

CLAY COUNTY, MISSOURI

Keith and Deborah Shackelford, et al. v. John Chalk Homerun, Inc. d/b/a John Chezik Honda and A &

L

Holding Company

Docket #: 07CV102003841CC

Judge: Anthony R. Gabbert

Div. 2

Plaintiffs Attorney: H. Fred Northcraft and Michael E. Callahan (Blackwell, Sanders, Peper, Martin) Defendant's Attorney (Chezik): Randall D. Thompson and Samuel MacRoberts (Ensz & Jester) Defendant's Attorney (A & L); Richard F. Modin (Dougherty, Modin & Holloway)

Tyne of Claim: Violations of MO Merchandising Practices Act (MMPA); unjust enrichment; breach of contract;

and fraudulent misrepresentation. Plaintiffs Keith and Deborah Shackelford purchased an extended warranty when they bought their Honda from Defendant Chezik Honda. All Chezik Honda stock is owned by Defendant A & L Holding Co. The Shackelfords claimed they were told they would receive a full refund if they did not

use the contract during the contract period. At the end of the contract Deborah requested a refund and was told it would apply only to the purchase of another vehicle. She claimed that rather than the money back guarantee

she was promised, she was offered, instead, a credit toward another purchase. The case was certified as a class action and the Shackelfords and 1,186 other buyers of Chezik extended warranties (from 1997 through 2003) brought suit. In this bifurcated case Plaintiffs requested punitive damages for willful violations of the MMPA, unjust enrichment, breach of contract and fraudulent misrepresentation.

Damages Alleged: \$1,142 average money back transaction for each of the 1,186 purchasers of extended warranties

(\$1,354,412); \$1,700,000 unjust enrichment; and punitive damages.

Plaintiffs Experts: Paul Koch, Ph.D. (statistical analysis expert); Kirk Wolter, Ph.D. (survey design) (Chicago,

IL); and Dick Neville (car dealership practices expert) (Florida).

Defendant's Experts: William Neal, M.S. (survey expert) (Atlanta, GA); and Peter Eaton, Ph.D. (economist).

Demand Before Trial: Non-disclosure according to Plaintiffs' attorney; \$8,000,000 according to Defendant's (A &

L) attorney.

Offer Before Trial: None according to Plaintiffs' attorney; \$2,000,000 according to Defendant's (A &

L) attorney. Verdict: \$8,423,124.68 total awarded by jury to Plaintiffs (\$985,546 in violation of

MMPA claim against both

Defendants; \$636,940.34 in unjust enrichment claim against Chezik; \$636,940.34 in unjust enrichment claim against A & L; \$178,152 in breach of contract claim against Chezik; \$985,546 in fraudulent misrepresentation against Chezik; \$2,500,000 in punitive damages in MMPA claim against Chezik; for A & L in MMPA punitive damages claim; and \$ 2,500,000 in punitive damages in fraudulent misrepresentation claim against Chezik). Defendant Chezfit liable for only \$2,500,000 in punitive damage claim, thus net recovery to Plaintiffs was \$3,423,124.68 actual damages; and \$2,500,000 in punitive damages (subject to Missouri caps). Attorney's fees, prejudgment interest and a separate award for the Shackelfords will be requested of the Court at a later date.