

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

BCR CARPENTRY LLC, KIMBERLY	:	
ENRIGHT, WILLIAM DEMOLA,	:	Civ. A. No. 21-cv-19364 (GC)(DEA)
MICHAEL BENT, AND AMY	:	
ARROYO on behalf of themselves and	:	
all others similarly situated,	:	CONSOLIDATED AMENDED CLASS
	:	ACTION COMPLAINT
<i>Plaintiffs,</i>	:	
	:	
v.	:	DEMAND FOR JURY TRIAL
	:	
FCA US, LLC and STELLANTIS N.V.,	:	
	:	
<i>Defendants.</i>	:	
	:	

Plaintiffs BCR Carpentry LLC, Kimberly Enright, William Demola, Michael Bent, and Amy Arroyo (together, “Plaintiffs”), by and through their attorneys, individually and on behalf of all others similarly situated, bring this action against Defendants FCA US, LLC (“FCA”), and Stellantis N.V., and allege as follows:

INTRODUCTION

1. Plaintiffs bring this class action lawsuit on behalf of themselves and other purchasers of new, model-year 2018 and later Chrysler, Jeep, Dodge, Ram, Fiat, and Maserati-brand vehicles distributed for sale in the United States by FCA (“Class Vehicles”). This case challenges FCA’s practice, with each new vehicle that it sells, of applying a delivery surcharge. The amount of the surcharge is non-negotiable and is not actually based on the costs FCA incurs for delivery. Instead, FCA inflates the delivery surcharge, collecting from consumers amounts far beyond the true cost of delivery, to make more profit. This practice stands squarely at odds with legislators’ stated intent to provide transparency in the car purchasing process, resulting in substantial ill-gotten gains for FCA.

2. In the 1950s, Congress held numerous hearings investigating and highlighting practices in the automotive industry that were harming consumers. These hearings led to several major reforms. Among them, Congress specifically identified the problem of “phantom freight”—a cost that had been charged by companies like Chrysler (now FCA), General Motors, and Ford in connection with the sale of new vehicles. The term “phantom freight” referred to the practice of artificially inflating the purported cost of transporting vehicles to dealerships for sale to consumers. Auto manufacturers used that inflated cost to unfairly collect additional revenues that they could not have generated by simply raising the vehicles’ sales price.

3. One champion of automotive industry reform during the 1950s was Oklahoma Senator A. S. “Mike” Monroney. Senator Monroney served as Chairman of the Automobile Marketing Inquiry Subcommittee of the Committee on Interstate and Foreign Commerce (the “Subcommittee”), leading many of the hearings referenced above. Thanks to congressional intervention spearheaded by Senator Monroney, the practice of charging phantom freight came to a halt by the late 1950s. Amid congressional scrutiny into phantom freight, Ford and Chrysler publicly announced they were giving up the practice. Pertinent to the issues this complaint presents, during a Subcommittee hearing on April 21, 1958, Senator Monroney touted that “included among these reforms was the breakdown of the old ‘phantom freight’” that saved consumers “\$212 million a year.”¹ This was no small accomplishment: taking inflation into account, this equates to approximately \$2 billion annually in present-day dollars.

¹ Automobile Price Labeling, A Bill to Require the Full and Fair Disclosure of Certain Information in Connection with the Distribution of New Automobiles in Commerce, and for Other Purposes: Hearing on S. 3500 before the Auto. Mktg. Subcomm. of the Comm. on Interstate & Foreign Com., 85th Cong. 1 (1958) (the “Destination Charge Hr’g”) (opening statement of Senator Monroney).

4. Part of the Subcommittee’s work culminated in the passage of the Automobile Information Disclosure Act (“AIDA” or “the Act”), 15 U.S.C. §§ 1231–33, which took effect in January 1959. Pursuant to the AIDA, companies like FCA are required to place a label—often referred to as a “Monroney Sticker”—on the window of each new vehicle before making it available for sale. Congressional records from hearings leading up to the passage of the AIDA make plain the purpose of the legislation, describing it as “[a] bill to require the full and fair disclosure of certain information in connection with the distribution of new automobiles in commerce, and for other purposes.” Destination Charge Hr’g at 3. A key rationale for this disclosure was to curb misleading practices by the automobile industry by ensuring purchasers “start the negotiations [over a vehicle’s price] with the minimum necessary information.” Sen. Rep. No. 85-1555 (1958). By packing profits into a destination charge that is *not negotiable*, FCA seeks to circumvent the purpose of the AIDA. As the Ninth Circuit has explained, “the purpose of the Monroney Bill was to prevent misbranding, abuse of caravan car prices and . . . ‘packing.’” *Plymouth Dealers’ Ass’n of N. Cal. v. United States*, 279 F.2d 128, 134 (9th Cir. 1960).

5. The Monroney Sticker lists, among other things, a destination charge, which one Congressman described as the “plain honest-to-goodness figure” that reflects the cost of delivering the vehicle to a dealership for sale. 104 Cong. Rec. 8700 (1958). The AIDA defines the destination charge required to be disclosed on the Monroney label as “the amount charged, if any, to such dealer for the transportation of such automobile to the location at which it is delivered to such dealer.” 15 U.S.C. § 1232(f)(3).

6. In recent years, however, a variety of market realities have emboldened FCA (and perhaps others) to return to the practice of charging phantom freight in connection with new

vehicle sales. So-called “destination charges” on FCA vehicles have skyrocketed in a manner untethered to any actual costs incurred. In a 2021 article, *Consumer Reports* explained that “Destination fees rose an average of 90 percent on Chrysler, Dodge, and Jeep vehicles; 74 percent on Ram trucks since 2011; and 114 percent on Fiats since 2012.”² The article goes on to quote Dan Bedore, an independent consultant with decades of executive experience at multiple car manufacturers, who succinctly stated: “It does not take a mathematician to understand the value of a \$100 increase to a company that sells 2 million units a year.” Indeed, FCA is an outlier, charging hundreds of dollars more per vehicle for delivery than its competitors.

7. Plaintiffs and proposed class members bought new Class Vehicles and incurred the phantom-freight costs, divorced from the actual cost of vehicle transportation, that FCA now systematically charges. Plaintiffs bring this action on behalf of themselves and all other similarly situated Class Vehicle purchasers and lessees. Plaintiffs assert claims at common law and for violations of various state consumer-protection statutes.

JURISDICTION AND VENUE

8. This Court has subject-matter jurisdiction of this action pursuant to 28 U.S.C. § 1332 of the Class Action Fairness Act (“CAFA”) because: (1) there are 100 or more class members; (2) there is an aggregate amount in controversy exceeding \$5,000,000, exclusive of interest and costs; and (3) at least one member of the class is a citizen of a different state than FCA.

9. This Court may exercise jurisdiction over FCA and Stellantis N.V. because they conduct business in New Jersey; distributed the Class Vehicles purchased by Plaintiffs for sale in

² Mike Monticello, *Sticker Shock: The Truth about Destination Fees*, CONSUMER REPORTS (Feb. 18, 2021), <https://www.consumerreports.org/buying-a-car/the-truth-about-destination-fees-a1615480982/>.

New Jersey; have sufficient minimum contacts in New Jersey; and intentionally avail themselves of the markets within New Jersey through the promotion, sale, marketing, and distribution of their vehicles. This Court's exercise of jurisdiction is therefore proper and necessary.

10. Venue properly lies in this District pursuant to 28 U.S.C. §§ 1391(b)(2) and (b)(3) because a substantial part of the events or omissions giving rise to Plaintiffs' claims occurred in this District and because Defendants conduct a substantial amount of business in this District. Accordingly, Defendants have sufficient contacts with this District to subject them to personal jurisdiction in this District. Venue is therefore proper.

PARTIES


A. Plaintiffs

Plaintiff BCR Carpentry LLC

11. Plaintiff BCR Carpentry LLC ("BCR") is a New Jersey company with a principal place of business in Aberdeen Township, New Jersey.

12. BCR purchased a new 2021 Ram 2500 Power Wagon Crew on or about July 20, 2021, from Sea View Auto Corp., an authorized Dodge dealer and repair center located in Ocean Township, New Jersey. It paid a total purchase price of \$75,616.

13. When BCR purchased the subject vehicle, its managing partner Mark Bishop viewed the Monroney Label affixed to the window. Mr. Bishop referenced the document, a photo of which is depicted below, for the feature and pricing information it contained:



2021 MODEL YEAR
RAM 2500 POWER WAGON CREW CAB 4X4

For more information visit: www.ramtrucks.com
or call 1-866-RAMINFO

FCA US LLC

THIS VEHICLE IS MANUFACTURED TO MEET SPECIFIC UNITED STATES REQUIREMENTS. THIS VEHICLE IS NOT MANUFACTURED FOR SALE OR REGISTRATION OUTSIDE OF THE UNITED STATES.

