

ANTHONY G. BROWN, MARYLAND ATTORNEY GENERAL

PRESS RELEASE

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Attorney General Brown Announces Settlement With DARCARS Honda and its Owners

Car Dealership Based in Prince George's County Must Pay Full Restitution for Consumers Who Were Charged a So-called "Sales Commission" Fee, Paid More than an Advertised Price They Saw, or Unknowingly Charged for an Add-on Product

BALTIMORE, MD (March 5, 2025) – Attorney General Anthony G. Brown today announced that his Consumer Protection Division has reached a <u>settlement</u> of the civil charges against DARCARS of Bowie, Inc. d/b/a DARCARS Honda, its parent company Mariam, Inc., and both companies' owners John Rahmangholi Darvish and Jamshyd Darvish. As part of the settlement, DARCARS is required to refund so-called "sales commission" fees charged to consumers, as well as to refund undisclosed markups and add-on-products that consumers unknowingly purchased. The full amount of refunds due to consumers is not known at this time, but the total could be several million dollars.

"Buying a car is one of the most expensive purchases that someone makes in their life. Marylanders shouldn't pay even more because of a dealer's unauthorized sales practice," **said Attorney General Brown.** "This settlement reflects our Office's commitment to protecting consumers from unfair business practices that violate the law."

Under the Final Order by Consent entered today, DARCARS is required to refund the "sales commission" fees they charged consumers. Additionally, they must provide refunds to consumers who submit valid claims for the difference between the advertised price viewed by consumers and the sale price of the vehicle for those who purchased or leased a vehicle from DARCARS Honda between January 1, 2019, and May 10, 2022. They must also refund amounts consumers paid on or after January 1, 2019, for any add-on products the consumer did not knowingly purchase.

The Final Order by Consent further requires that DARCARS refrain from charging any socalled sales commission fees or any similar fees. They may not advertise vehicle prices for less than the full delivered price, excluding fees for taxes, tags, and title, and must include markups and charges for equipment in the advertised price. DARCARS is also required to disclose any dealer processing charge close enough to an advertised price so that the viewer can see it at the same time. Price statements must be placed on all vehicles offered for sale, and no sale may be completed without first providing the purchasing consumer with a contract that reflects a description of all charges making up the difference between the base price of the vehicle and the sale price. Additionally, DARCARS may not offer or sell any add-on products to consumers unless they first clearly and conspicuously disclose the total selling price of the vehicle without any added cost or charges for the add-on products. The consumer's decision to purchase the product must also be separately documented in writing.

Consumers eligible for refunds will be contacted by a third-party claims administrator. They may also reach out to the Attorney General's Consumer Protection Division at 410-528-8662 with any questions. In addition to returning this money to consumers, DARCARS has also agreed to pay \$3 million to the Attorney General's Office.

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