



**Before The  
State of Wisconsin  
DIVISION OF HEARINGS AND APPEALS**

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In the Matter of Claims Against the Dealer Bond  
of DTD Auto, LLC

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Case No: DOT-24-0027

Claimant: [REDACTED]

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**FINAL DECISION**

In accordance with Wis. Stat. § 227.47 and 227.53(1)(c) the PARTIES to this proceeding are certified as follows:

DTD Auto, LLC  
1645 N. Spring St., #210 L159  
Beaver Dam, WI 53916

Western Surety Company  
101 S. Reid St., Ste.300  
Sioux Falls, SD 57103

[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

**PRELIMINARY RECITALS**

On July 8, 2024, [REDACTED] (Claimant) filed a claim against the motor vehicle bond of DTD Auto, LLC (Dealer) with the Wisconsin Department of Transportation (DOT). Pursuant to the procedures set forth at Wis. Admin. Code § Trans 140.26, a Public Notice to File Dealer Bond Claims was published in the *Daily Citizen*, a newspaper published in Beaver Dam, Wisconsin on August 6, 2024. The notice informed other persons who may have claims against the Dealer to file them with the Department no later than October 7, 2024. No additional claims were filed.

On December 23, 2024, the Division of Hearings and Appeals by the undersigned Administrative Law Judge issued a Preliminary Determination. No objections were received. Pursuant to Wis. Admin. Code § Trans 140.26(5)(d), the Preliminary Determination is adopted as the Final Decision of the Department of Transportation.

**FINDINGS OF FACT**

1. DTD Auto, LLC (dealer) is licensed by the Wisconsin Department of Transportation (DOT) as a motor vehicle wholesaler dealer. [REDACTED] is the dealer owner.

2. The dealer has had a continuous surety bond in force in the amount of \$25,000 satisfying the requirements of Wis. Stat. § 218.0114(5) beginning August 9, 2023 (Bond # 72390367 from Western Surety Company).

3. On June 8, 2024, [REDACTED] (claimant) purchased a 2019 Dodge Caravan (VIN# [REDACTED]) from the dealer for \$7,500. Claimant is a retail buyer. Dealer is a wholesaler not allowed to sell retail.

4. The dealer represented the condition of the vehicle as “perfect.” However, claimant noticed rust on the seats and corrosion on the hood. Claimant reviewed a Carfax report and discovered the vehicle had flood damage.

4. On June 12, 2024, claimant filed a complaint with the DOT and provided a copy of the bill of sale, title, and Carfax report. With the exception of the Carfax report, those documents are largely illegible.

5. The DOT’s investigation revealed that the vehicle had a “rebuilt salvage” brand in Illinois. The DOT scheduled and notified the dealer of a records inspection appointment for June 20, 2024, but the dealer did not appear. The DOT spoke with the dealer/owner on June 27, 2024, at which time the dealer/owner stated they would investigate the sale. However, they did not contact the DOT again. The DOT issued a warning letter to the dealer for unlicensed retail sales.

6. On July 10, 2024, the claimant filed a bond claim against the surety bond of the dealer in the amount of \$7,594.39, which is comprised of the purchase price (\$7,500), the Carfax report (\$47.46), and the cost of gasoline (\$36.93).

8. The claim arose on June 8, 2024, which is the date claimant purchased the vehicle. The bond claim was filed within three years of the ending date the bond issued by Western Surety Company was in effect.

9. On or about July 25, 2024, the DOT referred the bond claim to the Division of Hearings and Appeals for a declaratory ruling pursuant to Wis. Admin. Code § Trans 140.26(1). The Department recommended that the claim be paid in the amount of \$7,500. This represents the purchase price of the vehicle but does not include the cost of the Carfax report or gasoline. The DOT noted that it is “unclear” if those costs are the direct result of a dealer violation.

## DISCUSSION

The procedure for determining claims against dealer bonds is set forth in the Transportation Chapter 140, Subchapter II, of the Wisconsin Administrative Code.

A claim is an allowable claim if it satisfies each of the following requirements and is not excluded by sub. (2) or (3):

- (a) The claim shall be for monetary damages in the amount of an actual loss suffered by the claimant.

(b) The claim arose during the period covered by the security.

(c) The claimant's loss shall be caused by an act of the licensee, or the [licensee's] agents or employees, which is grounds for suspension or revocation of any of the following:

1. A salesperson license or a motor vehicle dealer license, in the case of a secured salesperson or motor vehicle dealer, pursuant to s. 218.0116(1)(a) to (gm), (im)2., (j), (jm), (k), (m) or (n) to (p), Stats.  
...

(d) The claim must be made within 3 years of the last day of the period covered by the security. The department shall not approve or accept any surety bond or letter of credit which provides for a lesser period of protection.