MANUFACTURER'S SUGGESTED RETAIL PRICE OF THIS MODEL INCLUDING DEALER PREPARATION

Base Price: \$54,585

RAM 2500 POWER WAGON CREW CAB
Exterior Color: Diamond Black Crystal Pearl-Coat Exterior Paint
Interior Color: Black Moroccan Spirit Interior Colors
Interior: Light 11 (Trimmed Suede) Vinyl
Engine: 3.6L V6 Pentastar 300HP
Transmission: 8-Speed Automatic 8HP75-LCV Transmission
STANDARD EQUIPMENT (UNLESS REPLACED BY OPTIONAL EQUIPMENT)

FUNCTIONAL SAFETY FEATURES
Advanced Multistage Front Air Bags
Supplemental Side-Curtain Front and Rear Air Bags
Supplemental Front Seat-Mounted Side Air Bags
ParkView Rear Back-Up Camera
ParkSense® Front and Rear Park-Assist System
4-1/2 Axle Ratio
Tie-Locks Front and Rear Axles
Front Disconnecting Stabilizer Bar
Front Electric Winch
Rim Anchored Suspension
Traction Control
Front Performance-Tuned Shock-Absorbent Bar Performance-Tuned Shock Absorbent Fuel Tank Skid-Plates Shield
Transfer Case Skid-Plates Shield
Manual Shift-On-The-Fly Transfer Case
Push-Button Start
Remote Keyless-Entry
Hill-Start Assist
Hill Descent Control
Dampened Tailgate
Electronic Stability Control
Sentry Key® Theft Deterrent System
Selectable Tire-Alert

INTERIOR FEATURES
Uconnect® 4 with 8.4-inch Display
Apple CarPlay®
Google Android Auto™
SiriusXM® with 6-Month Radio Sub Call 800-643-2112
Integrated Voice Command with Bluetooth®
Full Function Media Hub with 2-USB Plus Aux Port
Cluster 7.0-inch Color Display

OPTIONAL EQUIPMENT (May Replace Standard Equipment)

Monotone Paint	\$100
Customer Preferred Package 20P	\$845
LED Bed Lighting	
Deployable Bed-Step by Mopar®	
Slide-In Bedliner by Mopar®	
75th Anniversary Edition	\$11,715
Leather-Trimmed Bucket Seats	
Off-Road Info Pages	
SE-Fordford LED Projector Headlamps	
Rock Rails with Step Pad by Mopar®	
Power Wagon Vertical Bar Grille	
Ventilated Front Seats	
2nd-Row In-Floor Storage Bins	

Assembly Plant/Port of Entry: SALTILLO, MEXICO SL SHP10 S0210

VIN: 3C6-TR5EJMG-620888 144-004 6661 60612

Front and Rear Floor Mats
Heated Front Seats
Uconnect® 12.0-inch Display with Navigation
Electronic Shift-On-The-Fly Transfer Case
Power Folding Black Trailer-Tow Mirrors w/ Memory
A/C with Dual-Zone Auto Temperature Control
Rain-Sensitive Windshield Wipers
Remote Tailgate-Release
Heated Second-Row Seats
2-Way Power Lumbar Adjustable Passenger Seat
8-Way Power Adjustable Front Passenger Seat
Rear Door Accent Lighting
Radiator Cover Seal/Mirrors / Pedals Memory
Automatic High-Beam Headlamp-Control
Mirror-Mounted Auxiliary Reverse Lamps
Heated Steering Wheel
17 Speaker Harman International Premium Sound
SQUAD Guard™ Connected Services w/ 1-Yr. Trial
4G LTE Wi-Fi Hot Spot
SiriusXM with 360L
17-inch x 8.0-inch Bead-Lock-Capable Wheels \$1,195
Power Sunroof \$300
Adaptive Steering System \$395
Dual Alternators Rated at 380-Amps
225-Amp Alternator

Destination Charge \$1,695

TOTAL PRICE: * \$70,830

WARRANTY COVERAGE
5-year or 100,000-mile Powertrain Limited Warranty.
3-year or 36,000-mile Basic Limited Warranty.
Ask Dealer for a copy of the limited warranties or see your owner's manual for details.

5 YEAR / 60,000 MILE POWERTRAIN WARRANTY

California Air Resources Board Gasoline Vehicle

Environmental Performance

These ratings are not directly comparable to the U.S. EPA/DOT light-duty vehicle label ratings. For information on how to compare, please see www.arb.ca.gov/ep_label

Protect the environment. Choose vehicles with higher ratings:

Greenhouse Gas Rating (tailpipe only) **Smog Rating** (tailpipe only)

A+ Cleaner **C-** **D** **A+** Cleaner **B-** **D**

Vehicle emissions are a primary contributor to climate change and smog. Ratings are determined by the California Air Resources Board based on this vehicle's measured emissions.

GOVERNMENT 5-STAR SAFETY RATINGS


Overall Vehicle Score ★★★★★

Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.

Frontal Crash	Driver Passenger	★★★★★
		★★★★★
Based on the risk of injury in a frontal impact.		
Side Crash	Front seat Rear seat	★★★★★
		★★★★★
Based on the risk of injury in a side impact.		
Rollover		★★★
Based on the risk of rollover in a single-vehicle crash.		

Star ratings range from 1 to 5 stars (★★★★★) with 5 being the highest. Source: National Highway Traffic Safety Administration (NHTSA) www.safercar.gov or 1-888-327-4236

The safety ratings above are based on Federal Government tests of particular vehicles equipped with certain features and options. The performance of this vehicle may differ.



VEHICLE PROTECTION
ASK FOR NEWER VEHICLE PROTECTION FOR YOUR VEHICLE. We'll Sell, We Buy It.

14. Among other things, the Monroney Sticker referenced a destination charge of \$1,695, which was materially higher than the delivery cost for BCR's vehicle.

15. BCR still owns this vehicle. BCR's vehicle bears Vehicle Identification Number 3C6-TR5EJ0MG-620888.

16. Neither Defendants, nor any of their dealers or other representatives informed BCR, during or after purchase, of the fact that the destination charge contained phantom freight.

Plaintiff Kimberly Enright

17. Plaintiff Kimberly Enright is a citizen of New Jersey and currently resides in Winfield Park, New Jersey.

18. Ms. Enright leased a new 2019 Jeep Cherokee on or about June 5, 2019, from Sea View Auto Corp., an authorized Dodge dealer and repair center located in Ocean Township, New Jersey. Over the course of her lease, Ms. Enright will pay total consideration of

\$31,870.69.

19. When Ms. Enright leased the subject vehicle, she viewed the Monroney Label affixed to the window. Ms. Enright referenced the document, a photo of which is depicted below, for the feature and pricing information it contained:

2019 MODEL YEAR

Jeep GRAND CHEROKEE LIMITED 4X4

THIS VEHICLE IS MANUFACTURED TO MEET SPECIFIC UNITED STATES REQUIREMENTS. THIS VEHICLE IS NOT MANUFACTURED FOR SALE OR REGISTRATION OUTSIDE OF THE UNITED STATES.

MANUFACTURER'S SUGGESTED RETAIL PRICE OF THIS MODEL INCLUDING DEALER PREPARATION

Base Price: \$41,195

JEEP GRAND CHEROKEE LIMITED 4X4
 Exterior Color: Diamond Black Crystal Pearl-Coat Exterior Paint
 Interior Color: Black Interior Color
 Interior: Leather-Trimmed Bucket Seats
 Engine: 3.6-Liter V6 24-Valve VVT Engine
 Transmission: 8-Speed Automatic Transmission

STANDARD EQUIPMENT (UNLESS REPLACED BY OPTIONAL EQUIPMENT)

FUNCTIONAL/SAFETY FEATURES

- Advanced Multistage Front Airbags
- Supplemental Side-Curtain Front and Rear Airbags
- Supplemental Front Seat-Mounted Side Airbags
- Driver Inflatable Knee-Bolster Airbag
- Selec-Terrain® System
- Quadra-Trac II® 4WD System
- ParkView® Rear Back-Up Camera
- ParkSense® Rear Park-Assist with Stop
- Blind-Spot and Cross-Path Detection
- Sport Mode
- Keyless Enter 'n Go™
- Remote-Start System (N/A w/Manual Transmission)
- Sentry Key® Theft Deterrent System
- Ready-Alert Braking
- Cruise Control
- Power Liftgate
- Electronic Stability Control
- 4-Wheel Disc Anti-Lock Brakes
- Hill Start Assist
- Trailer Sway Damping

INTERIOR FEATURES

- Uconnect® 4C NAV with 8.4-Inch Display
- SiriusXM® with 1-Year Radio Sub Call 800-643-2112
- 1-Year SiriusXM® Guardian Service
- 5-Year SiriusXM® Traffic™ Plus Service
- 5-Year SiriusXM® Travel Link Service
- SiriusXM® Traffic Plus
- Apple CarPlay®
- Google Android Auto™
- Integrated Voice Command with Bluetooth®
- Media Hub (2 USB, Aux)

- 4G LTE Wi-Fi Hot Spot
- Heated Front Seats
- Pwr 8-Way Driver Seat w/Memory and 8-Way Pass Seat
- Leather-Wrapped Steering Wheel
- Heated Steering Wheel
- Dual-Zone Automatic Temperature Control
- Deep Tint Sunscreen Glass
- Auto-Dimming Rear View Mirror
- Exterior Temperature and Compass Display

EXTERIOR FEATURES

- 18-Inch x 8.0-Inch Tech Gray Aluminum Wheels
- 265/60R18 BSW All-Season LRR Tires
- Low Beam Daytime Running Headlamps
- Halogen Quad Headlamps
- LED Tail Lamps
- Premium Fog Lamps
- Pwr Heat Mem Multi-Function Mirrors w/Man Fold-Away

OPTIONAL EQUIPMENT (May Replace Standard Equipment)

Customer Preferred Package 28H

Power Sunroof	\$1,295
DESTINATION CHARGE	\$1,495

TOTAL PRICE: *\$43,985

WARRANTY COVERAGE
 5-year or 60,000-mile Powertrain Limited Warranty.
 3-year or 36,000-mile Basic Limited Warranty.
 Ask Dealer for a copy of the limited warranties or see your owner's manual for details.

