieco Toyota may be able to constitutes a violation of the Rhode Island Deceptive Trade Practices Act;

18. Defendant’s advertisements regarding “wholesale pricing” constitute false or misleading statements of fact concerning the reasons for, existence of, or amounts of price reductions, which

constitutes an unfair method of competition or unfair and deceptive act or practice under R.I. Gen. Laws § 6-13.1-1(6);

19. Defendant's advertisements regarding "wholesale pricing" constitute other unfair methods of competition and unfair or deceptive acts or practices under R.I. Gen. Laws § 6-13.1-1(6); and

20. Therefore, Defendant engaged in unfair acts or practices in the conduct of trade or commerce, in violation of R.I. Gen. Laws § 6-13.1-2, as defined by R.I. Gen. Laws § 6-13.1-1(6).

**COUNT II: RESTRAINT OF PROHIBITED ACTS UNDER
DECEPTIVE TRADE PRACTICES ACT
R.I. GEN. LAWS § 6-13.1-5**

21. Paragraphs 1 through 20 are incorporated herein.

22. Defendant is using and is about to use methods, acts, and practices declared to be unlawful by § 6-13.1-2.

23. Proceedings to restrain such acts are in the public interest.

VI. PRAYER FOR RELIEF

WHEREFORE, the State of Rhode Island requests that this Honorable Court, after trial on the merits, grant the following relief:

- A. Enter an order pursuant to R.I. Gen. Laws § 6-13.1-5 permanently enjoining Defendant from advertising that:
 - a. motor vehicles are available at "wholesale prices"; or
 - b. motor vehicles are being offered for prices similar to the "dealer cost" or price.
- B. Order Defendant to pay the State's costs and attorneys' fees.
- C. Order Defendant to pay a civil penalty of up to ten thousand dollars (\$10,000.00) per violation of the Deceptive Trade Practices Act as provided by R.I. Gen. Laws § 6-13.1-8.

Respectfully submitted,

STATE OF RHODE ISLAND,

PETER F. NERONHA,
ATTORNEY GENERAL,
BY HIS ATTORNEY

/s/ Stephen N. Provazza _____
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EXHIBIT A




- [New Inventory](#)
- [Value Lot Vehicles](#)
- [Used Inventory](#)
- [KBB Trade-In Value](#)
- [Specials & Financing](#)
- [Service Your Vehicle](#)
- [About Grieco Toyota](#)

👤 Log In

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- We here at Grieco Toyota are offering these vehicles to you on an "As Is" basis.
- There are NO written or implied warranties from our company to you on these vehicles.
- These vehicles have passed the emission test along with a safety inspection required by the State of Rhode Island.



Ready to Trade In or Sell Your Car?

Get a Kelley Blue Book® Instant Cash Offer in minutes.

[GET MY OFFER ➔](#)



What's Your Trade-In Worth?

Get your Kelley Blue Book® Trade-In Value.

Make/Model	VIN	License Plate
<input type="text" value="Enter Year Make Model Trim"/>		

Value Lot Vehicles in East Providence, RI

107 Vehicles

☰ ☒ Sort by

- Condition
- 📍 All Conditions
 - 📍 Pre-Owned 107


NEW ARRIVAL

IMAGES COMING SOON

2006 Acura TL Base Sedan

162,817 miles
20/29 mpg City/Hwy

Retail Value Please Call



Paul
Grieco Toyota

I'm online! How may I help? 😊

Your message