



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

In the Matter of the Bond Claim against Royal
Legacy Auto, LLC

Case No: DOT-24-0048

Claimant: [REDACTED]

FINAL DECISION

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

Hudson Insurance Company
100 William St., 5th Floor
New York, NY 10038

[REDACTED]
[REDACTED]
[REDACTED]

Royal Legacy Auto, LLC
2027 W. Forest Home Ave.
Milwaukee, WI 53215-2562

[REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED]

PRELIMINARY RECITALS

On June 13, 2024, the Department of Transportation DOT received a claim against the motor vehicle bond of Royal Legacy Auto, LLC, which is addressed in a separate case (DOT-24-0026). On August 2, 2024, 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 Reporter*, a newspaper published in the County of Milwaukee, Wisconsin. The notice informed other persons who may have claims against the dealer to file them with DOT no later than October 1, 2024. On October 1, 2024, [REDACTED] filed this additional claim. The total amount of both claims does not exceed the value of the bond.

On January 17, 2025, 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. Royal Legacy Auto, LLC (dealer) is licensed by the Wisconsin Department of Transportation (DOT) as a motor vehicle dealer. Shaina Freeman is the dealer owner.

2. The dealer has had a continuous surety bond in force in the amount of \$50,000 satisfying the requirements of Wis. Stat. § 218.0114(5) beginning on December 14, 2023 (Bond #SC400754 from Hudson Insurance Company).

3. On or about February 23, 2024, [REDACTED] (claimant) purchased a 2009 Ford Flex from the dealer for \$4,500. The correct VIN is [REDACTED]. The dealer did not process the title paperwork to transfer the title of the vehicle to the claimant.

4. On May 21, 2024, the claimant filed a complaint with the DOT because she still had not received the title or plates for the vehicle and her temporary plates were expiring on May 24, 2024. The DOT conducted an investigation and discovered discrepancies with the dealer's use of the VIN. Specifically, the VIN listed on the Wisconsin Buyer's Guide and on the claimant's temporary plates did not match the vehicle she purchased.

5. The DOT investigation revealed that the vehicle had a title brand of "rebuild salvage" with severe damage disclosed by previous sellers and a warning about an odometer discrepancy.

6. On October 1, 2024, the claimant filed a bond claim with the DOT against the surety bond of the dealer requesting a refund of the \$4,500 purchase payment.

7. On October 29, 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 DOT recommended that the claim be paid in full.

DISCUSSION

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

A claim is allowable if it satisfies each of the following requirements:

- “(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 [a salesperson or motor vehicle dealer license 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...” Wis. Admin. Code § Trans 140.21(1).

The record shows that the dealer violated the law as it relates to the title and Buyer's Guide. Namely, the dealer violated Wis. Stat. § 342.15(1)(a) (requiring a vehicle owner to properly transfer title); Wis. Admin. Code Trans § 138.04(1)(a) (requiring dealers to maintain ownership records, which includes a correct title); and § 342.16(1) (requiring this to occur within

seven days). Further, the dealer violated § Trans 139.04(6)(a)1 (requiring display of a buyer's guide that accurately discloses condition and title brands).

The claimant's loss was caused by the dealer's violations. The dealer did not disclose the true condition of the vehicle or title brand, which induced the claimant to purchase a vehicle she otherwise would not have. She is therefore entitled to compensation for the purchase price of \$4,500. The claimant is entitled to be reimbursed for the amount paid for the vehicle, and the vehicle should be returned to the dealer.

CONCLUSIONS OF LAW

1. [REDACTED] claim arose on February 23, 2024, when she purchased the vehicle from the dealer. The surety bond issued to the dealer by Hudson Insurance Company covers the period commencing on December 14, 2023. The claim therefore arose during the period covered by the surety bond pursuant to Wis. Admin. Code § Trans 140.21(1)(b).
2. [REDACTED] filed the bond claim on October 1, 2024, which is within three years of the last day of the period covered by the surety bond. The claim is therefore timely pursuant to Wis. Admin. Code § Trans 140.21(1)(d).
3. [REDACTED] suffered monetary damages as a result of an actual loss caused by acts of the dealer that would be grounds for suspension or revocation of its motor vehicle dealer. The claim is allowable under Wis. Admin. Code §§ Trans 140.21(1)(a) and (c).
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 motor vehicle dealer bond of Royal Legacy Auto LLC is APPROVED in the amount of **\$4,500**. Hudson Insurance Company shall pay [REDACTED] this amount for the loss attributable to the actions of the dealer, and she shall return the vehicle to the dealer.

Dated at Madison, Wisconsin on February 19, 2025.

STATE OF WISCONSIN
DIVISION OF HEARINGS AND APPEALS
4822 Madison Yards Way
Madison, Wisconsin 53705
Telephone: (608) 266-7709
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, 9th 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.