5 YEAR / 60,000 MILE
POWERTRAIN WARRANTY

Assembly Plant/Port of Entry: DETROIT, MICHIGAN, U.S.A.

VIN: 1C4-RJFBG4KC-719075 L4-YON: 9643 (033)

DEPTO: 23107 31
SEA VIEW AUTO CORPORATION
810 HIGHWAY 35
WANAMASSA NJ 07712-4564
SOLDTO: 32 23107
SEA VIEW AUTO CORPORATION
810 HIGHWAY 35
WANAMASSA NJ 07712-4564

THIS LABEL IS ADDED TO THIS VEHICLE TO COMPLY WITH FEDERAL LAW. THE LABEL CANNOT BE REMOVED OR ALTERED PRIOR TO DELIVERY TO THE ULTIMATE PURCHASER.

* STATE AND/OR LOCAL TAXES & ANY LICENSE AND TITLE FEES AND DEALER SUPPLIED AND INSTALLED OPTIONS AND ACCESSORIES ARE NOT INCLUDED IN THIS PRICE. DISCOUNT, IF ANY, IS BASED ON PRICE OF OPTIONS IF PURCHASED SEPARATELY.

20. Among other things, the Monroney Sticker referenced a destination charge of \$1,495, which was materially higher than the delivery cost for Ms. Enright's vehicle.

21. Ms. Enright's lease will conclude on June 5, 2023. Her vehicle bears Vehicle Identification Number 1C4-RJFBG4KC-719075.

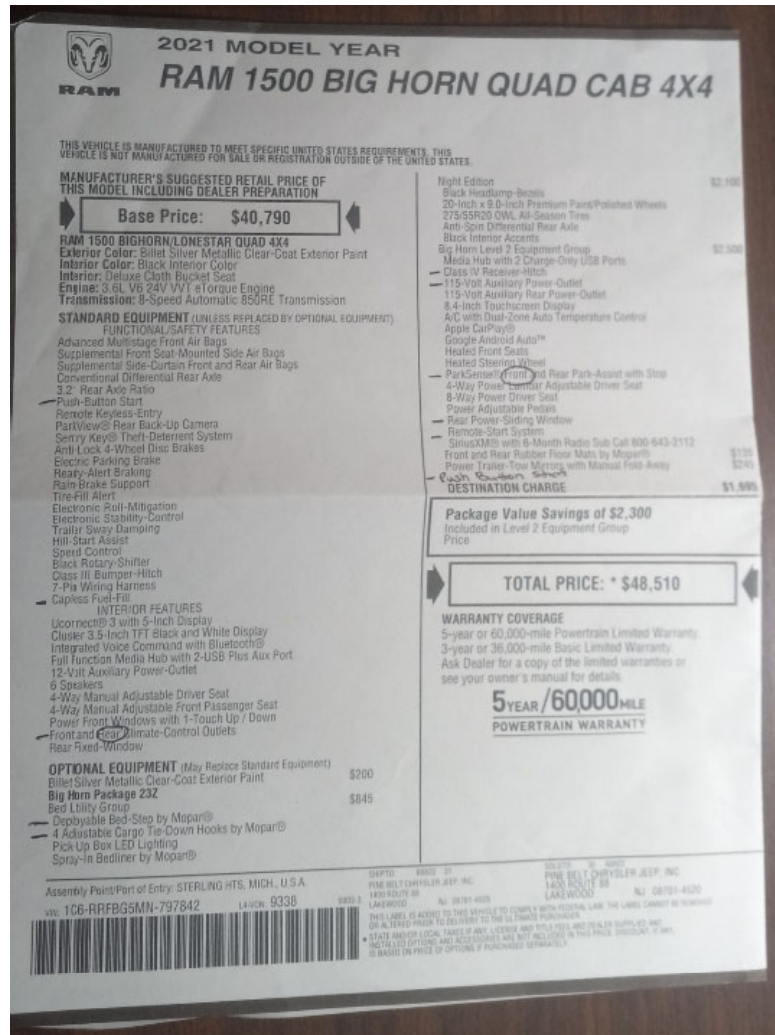
22. Neither Defendants, nor any of their dealers or other representatives informed Ms. Enright, during or after purchase, of the fact that the destination charge contained phantom freight.

Plaintiff William Demola

23. Plaintiff William Demola is a citizen of New Jersey and currently resides in Lakewood, New Jersey.

24. Mr. Demola leased a new 2021 Ram 1500 Big Horn Quad Cab on or about September 28, 2021, from Pine Belt Chrysler Jeep, an authorized Ram dealer and repair center located in Lakewood, New Jersey. Over the course of his 36-month lease, Mr. Demola will pay total consideration of \$21,116.45.

25. When Mr. Demola leased the subject vehicle, he viewed the Monroney Label affixed to the window. Mr. Demola referenced the document, a photo of which is depicted below, for the feature and pricing information it contained:



26. Among other things, the Monroney Sticker referenced a destination charge of \$1,695, which was materially higher than the delivery cost for Mr. Demola's vehicle.

27. Mr. Demola's lease will conclude in September 2024. His vehicle bears Vehicle Identification Number: 1C6-RRFBG5MN-797842.

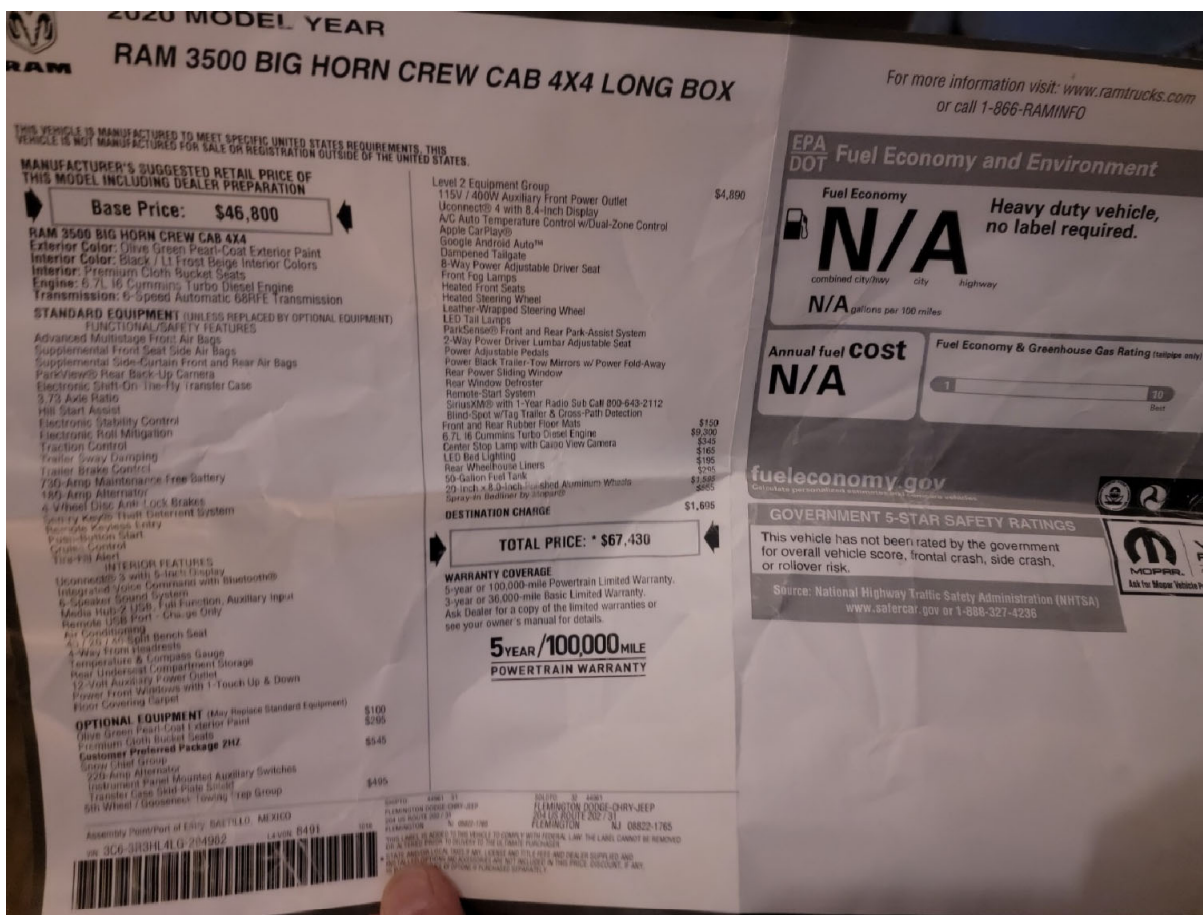
28. Neither Defendants, nor any of their dealers or other representatives informed Mr. Demola, during or after purchase, of the fact that the destination charge contained phantom freight.

Plaintiff Michael Bent

29. Plaintiff Michael Bent is a citizen of New Jersey and currently resides in Bloomsbury, New Jersey.

30. Mr. Bent purchased a new 2020 Ram 3500 Big Horn Crew Cab on or about December 21, 2021, from Flemington Dodge Chrysler Jeep, an authorized Ram dealer and repair center located in Flemington, New Jersey. Mr. Bent paid a total purchase price of \$63,528.00.

