

SUPREME COURT OF VIRGINIA

Manassas Autocars, Inc. t/a Manassas Chrysler v. Daniel T. Couch, et al.

645 S.E.2d 443 (Va. 2007) · No. Record No. 061458 · Decided June 8, 2007

SUMMARY

The Supreme Court of Virginia considered whether a motor vehicle dealer's advertisement complied with a statutory requirement governing disclosure of limited vehicle availability and whether the dealer could invoke a related administrative regulation as a defense to claims under the Virginia Consumer Protection Act. The court held that the regulation conflicted with the plain language of the statute and that the buyers could pursue their VCPA claim. The court also affirmed submission of the buyers' revocation-of-acceptance claim to the jury because repainting the vehicle substantially impaired its value to buyers who intended to purchase a new vehicle.

CASE DETAILS

COURT	Supreme Court of Virginia
WRITING FOR THE COURT	Elizabeth B. Lacy; All the Justices
JURISDICTION	Virginia
DECIDED	June 8, 2007
DOCKET	Record No. 061458
DISPOSITION	affirmed
PROCEDURAL POSTURE	Automobile dealer appealed a jury verdict awarding the buyers damages on claims under the Virginia Consumer Protection Act and Virginia's revocation-of-acceptance statute.
STANDARD OF REVIEW	Questions concerning whether an agency regulation conflicts with its enabling statute are subject to judicial review. The court reviewed the trial court's legal rulings on the regulation and VCPA claim for error and considered whether the evidence supported submission of the revocation claim to the jury.
PRECEDENTIAL VALUE	published precedential opinion of the Supreme Court of Virginia
PARTIES	Manassas Autocars, Inc. t/a Manassas Chrysler v. Daniel T. Couch, Crystal L. Couch

TOPICS

consumer protection statutory interpretation uniform commercial code administrative law
appellate procedure

PRACTICE AREAS

consumer protection contracts administrative law appellate procedure

QUESTIONS PRESENTED

1. Whether the Motor Vehicle Board regulation permitting stock numbers to disclose limited availability conflicted with Code § 46.2-1581(12)(a).
2. Whether the Couches could maintain a Virginia Consumer Protection Act claim based on the alleged violation of Code § 46.2-1581(12)(a), notwithstanding Code § 59.1-199(A)'s exemption for aspects of consumer transactions authorized by law or regulation.
3. Whether the evidence was sufficient to submit the Couches' revocation-of-acceptance claim to the jury under Code § 8.2-608.

HOLDINGS

1. The regulation conflicted with the statute because the statute requires a new-vehicle advertisement to clearly and conspicuously disclose, in addition to any stock number, that it relates to only one vehicle. The regulation improperly allowed the stock number alone to indicate limited availability.
2. The Couches could pursue a VCPA claim because the statutory exemption for conduct authorized by law or regulation does not exempt conduct merely because it is regulated. The exemption applies only to conduct actually sanctioned by statute or regulation.
3. The trial court properly submitted the revocation-of-acceptance claim to the jury because the evidence could support a finding that repainting substantially impaired the vehicle's value to the Couches.

KEY QUOTATIONS

“The plain meaning of this section is that, for new car advertisements, the stock number alone is insufficient to show limited availability and that something in the advertisement, in addition to the stock number, must clearly and conspicuously indicate that only one vehicle is available.” (446)

“Manassas' construction of Code § 59.1-199(A) equates the word "authorized" with "regulated.” (447)

FACTUAL BACKGROUND

The Couches responded to an advertisement for a Chrysler Town & Country Touring minivan, but were told upon arrival that the advertised vehicle had already been sold. They purchased a new red Town & Country LX minivan, which had a large stain that the dealer unsuccessfully attempted to remove and ultimately repainted without the Couches' permission. After learning of the repainting, the Couches attempted to return the vehicle and later revoked acceptance; the vehicle had been driven approximately 1,100 miles. Their expert testified that repainting diminished the vehicle's value by 20 percent.

PROCEDURAL HISTORY

The Couches filed an amended motion for judgment alleging deceptive advertising under the Virginia Consumer Protection Act and proper revocation of acceptance under Code § 8.2-608. The trial court excluded the Motor Vehicle Board regulation, allowed the claims to proceed, and the jury returned verdicts for the Couches, including trebled VCPA damages for a willful violation. Manassas appealed, and the Supreme Court of Virginia affirmed.

DISPOSITION

affirmed

CASES CITED

- Sargent Electric Co. v. Woodall, 228 Va. 419, 424, 323 S.E.2d 102, 105 (1984)
- Commonwealth v. American Radiator & Standard Sanitary, 202 Va. 13, 19, 116 S.E.2d 44, 48 (1960)
- Judicial Inquiry & Review Comm'n v. Elliott, 272 Va. 97, 115, 630 S.E.2d 485, 494 (2006)
- General Motors Corp. v. Dep't of Taxation, 268 Va. 289, 292-95, 602 S.E.2d 123, 125-26 (2004)
- Virginia Department of Taxation v. Blanks Oil Co., 255 Va. 242, 246-47, 498 S.E.2d 914, 916 (1998)
- WTAR Radio-TV Corp. v. Commonwealth, 217 Va. 877, 879-80, 234 S.E.2d 245, 246-47 (1977)
- Gasque v. Mooers Motor Car Co., 227 Va. 154, 313 S.E.2d 384 (1984)