Wis. Admin. Code § Trans 140.21(1).

The dealer violated Wis. Admin. Code § 138.027(2), which provides that a wholesaler may not sell motor vehicles to retail buyers. Additionally, it violated Wis. Stat. § 218.0114(1), which prohibits engaging in business as a motor vehicle dealer without the requisite license. Moreover, the dealer violated Wis. Admin. Code Trans § 138.04(3) requiring wholesalers to maintain records and make them open to inspection by the DOT. These violations are grounds for suspension or revocation of a motor vehicle dealer license under Wis. Stat. § 218.0116(1)(gm) (violating any law relating to the sale, lease, distribution, or financing of motor vehicles).

The claimant sustained a loss as a result of these violations, as he purchased a vehicle as a retail buyer from a dealer who was not licensed to sell him it. Furthermore, by failing or refusing to maintain records, neither claimant nor the DOT can determine facts underlying the sale or vehicle's condition. Claimant is therefore entitled to a refund of the amount he paid for the vehicle. The law does not support reimbursement for the Carfax or gasoline costs.

The bond claim is approved for the total amount of the purchase price of the vehicle, which should then be returned from the claimant to the dealer.

### CONCLUSIONS OF LAW

1. The claimant's claim arose on June 8, 2024, the purchase date of the vehicle from the dealer. The continuous surety bond issued to the dealer by Western Surety Company covers the period commencing on August 9, 2023. The claim arose during the period covered by the surety bond.

2. The claimant filed a claim against the motor vehicle dealer bond of the dealer on July 10, 2024. The bond claim was filed within three years of the last day of the period covered by the surety bond. Pursuant to Wis. Admin. Code § Trans 140.21(1)(d), the claim is timely.

3. The claimant's loss was caused by acts of the dealer that would be grounds for suspension or revocation of its motor vehicle dealer license. The record supports a claim for the purchase price of the vehicle in the amount of \$7,500. Pursuant to Wis. Admin. Code § Trans 140.21(1)(c) and (4), the claim is allowable.

4. The Division of Hearings and Appeals has authority to issue the following order. Wis. Stat. §§ 227.43(1)(br) and 227.41(1) and Wis. Admin. Code § Trans 140.26(1).

### ORDER

The claim filed by [REDACTED] against the dealer bond of DTD Auto LLC is APPROVED in the amount of \$7,500. Western Surety Company shall pay the claimant this amount for the loss attributable to the actions of the dealer, upon which claimant shall return the vehicle to the dealer.

Dated at Madison, Wisconsin on February 13, 2025.

STATE OF WISCONSIN  
DIVISION OF HEARINGS AND APPEALS  
4822 Madison Yards Way  
Madison, Wisconsin 53705  
Telephone: (414) 227-4025  
FAX: (608) 264-9885

By: \_\_\_\_\_  
Rachel Pings | Administrative Law Judge

### NOTICE

Set out below is a list of alternative methods available to persons who may wish to obtain review of the attached decision of the Administrative Law Judge. This notice is provided to ensure compliance with Wis. Stat. § 227.48 and sets out the rights of any party to this proceeding to petition for rehearing and administrative or judicial review of an adverse decision.

1. Any person aggrieved by the attached order may within twenty (20) days after service of such order or decision file with the Department of Transportation a written petition for rehearing pursuant to Wis. Stat. § 227.49. A copy of any such petition for rehearing should also be provided to the Administrative Law Judge who issued the order. Rehearing may only be granted for those reasons set out in Wis. Stat. § 227.49(3). A petition under this section is not a prerequisite for judicial review under Wis. Stat. §§ 227.52 and 227.53.

2. Any person aggrieved by the attached decision which adversely affects the substantial interests of such person by action or inaction, affirmative or negative in form is entitled to judicial review by filing a petition therefore in accordance with the provisions of Wis. Stat. §§

227.52 and 227.53. Said petition must be served and filed within thirty (30) days after service of the agency decision sought to be reviewed. If a rehearing is requested as noted in paragraph (1) above, any party seeking judicial review shall serve and file a petition for review within thirty (30) days after service of the order disposing of the rehearing application or within thirty (30) days after final disposition by operation of law. Pursuant to Wis. Admin. Code § TRANS 140.26(7), the attached final decision of the Administrative Law Judge is a final decision of the Department of Transportation, so any petition for judicial review shall name the Department of Transportation as the respondent. The Department of Transportation shall be served with a copy of the petition either personally or by certified mail. The address for service is:

Office of General Counsel  
Wisconsin Department of Transportation  
4822 Madison Yards Way, 9<sup>th</sup> Floor South  
Madison, Wisconsin 53705

Persons desiring to file for judicial review are advised to closely examine all provisions of Wis. Stat. § 227.52 and 227.53 to ensure strict compliance with all its requirements.