31. When Mr. Bent purchased the subject vehicle, he viewed the Monroney Label affixed to the window. Mr. Bent referenced the document, a photo of which is depicted below, for the feature and pricing information it contained:



32. Among other things, the Monroney Sticker referenced a destination charge of \$1,695, which was materially higher than the delivery cost for Mr. Bent's vehicle.

33. Mr. Bent still owns this vehicle. His vehicle bears Vehicle Identification Number: 3C6-3R3HL4LG-294982.

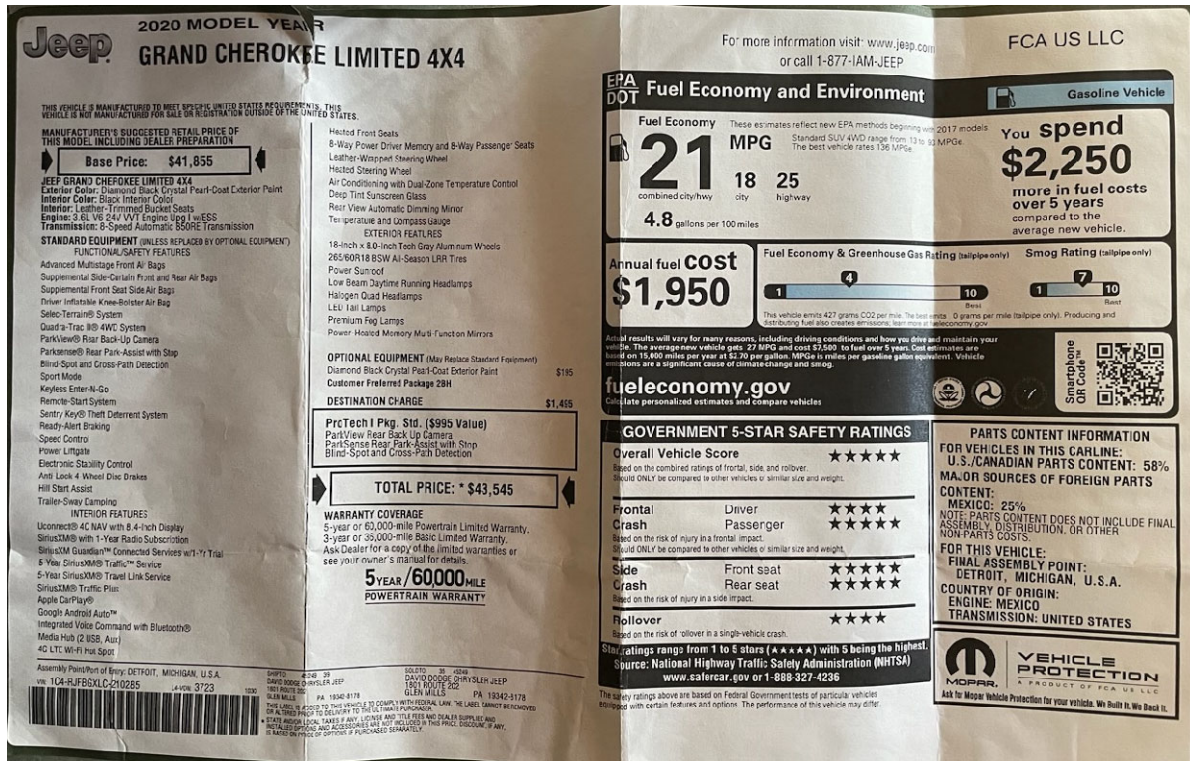
34. Neither Defendants, nor any of their dealers or other representatives informed Mr. Bent, during or after purchase, of the fact that the destination charge contained phantom freight.

Plaintiff Amy Arroyo

35. Plaintiff Amy Arroyo is a citizen of New Jersey and currently resides in Egg Harbor Township, New Jersey.

36. Mrs. Arroyo purchased a new 2020 Jeep Grand Cherokee on or about September 5, 2020, from Atlantic Chrysler Dodge Jeep Ram, an authorized Jeep dealer and repair center located in Egg Harbor Township, New Jersey. Mrs. Arroyo paid a total purchase price of \$43,545.00.

37. When Mrs. Arroyo purchased the subject vehicle, she viewed the Monroney Label affixed to the window. Mrs. Arroyo referenced the document, a photo of which is depicted below, for the feature and pricing information it contained:



38. Among other things, the Monroney Sticker referenced a destination charge of \$1,495, which was materially higher than the delivery cost for Mrs. Arroyo's vehicle.

39. Mrs. Arroyo still owns this vehicle. Her vehicle bears Vehicle Identification Number: 1C4-RJFBGXLC-210285.

40. Neither Defendants, nor any of their dealers or other representatives informed Mrs. Arroyo, during or after purchase, of the fact that the destination charge contained phantom freight.

41. Mrs. Arroyo also purchased a new 2022 Ram 1500 Big Horn Quad Cab on or about November 21, 2022, from Turnersville Jeep Chrysler Dodge Ram, an authorized Ram dealer and repair center located in Turnersville, New Jersey. Mrs. Arroyo paid a total purchase price of \$65,623.90.

42. When Mrs. Arroyo purchased the subject vehicle, she viewed the Monroney Label affixed to the window. Mrs. Arroyo referenced the document, a photo of which is depicted below, for the feature and pricing information it contained:

2022 MODEL YEAR
RAM 1500 BIG HORN QUAD CAB 4X4

For more information visit www.ramtrucks.com or call 1-866-RAM-INFO FCA US LLC

MANUFACTURER'S SUGGESTED RETAIL PRICE OF THIS MODEL INCLUDING DEALER PREPARATION
Base Price: \$45,805

RAM 1500 BIG HORN QUAD CAB 4X4
 Exterior Color: Granite Crystal Metallic Clear-Coat Exterior Paint
 Interior Color: Black Interior Color
 Interior: Deluxe Cloth Bucket Seat
 Engine: 3.6L V6 24V VVT iTorque Engine with Stop/Start
 Transmission: 8-Speed Automatic 850R Transmission

STANDARD EQUIPMENT (UNLESS REPLACED BY OPTIONAL EQUIPMENT)
FUNCTIONAL/SAFETY FEATURES
 Advanced Multistage Front Air Bags
 Supplemental Front Seat-Mounted Side Air Bags
 Supplemental Side-Curtain Front and Rear Air Bags
 3.2" Rear Axle Ratio
 Push-Button Start
 Remote Keyless Entry
 ParkView® Rear Back-Up Camera
 Sentry Key® Theft-Deterrent System
 Anti-Lock 4-Wheel Disc Brakes
 Electric Parking Brake
 Ready-Alert Braking
 Ram-Brake Support
 Tire-Fill Alert
 Electronic Roll-Mitigation
 Electronic Stability Control
 Trailer Sway Damping
 Hill Start Assist
 Speed Control
 Black Rotary-Shifter
 Class III Bumper-Steer
 7-Point Winding Harness
 Captors Seat-Belt

INTERIOR FEATURES
 Ram Clean Air System
 Uconnect® 3 with 5-Touch Touch Screen Display
 SiriusXM Guardian™ Connected Service w/Trial Period
 Driver 2-Inch TFT Black and White Display
 Integrated Voice Command
 Full Function Media Hub with 2-USB Plus Aux Port
 12V/40A Auxiliary Power-Outlet
 2 Speakers
 4-Way Manual Adjustable Driver Seat
 4-Way Manual Adjustable Front Passenger Seat
 Power Front Windows with 1-Touch Up / Down
 Rear Fixed-Window
 Leather-Wrapped Steering Wheel
 Tilt / Telescopic Steering Column
 Overhead Console

OPTIONAL EQUIPMENT (May Replace Standard Equipment)
 Granite Crystal Metallic Clear-Coat Exterior Paint \$250
 Deluxe Cloth Bucket Seat \$395
 Big Horn Package 22Z \$2,445
 Night Edition

ACCENT-COLOR PREMIUM POWER MIRRORS \$2,650
 Black Headlamp-Rails
 20-Inch 18-Spoke Premium Painted Polished Wheels
 275-55R20 DSW All-Season Tires
 Anti-Spill Overhead Rear Aisle
 Black Interior Accents
 Big Horn Level 2 Equipment Group
 2-Way Power Leather Adjustable Driver Seat
 Handsfree Phone w/ Audio
 Uconnect® 3 with 8.4-Inch Touch Screen Display
 Class IV Inceiv™ H1H
 8.4-Inch Touchscreen Display
 Apple CarPlay®
 Google Android Auto™
 Heated Front Seats
 Heated Steering Wheel
 ParkSense® Front and Rear Park-Assist with Stop
 8-Way Power Driver Seat
 Power Adjustable 11.5-Inch Rear Power-Sloping Window
 Remote-Start System
 SiriusXM® with 6th Month Radio Sub Call 800-643-2112
 Front and Rear Rubber Floor Mats by Mopar® \$150
 3.55 Rear Axle Ratio \$85
 Rear Wheel Locks \$220
 Connected Services Telematic Credit \$250

DESTINATION CHARGE \$1,895

Package Value Savings of \$2,300
 Included in Level 2 Equipment Group Price

TOTAL PRICE: * \$53,665

WARRANTY COVERAGE
 5-year or 60,000-mile Powertrain Limited Warranty,
 3-year or 36,000-mile Basic Limited Warranty.
 Ask Dealer for copy of the limited warranties or see your owner's manual for details.

