

SUPREME COURT OF SOUTH CAROLINA

Brown v. Dick Smith Nissan, Inc.

414 S.C. 101 (2015) · No. 2013-000417 · Decided August 5, 2015

SUMMARY

The South Carolina Supreme Court reversed the Court of Appeals and reinstated the trial court's judgment for Latoya Brown against Dick Smith Nissan, Inc. and its surety. The court held that the dealer violated the South Carolina Dealers Act by obtaining financing for a different vehicle, making inaccurate representations, and failing to correct the financing documents, causing Brown damage.

CASE DETAILS

COURT	Supreme Court of South Carolina
WRITING FOR THE COURT	Justice Beatty; Justice Kittredge; Justice Hearn; Acting Justice James E. Moore; Acting Chief Justice Pleicones
JURISDICTION	South Carolina
DECIDED	August 5, 2015
DOCKET	2013-000417
DISPOSITION	reversed
PROCEDURAL POSTURE	The South Carolina Supreme Court granted Brown's petition for a writ of certiorari to review the Court of Appeals' reversal of a circuit court judgment entered for Brown after a bench trial under the South Carolina Dealers Act.
STANDARD OF REVIEW	Because an action under the Dealers Act is an action at law tried without a jury, appellate review is limited to correction of errors of law, and the trial court's factual findings will not be disturbed if supported by evidence that reasonably supports them.
PRECEDENTIAL VALUE	Published opinion; precedential decision of the Supreme Court of South Carolina.
PARTIES	Latoya Brown v. Dick Smith Nissan, Inc., Old Republic Surety Company

TOPICS

- deceptive trade practices
- consumer protection
- contracts
- conditions precedent
- appellate procedure

PRACTICE AREAS

consumer protection

automobile dealer regulation

contracts

appellate procedure

remedies

QUESTIONS PRESENTED

1. Whether Dick Smith's false statements in procuring financing for a different vehicle and its failure to correct the financing documents constituted bad faith, unfair or deceptive conduct, or other actionable conduct under the South Carolina Dealers Act.
2. Whether the financing condition in Brown's installment contract and Dick Smith's failure to obtain financing for the Mazda 6 caused actionable damage to Brown.
3. Whether the Court of Appeals exceeded its limited standard of review by substituting its factual conclusions for those of the trial court.

HOLDINGS

1. Dick Smith violated the South Carolina Dealers Act by acting in bad faith in procuring financing for a Nissan Altima rather than the Mazda 6 and by failing to timely correct the financing and collateral documents after learning of the problem.
2. The inaccurate financing information was not mere puffing; it consisted of material false information concerning the borrower, income, collateral, and vehicle being financed, and it contributed to actionable damage.
3. The Court of Appeals exceeded its standard of review by ignoring factual findings supported by the record and substituting its own findings.

KEY QUOTATIONS

"The violation of the Dealers Act occurred in the methods it employed to procure financing for Brown and the fact that it failed to assist Brown in correcting its mistakes that caused the issues with the Mazda 6."

"Based on the foregoing, we agree with the trial judge's conclusion that Dick Smith violated the Dealers Act as it acted in bad faith and Brown was damaged by this action."

"Despite evidence in the record to support the trial judge's findings of fact, the Court of Appeals ignored those findings and substituted its own. By doing so, the Court of Appeals exceeded its standard of review."

FACTUAL BACKGROUND

Brown entered an installment contract to purchase a Mazda 6, contingent on obtaining third-party financing, and took possession of the vehicle. Dick Smith submitted or assisted with a financing application that falsely identified Brown as a relative of a Dick Smith employee, misstated her income, and sought financing for a Nissan Altima rather than the Mazda 6. After Brown learned of financing problems and returned the Mazda 6, Sovereign Bank repossessed and sold it and asserted a deficiency against her. Dick Smith had received financing proceeds but failed to correct the collateral and loan-document problems despite being notified that its assistance was necessary.

PROCEDURAL HISTORY

Brown sued Dick Smith Nissan and Old Republic Surety Company, alleging violations of the South Carolina Dealers Act. The circuit court found for Brown and awarded damages, interest, attorney's fees, and costs. The Court of Appeals reversed, reasoning that Brown's financing misconceptions were caused by Sovereign Bank rather than Dick Smith. The Supreme Court reversed the Court of Appeals and reinstated the trial court's decision.

DISPOSITION

reversed

REMAND INSTRUCTIONS

The Court of Appeals' decision was reversed, and the trial court's decision was reinstated.

CASES CITED

- Adams v. Grant, 292 S.C. 581, 358 S.E.2d 142 (Ct. App. 1986)
- Temple v. Tec-Fab, Inc., 381 S.C. 597, 675 S.E.2d 414 (2009)
- Taylor v. Nix, 307 S.C. 551, 416 S.E.2d 619 (1992)
- State v. Griffin, 100 S.C. 331, 84 S.E. 876 (1915)
- Fanning v. Fritz's Pontiac-Cadillac-Buick, Inc., 322 S.C. 399, 472 S.E.2d 242 (1996)
- Brown v. Dick Smith Nissan, Inc., Op. No. 2012-UP-688 (S.C. Ct. App. filed Dec. 28, 2012)