



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

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In the Matter of Dealer Bond Claim against of El  
Jalisciense Auto Sales, Inc.

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Case No: DOT-25-0005

Claimant: [REDACTED]

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**FINAL DECISION**

Insurer,  
West Bend Mutual Insurance Co.  
1900 S. 18th Ave.  
West Bend, WI 53095

Dealer co-owner,  
[REDACTED]

Dealer,  
El Jalisciense Auto Sales Inc.  
1509 S. Muskego Ave.  
Milwaukee, WI 53204-2725

Dealer co-owner,  
[REDACTED]

Claimant,  
[REDACTED]  
[REDACTED]

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

**PRELIMINARY RECITALS**

On November 4, 2024, [REDACTED] filed a claim with the Wisconsin Department of Transportation (DOT) against the motor vehicle dealer bond of El Jalisciense Auto Sales, Inc. On March 4, 2025, the DOT referred the matter to the Division of Hearings and Appeals. On March 14, 2025, 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 Milwaukee County. The notice informed others who may have claims against the dealer to file them with the DOT by May 13, 2025. No additional claims were filed.

On June 11, 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. At all times relevant herein El Jalisciense Auto Sales Inc. (dealer) was licensed by the Wisconsin Department of Transportation (DOT) as a motor vehicle dealer. [REDACTED] is an owner of the dealer.
2. The dealer has had a surety bond in force in the amount of \$50,000 since July 24, 2019 satisfying the requirements of Wis. Stat. § 218.0114(5) (Bond # [REDACTED] from West Bend Mutual Insurance Company).
3. On August 15, 2023, the dealer acquired a 2019 Chevrolet (VIN# [REDACTED]) (the vehicle).
4. On August 21, 2023, the vehicle was inspected by a service provider at Lake Chevrolet, who recommended a new transmission and provided the dealer with an estimate for \$6,156.96 to replace the transmission. The transmission was not replaced.
5. The dealer's Wisconsin Buyer's Guide for the vehicle dated February 13, 2024 listed no problems with the vehicle.
6. On April 19, 2024, [REDACTED] (claimant) purchased the vehicle from the dealer. The motor vehicle purchase contract lists the purchase price as \$24,330.38.
7. On May 16, 2024, the claimant filed a complaint with the DOT stating that there were problems with the vehicle's transmission. The DOT contacted the dealer, who stated that the dealer was working with the claimant to rebuild the transmission. The dealer provided an undated invoice showing it purchased a "remanufactured" transmission for \$2,100 with a warranty dated July 30, 2024.
8. On October 2, 2024, the DOT was still working with the dealer and claimant to effectuate the DOT's recommendation that the dealer perform a buyback of the vehicle, advising that the DOT determined the dealer failed to disclose the vehicle's condition.
9. On October 9, 2024, the DOT emailed the dealer outlining the parameters of a buyback for \$22,590.20 (purchase price of \$24,330.38 minus \$334.50 fees minus \$1,405.68 for mileage use deduction of 5,857 miles x \$0.24/mile). On October 23, 2024, the dealer advised the DOT that he would not buyback the vehicle and the claimant could "take him to court."
10. On November 4, 2024, the claimant filed a bond claim seeking full reimbursement of the purchase price.

11. On March 4, 2024, the DOT referred the matter 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 the amount of \$24,330.38.

## 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... 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 dealer violated Wis. Admin. Code Trans § 139.04(4) relating to the required general condition disclosure for used motor vehicles. The disclosure “shall include all significant existing mechanical, electrical and electronic defects and damage and evidence of repair to strut tower, trunk floor pan, frame or structural portion of unibody, including corrective welds. Disclosure of information shall be that which the licensee can find using reasonable care.”

The dealer knew about the vehicle’s transmission defect / damage but did not disclose it on the Wisconsin Buyer’s Guide as required. This is a violation that would constitute 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 paid a total of \$24,330.38 to the dealer for a vehicle that was in poorer condition than it was represented to be based on the dealer’s violation. It was this violation that caused the claimant’s monetary loss. The claim is therefore granted in full to relieve the claimant of the burden of the vehicle he was induced to purchase based on the dealer’s violation. The claimant will have to relinquish possession of the vehicle upon payment of this claim.

## CONCLUSIONS OF LAW

1. The claim arose on April 19, 2024, which is the date of purchase of the vehicle from the dealer. The claim arose during the period covered by the surety bond. The claim is allowable under Wis. Admin. Code § Trans 140.21(1)(b).
2. The claim was filed on November 4, 2024, which is within three years of the last day of the period covered by the surety bond. The claim is timely pursuant to Wis. Admin. Code § Trans 140.21(1)(d).

3. The claimant suffered monetary damages as a result of an actual loss related to the vehicle that was caused by acts of the dealer that would be grounds for suspension or revocation of its wholesale license. 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 El Jalisciense Auto Sales, Inc., is APPROVED in the amount of \$24,330.38. West Bend Mutual Insurance Company shall pay the claimant this amount for their loss attributable to the actions of the dealer, and the claimant shall return the vehicle.

Dated at Madison, Wisconsin on July 31, 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, 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.