5 YEAR / 60,000 MILE POWERTRAIN WARRANTY

EPA Fuel Economy and Environment
 Fuel Economy: 21 city, 19 highway, 24 combined MPG
 4.8 gallons per 100 miles
 Annual fuel cost: \$1,700
 Fuel Economy & Greenhouse Gas Rating (tailpipe only): 4 (Best) to 10 (Worst)
 Smog Rating (tailpipe only): 7 (Best) to 10 (Worst)

GOVERNMENT 5-STAR SAFETY RATINGS
 Overall Vehicle Score: ★★★★★
 Frontal Crash: ★★★★★
 Side Crash: ★★★★★
 Rollover: ★★★★★

PARTS CONTENT INFORMATION
 FOR VEHICLES IN THIS COUNTRY: U.S./CANADIAN PARTS CONTENT: 63%
 MAJOR SOURCES OF FOREIGN PARTS CONTENT: MEXICO: 28%
 NOTE: PARTS CONTENT DOES NOT INCLUDE FINAL ASSEMBLY, DISTRIBUTION, OR OTHER NON-PARTS COSTS.
 FOR THIS VEHICLE: FINAL ASSEMBLY POINT: STERLING HTS., MICH., U.S.A.
 COUNTRY OF ORIGIN: ENGINE: MEXICO
 TRANSMISSION: UNITED STATES

VEHICLE PROTECTION
 A PRODUCT OF FCA US LLC
 Ask for Mopar Vehicle Protection for your vehicle. We built it. We built it.

43. Among other things, the Monroney Sticker referenced a destination charge of \$1,895, which was materially higher than the delivery cost for Mrs. Arroyo's vehicle.

44. Mrs. Arroyo still owns this vehicle. Her vehicle bears Vehicle Identification Number: 1C6-RRFBG5NN-460962.

45. Neither Defendants, nor any of their dealers or other representatives informed Mrs. Arroyo, during or after purchase, of the fact that the destination charge contained phantom freight.

B. Defendants

46. Defendant FCA USA, LLC is a corporation organized and existing under the laws of the State of Delaware with a principal place of business in Auburn Hills, Michigan. FCA designs, engineers, manufactures, and sells vehicles under the Chrysler, Jeep, Dodge, Ram, Fiat, and Maserati brands.

47. Defendant Stellantis N.V. is a Dutch corporation with its headquarters in Amsterdam, Netherlands. Stellantis N.V. is the parent company of FCA.

FACTUAL ALLEGATIONS

A. The Mid-20th-Century Deception: Price Packing and “Phantom Freight”

48. About 70 years ago, Congress diagnosed unfair and deceptive practices that were being used to prey on American consumers in the market for new automobiles. Among them was a practice known as price “packing.” 7A Am. Jur. 2d Automobiles § 42 (2022).

49. As a federal appellate court in the 1960s described it, “[p]rice packing is the practice of marking up or adding charges over and above the normal recognized markup from the wholesale price at which a dealer purchases a new automobile from a manufacturer.” *Baltimore Luggage Co. v. FTC*, 296 F.2d 608, 612 (4th Cir. 1961).

50. The chief concern pertained to the inflated markup of the charge for transporting new vehicles to dealerships for sale to consumers. This inflated cost was pervasive and problematic enough that it garnered a name: “phantom freight.”

51. Congress held a series of hearings relating to pricing information for automobiles. The hearings were held by the Interstate and Foreign Commerce Committees in both the United States House of Representatives and United States Senate. A number of these hearings discussed the problem of phantom freight.

52. The hearings involved a great deal of testimony and submissions from various stakeholders, including automobile manufacturers and related trade organizations, automobile dealers and related trade organizations, consumers, the Federal Trade Commission, the Better Business Bureau, the American Automobile Association, and many others.

53. In a July 6, 1955, hearing, Representative Carl Hinshaw of California explained the problem in a colloquy with Admiral Frederick Bell, Executive Vice President of the National Automobile Dealers Association:

Mr. Hinshaw. Admiral, in discussing my bill, which has to do *with phantom freight*, you point out that *the packing of freight charges requires the public to pay an inflated and unrealistic fee for freight charges that are not in fact incurred*.

Is that charge made to the dealer first and passed on from the dealer to the consumer, or is it made directly to the consumer?

Mr. Bell. It is made first to the dealer, sir, and then to the consumer. The dealer pays cash on the barrel for his automobiles.

Mr. Hinshaw. And he has to pay that phantom freight in conjunction with the purchase of the automobile. And naturally he passes it on to the consumer.

Mr. Bell. That is correct sir.³

54. The cost to consumers due to manufacturers' charging of phantom freight was massive in the 1950s—even by today's standards. In the hearing excerpted above, Rep. Hinshaw went on to explain, "I was informed by a very substantial person in the automobile business, who did not wish his name to be disclosed, that certainly one large automobile manufacturer claimed that he made between \$300 million and \$350 million a year on nothing but spurious freight charges"—in 2023 dollars, at least \$3.37 billion.⁴

³ *Automobile Marketing Legislation, A Bill to Amend Section 5(A) of the Federal Trade Commission Act with Respect to Certain Unfair Methods of Competition in Connection with the Sale of Motor Vehicles*, Hearing on H.R. 528 before a Subcomm. of the Comm. on Interstate & Foreign Comm., 84th Cong. (1955) (emphasis added).

⁴ *Id.*; see Bureau of Lab. Stats., U.S. Dep't of Lab., *CPI Inflation Calculator* (2023), https://www.bls.gov/data/inflation_calculator.htm.

B. Congress Solves the Problem—Temporarily—in the 1950s.

55. Congress’s concern about the “inflated and unrealistic fee for freight charges that are not in fact incurred,” but are nevertheless “passe[d] on to the consumer,” resulted in legislative action. Among other reforms, Congress passed the Automobile Information Disclosure Act of 1958, which led to the now-ubiquitous “Monroney Sticker” that manufacturers are required to place on every new vehicle put up for sale in the United States.

56. The Monroney Sticker is named for Senator Monroney of Oklahoma. Senator Monroney was a member of the Interstate and Foreign Commerce Committee during the 1950s. In 1955, the Chairman of the Committee, Senator Magnuson, appointed Senator Monroney to lead the Subcommittee on Automobile Marketing. In the wake of hearings on automobile industry practices such as phantom freight, Senator Monroney championed several reforms, including sponsoring the Act. The Act established uniform disclosure requirements for all new vehicles sold in the United States.

57. The purpose of the Act is to provide transparency to automobile purchasers in a way that would eradicate unfair practices like charging phantom freight. To advance this purpose, automobile manufacturers are federally mandated to affix a Monroney Sticker on every new vehicle. The Monroney Sticker lists specific and detailed information, including the price for delivery of the vehicle to the dealership.

58. During a hearing on May 14, 1958, Senator Monroney discussed the purpose of the bill, highlighting the need for transparency:

This bill, Mr. President, will not compel the manufacturer to do anything except to show the suggested retail price of the car, plus the price of each factory installed accessory and the delivery cost, if any, which was charged to the dealer for the transportation of the car from the factory. ***This will be the delivered price with accessories in a plain honest-to-goodness figure*** on the windshield or window of the car, where every buyer can see it.

104 Cong. Rec. 8700, 1958 (emphasis added).

59. As Congress intended, domestic automotive manufacturers did in fact capitulate and ceased charging phantom freight. In a hearing held on April 24, 1958, Senator Monroney stated: “We know that Ford was the first to abandon phantom freight although they denied there was such a thing, they led the path that got this thing out of the automobile picture.” Destination Charge Hr’g at 157.

60. FCA, then known as the Chrysler Corporation, followed suit. The New York Times reported that Chrysler “followed the lead today of its two chief competitors in eliminating so-called phantom freight charges on new cars.”⁵ The article reported that Chrysler was reducing “[d]estination charges” for its vehicles by as much as \$74 per vehicle.⁶ Concurrently, Chrysler raised the prices of the vehicles by as much as \$35 per vehicle.

61. After the manufacturers ceased collecting phantom freight, Senator Monroney policed their continued compliance. For example, the Congressional Record for the Act includes a letter from Senator Monroney to the president of General Motors (“GM”) in February 1958, just months before passage of the Act. Destination Charge Hr’g at 147 (letter from Senator Monroney to Harlow E. Curtice, President of General Motors Corp.). Senator Monroney wrote that his committee had received “several inquiries” in recent months “regarding freight charges on automobile being increased by your corporation.” *Id.* He said he had been under the impression that his subcommittee’s . . . investigation into the practices of General Motors” had

⁵ *Chrysler Ends Charge: Follows Rivals in Eliminating ‘Phantom Freight’ Cost*, N.Y. TIMES (Feb. 29, 1956), <https://timesmachine.nytimes.com/timesmachine/1956/02/29/86534118.html?pageNumber=24>.

