



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

In the Matter of Claims Against the Dealer Bond
of Fredis Auto Group, Inc

Case No: DOT-25-0008

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:

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

Dealer Owner,
[REDACTED]
[REDACTED] [REDACTED]
[REDACTED]

Dealer,
Fredis Auto Group, Inc.
101 Skyline Drive #1 W1033
Arlington, WI 53911

Claimant,
[REDACTED]
[REDACTED]
[REDACTED]

PRELIMINARY RECITALS

On March 10, 2025, [REDACTED] filed a claim with the Wisconsin Department of Transportation (DOT) against the motor vehicle dealer bond of Fredis Auto Group, Inc. On April 8, 2025, the DOT referred the matter to the Division of Hearings and Appeals. On May 2, 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 *Tribune Enterprise*, a newspaper published in Columbia County. The notice informed others who may have claims against the dealer to file them with the DOT by June 30, 2025. No additional claims were filed.

On August 1, 2025, the Division of Hearings and Appeals by the undersigned Administrative Law Judge issued a Preliminary Determination. The copy issued to [REDACTED] at [REDACTED], was returned as undeliverable: "vacant unable to forward." The copy issued to Fredis Auto Group, Inc., 101 Skyline Drive #1 W1033, Arlington, WI 53911, was not returned.

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 Fredis Auto Group, Inc. (dealer) was licensed by the Wisconsin Department of Transportation (DOT) as a motor vehicle dealer. [REDACTED] is the owner of the dealer. Notices sent to him by U.S. Mail at the above-noted mailing address have been returned as undeliverable.
2. The dealer has had a surety bond in force in the amount of \$25,000 beginning on August 10, 2022, satisfying the requirements of Wis. Stat. § 218.0114(5) (Bond # [REDACTED] from Western Surety Company). It provides, in relevant part, as follows:

“The face amount of this bond shall apply separately to each 12 month period (commencing with the beginning date of the bond) during which the bond is effective so that the full face amount shall be entirely available ‘for the benefit of any aggrieved persons’ during each 12 month period this bond is effective; thus, a liability of the surety incurred under this bond for an act of commission or omission occurring in one 12 month period shall not reduce the sum available to less than the above face amount for any other 12 month period during which the bond is effective.”

3. On or about January 25, 2025, [REDACTED] (claimant) purchased from the dealer a 2014 Ford Taurus (VIN# [REDACTED] (the vehicle) for \$5,500.

The bond that was effective from August 10, 2024 to August 10, 2025 is the applicable 12-month period in which the dealer’s act occurred.

4. On January 29, 2025, the Wisconsin DOT received information from the Iowa DOT that the vehicle had a fraudulent transaction history and an altered odometer. The Wisconsin DOT investigation revealed that, on November 8, 2024, a Carfax report listed the mileage as 219,412. Further, when the dealer purchased the vehicle on December 10, 2024 for \$1,545.00, the odometer statement on the title reassignment section read 219,578, and the odometer reading on the front of the title read 219,412. Between December 9, 2024 and the date of sale to the claimant on January 25, 2025, the dealer altered both numbers to make the vehicle appear to have 100,000 less miles than it actually had.
5. The claimant would not have purchased the vehicle had he known the true mileage.
6. On March 7, 2025, the claimant filed a bond claim seeking full reimbursement of the purchase price.
7. On April 8, 2025, 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 purchase price of \$5,500.

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 several laws relating to the vehicle’s mileage and odometer, including the following: 18 U.S.C. § 513(a) (counterfeiting); 49 U.S.C. § 32702(2) (defining a dealer); 49 U.S.C. § 32705 (relating to disclosure requirements on transfer of motor vehicles); and Wis. Stat. § 218.0146(3) (a licensee cannot sell a vehicle for which the mileage statement has been altered).

These violations of the law, in turn, 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 \$5,500 to the dealer for a vehicle that had far more miles than the dealer represented. It was the dealer’s misconduct 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 to the dealer upon payment of this claim.

CONCLUSIONS OF LAW

1. The claim arose on January 25, 2025, which is the date of purchase of the vehicle from the dealer. The claim arose during the period covered by the surety bond from August 10, 2024 to August 10, 2025. The claim is allowable under Wis. Admin. Code § Trans 140.21(1)(b).
2. The claim was filed on March 7, 2025, 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 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 Fredis Auto Group, Inc. is APPROVED in the amount of **\$5,500.00**. Western Surety 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 September 8, 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.