



DEPARTMENT OF MOTOR VEHICLES
INVESTIGATIONS DIVISION
8259 Demetre Ave
Sacramento, CA 95828
(916) 229-0167



**SUPPLEMENTAL - REPORT OF INVESTIGATION
CONFIDENTIAL**

DATE: 04/28/2020
CASE #: 19C4L30570

SUBJECT:

Volvo Group North America, LLC, Volvo Car USA
Care by Volvo



CONFIDENTIAL

REPORT PREPARED BY: Gary Costantino, Investigator #501

INVESTIGATION:

On April 23, 2020, I, DMV Investigator G. Costantino (Badge#: 501), spoke with Peter Wexler, head of Care by Volvo (CbV), via phone regarding the Department of Motor Vehicles' (DMV) Investigation into Volvo's CbV program.

I explained to Wexler the DMV's investigation has been completed and found the following violations:

Violation #1 – CVC 11713.3(o)(1), Manufacturer Competing With Franchise Dealers.

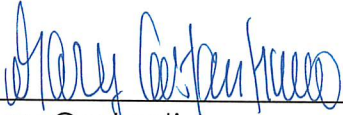
Violation #2 – CVC 3060(b)(1), and Title 13, California Code of Regulations 593.1, Franchise Modification Without Notice/Protest.

Violation #3 – CVC 11713.3(u)(1), Discrimination in Allocation of Vehicles in Favor of Factory Controlled Stores.

Violation #4 – Civil Code 2985.8(c)(2)(d), Required Lease Contract Disclosure Not Present.

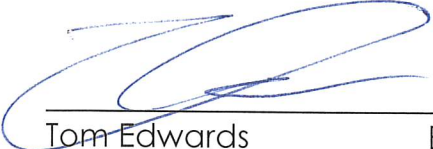
I summarized DMV's finding regarding each of the above violations and told him a detailed report of the investigation would be available soon. I also told Wexler I would follow-up with a warning letter and at this time, no further action would be taken.

On April 28, 2020, a warning letter was mailed to Volvo Group North America LLC and Volvo Car USA LLC.



Gary Costantino Badge #501
Investigator

4.29.2020
Date



Tom Edwards Badge #93
Deputy Chief

4/29/2020
Date

Department of Motor Vehicles, Investigation Division
Case Number: 19C4L30570
Volvo Cars USA

ATTACHMENTS:

S-1. Warning letter dated 04/28/2020.

**Volvo Group North America, LLC / Volvo
Car USA, Care by Volvo**

Case#: 19C4L30570

Attachment: S-1



DEPARTMENT OF MOTOR VEHICLES
INVESTIGATIONS DIVISION
2120 Broadway
Sacramento, CA 95818



April 28, 2020

VIA FIRST CLASS U.S MAIL & CERTIFIED MAIL

Volvo Group North America LLC
7900 National Service Road
Greensboro, NC 27409
Attention: Therence Pickett, Ken Trolle,
and Martin Weissburg

Volvo Car USA LLC
8835 Research Drive
Irvine, CA 92618
Attention: Michael Gregory Thomas

DMV Case No.: 19C4L30570

To Whom It May Concern:

On August 15, 2019, the New Motor Vehicle Board (NMVB) directed the Department of Motor Vehicles (DMV) to investigate and determine whether implementation of Care by Volvo violated state laws. The DMV's investigation has been completed and found the following violations:

Violation #1 – CVC 11713.3(o)(1), Manufacturer Competing With Franchised Dealers.

Violation #2 – CVC 3060(b)(1), and Title 13, California Code of Regulations 593.1,
Franchise Modification Without Notice and Opportunity to Protest.

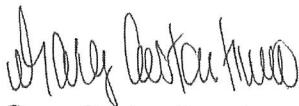
Violation #3 – CVC 11713.3(u)(1), Discrimination in Allocation of Vehicles in Favor of
Factory, In Part, Controlled Stores.

Violation #4 – Civil Code 2985.8(c)(2)(D), Required Lease Contract Disclosure Not Present.

This correspondence serves as a formal warning from the DMV that future violations of law, as described above, may result in enforcement action.

Enforcement actions in the future could include administrative, criminal, and/or civil action. However, considering the circumstances of this matter we are taking no further action at this time.

Sincerely,



Gary Costantino, Investigator
Investigations Division
Department of Motor Vehicles

Cc: Volvo Car USA LLC
1 Volvo Drive
Rockleigh, NJ 07647
Attention: Peter Wexler

Shook, Hardy & Bacon LLP
2049 Century Park East, Suite 3000
Los Angeles, CA 90067
Attention: Colm A. Moran, Esq.