⁶ \$74 in 1956 equates to over \$800 when adjusted to the present value of a dollar.

led GM to “immediately reduce[] . . . freight on new cars from the phantom rate to the proper destination charge.” *Id.* GM responded by confirming Senator Monroney’s understanding, assuring him that it had not resumed its practice of charging phantom freight. *Id.* at 147–48 (letter from Harlow E. Curtice to Senator Monroney). Rather, GM explained that “actual freight rates and vehicle weights have increased, with resulting increases in transportation costs,” but that “[s]o-called phantom freight is [still] eliminated.” *Id.* Senator Monroney’s use of the phrase “destination charge”—the very same phrase used in the Act—leaves no doubt that the legislators’ expectation was that the “proper destination charge” would not include secret profit.

62. Much of Congress’s scrutiny was directed at manufacturers’ practices in particular, not just dealers’. As one senator remarked in response to a statement by a Ford executive: “You say . . . that the [AIDA] legislation is directed at practices imposed upon the industry by relatively few dealers I don’t think it was all actually the dealers. I think there was a lot to be said on both sides of the question” *Id.* at 154 (statement of Walker A. Williams, Ford Motor Co.). Earlier in the same hearing, Senator Monroney highlighted Congress’s achievement in eliminating phantom freight. He noted that Congressional pressure had led automotive manufacturers—not dealerships—to reform their practices, emphasizing the “major reforms . . . voluntarily entered into by the automobile manufacturers as a result of the spotlight which the subcommittee put upon this problem.” *Id.* at 1 (opening statement of Senator Monroney). Senator Monroney would continue to underline the importance of Congress’s efforts to restrain manufacturers’ conduct and to improve manufacturers’ relationships with consumers, not just with dealers, writing in a report concerning the AIDA that:

The Subcommittee on Automobile Marketing . . . has made the most extensive study of automobile marketing practices ever undertaken by Congress. . . . [T]he focus of public attention upon the factory dealer relationships and *the abuses thereof by the manufacturers* brought about some 49 major reforms in the

manufacturer-dealer relationship. . . . [The] committee now believes the time to improve the relationship between the industry and the public has arrived. That is what [the AIDA] attempts to do.

Senator Monroney, *Rep. on the Automobile Labeling Bill*, S. Rep. No. 85-1555, at 3 (1958)

(emphasis added).

63. One such abuse, as Senator Monroney explained, was that the manufacturers had previously imposed a delivery charge that assumed all vehicles were being shipped from Detroit, even though new plants had been opened elsewhere in the U.S., driving down delivery costs. Destination Charge Hr’g at 1.

64. During Congressional hearings, manufacturers themselves acknowledged that the “growth of outlying assembly plants effected reductions in transportation costs.”⁷ As a result, the “economic benefits” from the costs lowered by “outlying assembly plants are now being shared [with] customers . . . and so-called phantom freight has been eliminated.”⁸

65. As Senator Monroney described it, the new “transportation charge [was] the result of a lot of work by this committee of getting the abandonment of the old phantom freight that bore no relationship whatever to the distance from the factory and a lot of other things.” Destination Charge Hr’g at 146. The Subcommittee’s and GM’s counsel, both present at the hearing, agreed: “the charge now, transportation, destination charge, is within a few dollars of what it costs to go from the assembly plant to any given area.” *Id.*

66. Consistent with this understanding, there were several methods manufactures used to calculate destination charges, including charging the average of a set of vehicles’ actual

⁷ *Digest of Testimony Relative to Hr’gs on the Auto. Mktg. Subcomm. of the Comm. on Interstate & Foreign Com.*, 84th Cong. 94 (1956) (summary of statement of Fredric G. Donner of General Motors Corp.).

⁸ *Id.* at 95.

delivery costs and charging on a per-vehicle basis. Savings from the elimination of phantom freight were passed on to consumers irrespective of the method. With manufacturers “averag[ing] out” the “destination charge,” the result was “to save the customer millions of dollars in abandoning phantom freight.” *Id.* at 145.

C. Auto Manufacturers Like FCA Have Used “Phantom Freight” Because It Allows Them to Deceptively Inflate the Revenue They Can Generate from New Vehicle Sales.

67. In the 1950s, Chrysler sought to make up for the \$74 per vehicle that it was no longer able to collect in phantom freight by raising vehicle prices. But it was only able to raise prices by a maximum of \$35 per vehicle. That fact is illuminating, providing vital context for the situation FCA finds itself in today.

68. The market for new vehicles in the U.S. has long been highly competitive, with demand for vehicles turning in large part on the price (typically the manufacturer’s suggested retail price or “MSRP”) of those vehicles.

69. But whereas consumers can be expected to understand and respond rationally to readily apparent increases and decreases in the MSRP of new vehicles, charging for phantom freight falls into a group of less transparent practices such as “drip pricing” and “partition pricing.” Drip pricing refers to purchases where consumers are first presented with an element of the price upfront—like a new vehicle’s MSRP, which is mentioned universally in vehicle marketing and advertising—and then learn about compulsory price increments (like a destination charge) later in the buying process. When price is separated in this way, it is also sometimes called “partitioned pricing.”⁹

⁹ Gorkan Ahmetoglu et al., *Pricing Practices: A Critical Review of Their Effects on Consumer Perceptions and Behaviour*, 21 J. RETAILING & CONSUMER SERVS. 696 (2014); see also David Adam Friedman, *Regulating Drip Pricing*, 31 STAN. L. & POL’Y REV. 51 (2020).

70. It has long been known that the use of drip pricing and partitioned pricing can cause reasonable consumers to misperceive the total costs they will bear as compared to when presented with the same transaction using “all-in” pricing. Companies like FCA can thus cause consumers to perceive the cost of a new vehicle as less than it actually is.¹⁰

71. The destination charge on FCA vehicles is particularly capable of preying on consumer heuristics. Market research has shown that consumers’ perceived fairness when it comes to surcharge increases turns in large part on the purpose of the increase. Because it is generally understood that vehicles need to be transported to dealerships for consumers’ benefit, and that the transport is not free, consumers perceive as fair the surcharges tied to transporting new automobiles to dealerships. At the same time, they would perceive a comparable surcharge as unfair if it were nominally attributed to something more amorphous, like “dealer preparation” or something else that appeared to be aimed at nothing more than securing extra revenue from the transaction without providing additional benefit.¹¹ So, by using an inflated destination surcharge, FCA preys on the fact that partition pricing will leave consumers underestimating the full cost of the transaction while being duped into perceiving the surcharge as a fair cost of delivery rather than as phantom freight—the only purpose of which is for the company to sneak more profit out of the transaction.

72. Per Jack Gillis, the executive director of the Consumer Federation of America quoted in *Consumer Reports*, “[t]here is no reason why destination charges are not incorporated

¹⁰ Eric Greenleaf et al., *The Price Does Not Include Additional Taxes, Fees, and Surcharges: A Review of Research on Partitioned Pricing*, 26 J. CONSUMER PSYCHOL. 105 (2016).

¹¹ Vicki Morwitz et al., *Divide and Prosper: Effects on Partitioned Prices on Consumers’ Price Recall and Demand*, 35 J. MARKETING RES. 453 (1998).

into the cost of the vehicle,” and thus the MSRP, “except that it enables the manufacturer to charge more.”¹²

73. Accordingly, as Chrysler’s 1950s-era practices showed, when the company was forced to abandon the practice of misleadingly inflating its prices using phantom freight to the tune of nearly \$75 per vehicle, and it tried to make up for the lost revenue by increasing vehicle prices, it could only raise vehicle prices by less than half of the amount it had been securing as phantom freight.

D. In Recent Years, FCA Has Again Begun Packing Phantom Freight into Its Pricing by Artificially Inflating the Destination Charges for New Vehicles.

74. With decades having passed since the 1950s, the Automobile Information Disclosure Act has evolved since it was signed into law by President Eisenhower in July of 1958. But nearly 65 years later, the Act persists. Required disclosures have only increased with time to include information regarding, among other things, fuel efficiency and crash safety.

75. Although no legislative activity has transpired in the intervening decades suggesting Congress has in any way abandoned the goals of its efforts in the 1950s, changed circumstances have seen FCA regress back to its use of phantom freight with an evolved scheme.

76. In addition to companies like FCA developing a better understanding of how to use non-negotiable surcharges to manipulate consumer behavior, the business practices of FCA and its dealerships have changed. Whereas dealerships once paid cash upfront for vehicles, it is now common for them to acquire vehicles on credit, paying FCA the full amount of the destination charge as a line item on the dealer invoice, but only after selling the vehicles. As one dealer explained, the destination charge is a non-negotiable “pass-through charge.”¹³ One

¹² Monticello, *supra* note 2.

¹³ *Id.*

ramification is that dealerships no longer have the same incentives to resist inflated destination charges because they do not bear the cost of delivery in the same way upon taking possession of a vehicle. So, they have little reason to complain as the charges have increased substantially in recent years, recognizing that it is not them, but consumers who pay the costs in the first instance.

77. Seizing on its ability to manipulate the market in these ways, since at least the 2018 model year, FCA has reengaged in the systematic practice of charging inflated destination charges for Class Vehicles. These newly inflated destination charges reflect a return to the price-packing and phantom-freight charging that were endemic in the early 20th century.

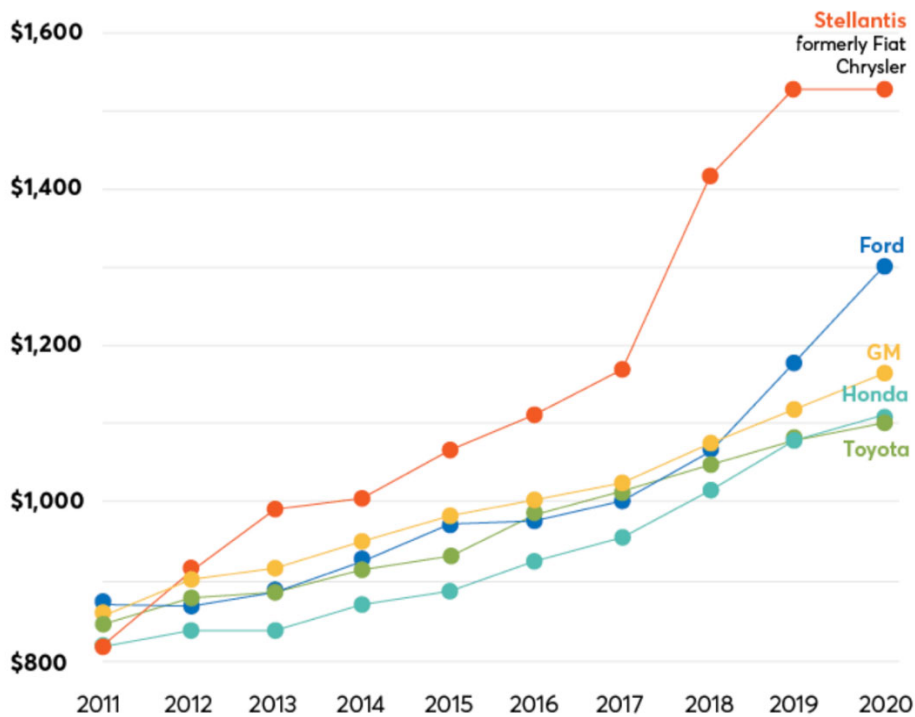
78. FCA's destination charges for Class Vehicles are substantially higher than the true cost of delivering the vehicles to dealerships for sale. Rather than charging the true cost of delivery, FCA inflates the charges to generate additional profit for itself through a mechanism that consumers do not understand and against which they cannot reasonably protect themselves (since the charges are misleadingly labeled on Monroney Stickers and are not subject to negotiation, unlike the base sales price).

79. Just as it did in the 1950s, FCA is using these inflated destination charges to effectively lower its MSRPs, misleading the public into perceiving the cost of Class Vehicles as less than they actually are and thereby achieving greater revenues. If FCA were to act lawfully, by increasing MSRPs (if desired) and lowering destination charges to eliminate phantom freight, FCA would be unable to charge as much per vehicle and would also decrease the overall demand for its vehicles. Only by engaging in these unfair, deceptive, and unlawful practices has FCA been able to sell the volume of Class Vehicles it has sold at the prices it has sold them.

80. *Consumer Reports* reported on the substantially inflated destination charges for

Class Vehicles, explaining that “[d]estination fees rose an average of 90 percent on Chrysler, Dodge and Jeep vehicles; 74 percent on Ram trucks since 2011; and 114 percent on Fiats since 2012.”¹⁴ The following chart from *Consumer Reports* reflecting the average destination charges among top manufacturers demonstrates both the concerning industry-wide growth of this inflated fee, and the degree to which FCA (referred to by the parent company name, Stellantis) is winning the race to the bottom:¹⁵

Destination Charges Are Rising



Source: CR analysis of data from © 2021 Autodata Inc. dba ChromeData. All rights reserved.

¹⁴ *Id.*

¹⁵ *Id.*

81. Although other manufacturers may also have returned to the practice of charging phantom freight, the chart above shows how FCA has inflated its destination charges at rates that are substantially outpacing all other manufacturers. Given the market realities impacting all these manufacturers, none has the incentive to impose destination surcharges in amounts less than the cost to transport their vehicles to dealerships for sale. Indeed, *Consumer Reports* found that destination surcharges among “mainstream automakers” had increased “more than 2.5 times the rate of inflation” between 2011 and 2020.¹⁶ Yet FCA consistently charges hundreds of dollars more per vehicle than all of the other manufacturers identified by *Consumer Reports*.

82. In addition to substantially outpacing its competition in ratcheting up destination surcharges, FCA is consistently outpacing inflation. To cite one example, for the Ram 1500 pickup truck, the rate of increase of the destination charges has substantially outpaced transportation costs generally. The chart below summarizes the destination charge for the last seven years. Over a seven-year period, FCA’s destination charges on the Ram 1500 have increased by over 50%.

Model Year	Destination Charge on Monroney Sticker
2022	\$1,795
2021	\$1,695
2020	\$1,695
2019	\$1,695
2018	\$1,395
2017	\$1,395
2016	\$1,195

¹⁶ *Id.*

83. The Ram 1500 is no outlier among destination charges on FCA vehicles. Indeed, if anything, it represents a conservative demonstration of the problem. As noted above, of the FCA brands referenced by the *Consumer Reports* article, Ram trucks have seen the most modest increase (74% since 2011). Another FCA model, the Jeep Cherokee, saw its destination charge rise 50 percent during a mere three-year span recently.

84. Review of publicly available industry transportation costs demonstrates the meteoric rise in FCA destination charges over the last few years, which cannot plausibly be attributed only to price inflation.

85. One widely recognized measuring stick for transportation costs is the IRS published mileage reimbursement rate. The IRS describes “[t]he standard mileage rate for business use [as] based on an annual study of the fixed and variable costs of operating an automobile.”¹⁷ The table below summarizes the rate over the same period as above: 2016 to 2022. The table below demonstrates that during that time, the IRS mileage reimbursement rate has increased just 7.4%. Notably, when prices for transportation dropped, FCA did not drop the price of the destination charge.

¹⁷ IRS, *IRS Issues Standard Mileage Rates for 2022*, IR-2021-251 (Dec. 17, 2021), <https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2022>.

Year	IRS Mileage Reimbursement Rate
2022	58.5 cents per mile
2021	56 cents per mile
2020	57.5 cents per mile
2019	58 cents per mile
2018	54.5 cents per mile
2017	53.5 cents per mile
2016	54 cents per mile

86. In a similar vein, the United States Bureau of Transportation Statistics publishes data concerning Average Freight Revenue per Ton-Mile. From 2016 to 2020—the most recent data available—the cost went from 3.99 cents (2016) to 4.40 cents (2020).¹⁸ This data indicates an increase in transportation costs of just 10.3% over those four years.

87. Trains and trucks are the primary means by which passenger cars and trucks are transported to market for sale. As the information above demonstrates, the increases in transportation costs do not remotely reflect the rate of increase in FCA’s destination charges for vehicles since 2016.

88. In the words of a *Consumer Reports* executive, “[i]f [companies like FCA] had a valid reason beyond just driving up the price, they would actually be able to point us toward specific examples of costs that have gone up within the shipping process.”¹⁹ With no such

¹⁸ Bureau of Transportation Stats., U.S. Dep’t of Transportation, *Average Freight Revenue per Ton-Mile* (last visited Apr. 10, 2023), <https://www.bts.gov/content/average-freight-revenue-ton-mile>.

¹⁹ Monticello, *supra* note 2.

explanation given, *Consumer Reports* concluded the ratcheted-up destination charges are “little more than a stealthy way for automakers to raise prices without fully owning up to it.”²⁰

TOLLING OF THE STATUTE OF LIMITATIONS AND ESTOPPEL

89. FCA’s knowing and active concealment of the true cost of transporting Class Vehicles has tolled any applicable statute of limitations. Through no fault or lack of diligence, Plaintiffs and members of the proposed Class were deceived regarding the destination charges and could not have reasonably discovered that deception.

90. Plaintiffs and members of the proposed Class did not discover and did not know of any facts that would have caused a reasonable person to suspect that FCA misrepresented or concealed the true cost of transporting Class Vehicles. As alleged herein, the overcharge was and is material to Plaintiffs and members of the proposed Class at all relevant times. Within the period of any applicable statutes of limitations, Plaintiffs and members of the proposed Class could not have discovered through the exercise of reasonable diligence that FCA concealed the actual destination charge for the Class Vehicles.

91. As such, all applicable statutes of limitation periods have been tolled by FCA’s knowing, active, and ongoing affirmative concealment of the facts alleged herein, including the actual destination charge. Plaintiffs and members of the proposed Class reasonably relied on FCA’s knowing, active, and ongoing affirmative concealment.

92. At all times, FCA was and is under a continuous duty to disclose on the Monroney Sticker the actual cost of transporting Class Vehicles to the dealerships where they were sold. Instead, FCA actively concealed the true costs of delivery using the claimed

²⁰ *Id.*

destination charge as a profit center. Plaintiffs and members of the proposed Class reasonably relied on FCA's misrepresentation and concealment of the facts alleged herein.

93. Plaintiffs were only able to discover the truth about FCA's practices with respect to the destination charges because of the online publication of the *Consumer Reports* article on February 18, 2021 (and its subsequent print publication in April 2021). Accordingly, the statutes of limitations should be tolled, at minimum, through the date on which that article was originally published.

94. For these reasons, all applicable statutes of limitation have been tolled based on the discovery rule and FCA's fraudulent concealment. In addition, Defendants are estopped from relying on any statutes of limitations in defense of this action.

CLASS ALLEGATIONS

95. Plaintiffs bring this action pursuant to the provisions of the Federal Rules of Civil Procedure 23(a), 23(b)(2), and 23(b)(3), on behalf of themselves and the following proposed Class: *All persons and entities who purchased or leased a new Class Vehicle in New Jersey.*

96. Excluded from the Class are Defendants, their employees, officers, directors, legal representatives, heirs, successors, parent, subsidiaries, and affiliates; FCA dealers; proposed class counsel and their employees; the judicial officers and associated court staff assigned to this case and their immediate family members; all persons who make a timely election to be excluded from any class; and governmental entities.

97. Certification of Plaintiffs' claims for class-wide treatment is appropriate because Plaintiffs can prove the elements of their claims on a class-wide basis using the same evidence as would be used to prove those elements in individual actions alleging the same claim.

98. This action has been brought and may be properly maintained on behalf of the proposed Class under Federal Rule of Civil Procedure 23.

99. Numerosity. Federal Rule of Civil Procedure 23(a)(1): The members of the Class are so numerous and geographically dispersed that individual joinder of Class members is impracticable. Defendants sell an average of approximately 2,000,000 Class Vehicles per year in the United States, and the population of New Jersey is sufficiently sizable that there are at least thousands of class members within the proposed Class. Class members may be notified of the pendency of this action by recognized, Court-approved notice dissemination methods, which may include U.S. Mail, electronic mail, Internet postings, and/or published notice.

100. Commonality and Predominance. Federal Rules of Civil Procedure 23(a)(2) and 23(b)(3): This action involves common questions of law and fact, which predominate over any questions affecting individual Class members, including, without limitation:

- a. Whether FCA systematically inflated its destination charges for Class Vehicles, charging substantially more than the actual cost of delivery to dealerships;
- b. Whether the money FCA received in the form of destination charges was required to be used for the benefit of consumers, or to transport their vehicles to local dealerships;
- c. Whether FCA is obligated to return to consumers the excess amounts it charged in the form of destination charges, which is to say the amounts that went beyond the actual cost of transporting vehicles to dealerships for sale;
- d. Whether FCA's conduct is unfair in that it violates the policy aims of the Automobile Information Disclosure Act and because the harm caused by the conduct outweighs any corresponding benefit;

- e. Whether FCA has been unjustly enriched to the detriment of Plaintiffs and Class members;
- f. Whether FCA's practice of charging phantom freight in the form of "destination charges" constitutes deceptive and misleading conduct;
- g. Whether the hundreds of dollars in excess costs imposed by FCA through its practice of charging phantom freight are material to reasonable consumers; and
- h. Whether Plaintiffs and members of each Class are entitled to equitable relief, including, but not limited to, restitution or injunctive relief.

101. Typicality. Federal Rule of Civil Procedure 23(a)(3): Plaintiffs' claims are typical of each Class member's claims because, among other things, all Class members were comparably injured through Defendants' wrongful conduct as described in this complaint.

102. Adequacy. Federal Rule of Civil Procedure 23(a)(4): Plaintiffs are adequate class representatives because their interests do not conflict with the interests of the other members of the Class they seek to represent; Plaintiffs have retained counsel competent and experienced in complex class action litigation; and Plaintiffs intend to prosecute this action vigorously. The interests of the Class will be fairly and adequately protected by Plaintiffs and their counsel.

103. Declaratory and Injunctive Relief. Federal Rule of Civil Procedure 23(b)(2): Defendants have acted or refused to act on grounds generally applicable to Plaintiffs and members of the Class, thereby making appropriate final injunctive relief and declaratory relief with respect to the Class as a whole. Plaintiffs have an interest in buying vehicles in the future, sometimes see marketing for FCA vehicles, and will consider purchasing FCA vehicles in the future if possible, but have no way of determining whether destination charges have been inflated and will thus be unable to rely on the information set forth in Monroney Stickers in the

future. Moreover, Defendants' alleged misconduct is ongoing and therefore damages are not certain or prompt. So, damages alone are an inadequate remedy to address the conduct that injunctions are designed to prevent.

104. Superiority. Federal Rule of Civil Procedure 23(b)(3): A class action is superior to any other available means for the fair and efficient adjudication of this controversy, and no unusual difficulties are likely to be encountered in the management of this class action. The damages or other financial detriments suffered by Plaintiffs and other Class members are relatively small compared to the burden and expense that would be required to individually litigate their claims against Defendants, so it would be impracticable for the members of the Class to individually seek redress for Defendants' wrongful conduct. Even if Class members could afford individual litigation, the court system could not. Individualized litigation creates a potential for inconsistent or contradictory judgments and increases the delay and expense to all parties and the court system alike. By contrast, the class action device presents far fewer management difficulties, and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court.

VIOLATIONS ALLEGED

COUNT I

MONEY HAD AND RECEIVED

105. Plaintiffs incorporate by reference all preceding allegations as though fully set forth herein.

106. Plaintiffs BCR, Enright, Demola, Bent and Arroyo bring this Count on their own behalf and on behalf of the Class under the law of New Jersey.

107. FCA received money that was intended to be used for the benefit of Plaintiffs and the Class. Specifically, FCA charges destination charges for Class Vehicles and thereby derives money intended to benefit Plaintiffs and Class members by paying for the cost of delivering Class Vehicles to dealerships for sale.

108. FCA failed to use the money for the benefit of Plaintiffs and Class members. As alleged above, rather than charging destination charges to pay for the true cost of delivery, FCA has inflated the destination charges in order to generate additional profit for itself, which it has not spent for the benefit of Plaintiffs and the Class.

109. FCA has not returned that money to Plaintiffs or the Class.

110. As a result, FCA has received money which belongs to Plaintiffs and the Class, which in equity and good conscience should be paid over to Plaintiffs and the Class, but which FCA instead unlawfully retains.

111. Plaintiffs and the Class are therefore entitled to recover the excess money they paid in the form of destination charges because that money was paid by mistake, oppression, or where an undue advantage was taken of Plaintiffs' and Class members' situation whereby money was exacted to which FCA had no legal right.

112. To the extent this claim is deemed to arise in equity by New Jersey law, for the purpose of the claim brought under New Jersey law, the Plaintiffs bring this Count in the alternative to any Counts brought for legal remedies and expressly allege that for purposes of this Count they lack adequate remedies at law.

COUNT II

**VIOLATIONS OF THE NEW JERSEY CONSUMER FRAUD ACT
N.J. STAT. ANN. § 56:8-1, *ET SEQ.***

113. Plaintiffs incorporate by reference all preceding allegations as though fully set forth herein.

114. FCA, Plaintiffs BCR, Enright, Demola, Bent, Arroyo and the Class members are “persons” within the meaning of the New Jersey Consumer Fraud Act (“New Jersey CFA”), N.J. Stat. Ann. § 56:8-1(d).

115. FCA engaged in “sales” of “merchandise” within the meaning of N.J. Stat. Ann. § 56:8-1(c), (d).

116. The New Jersey CFA prohibits “[t]he act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentations, or the knowing concealment, suppression or omission, in connection with the sale or advertisement of any merchandise or real estate, or with the subsequent performance of such person as aforesaid, whether or not any person has in fact been misled, deceived or damaged thereby” N.J. Stat. Ann. § 56:8-2.

117. FCA’s acts and practices relating to destination charges, as alleged in this Complaint, constitute an unconscionable commercial practice. FCA’s practice of employing price packing and charging phantom freight implies a lack of good faith, honesty in fact, and observance of fair dealing. FCA’s practices also contravene legislatively declared and public policies that seek to protect consumers from misleading statements, as reflected by the Automobile Information Disclosure Act.

118. FCA’s acts and practices also constitute deceptive and/or fraudulent practices in that, as Congress recognized in the 1950s, the use of price packing and phantom freight charges

is likely to deceive and harm reasonable consumers. The practice is designed to prey on the heuristics of reasonable consumers and to mislead them into underestimating the full cost of Class Vehicles, boosting both overall demand for vehicles and consumers' willingness to pay the prices charged. FCA misrepresents its phantom freight charges as "destination charges" and fails to disclose that the surcharges are not reflective of the actual cost of delivery and instead include additional amounts that FCA adds in to generate additional and hidden profit. The phantom freight charges are material to reasonable consumers.

119. Due to FCA's specific and superior knowledge regarding the true "destination charges" incurred in the delivery of the Class Vehicles, its false representations regarding the "destination charges" Class members paid for Class Vehicles, and reliance by Class members on these material representations, FCA had a duty to disclose to Class members the actual "destination charges" incurred in the delivery of the Class Vehicles.

120. As a direct and proximate result of FCA's business practices, Plaintiffs and Class members suffered an ascertainable loss of money or personal property because they purchased more Class Vehicles than they otherwise would have and paid prices they would not otherwise have paid.

121. FCA's violations present a continuing risk to Plaintiffs and Class members as well as to the public. FCA's unlawful acts and practices complained of herein affect the public interest.

122. Pursuant to N.J. Stat. Ann. § 56:8-19, Plaintiffs and Class members seek an order enjoining FCA's unlawful conduct, actual damages, treble damages, attorneys' fees, costs, and any other just and proper relief available under the New Jersey CFA.

COUNT III

UNJUST ENRICHMENT

123. Plaintiffs incorporate by reference all preceding allegations as though fully
Plaintiffs incorporate by reference all preceding allegations as though fully set forth herein.

124. Plaintiffs bring this Count on behalf of themselves and the Class under New
Jersey law and do so in the alternative to any Counts brought for legal remedies and expressly
allege that for purposes of this Count they lack adequate remedies at law.

125. Even though Plaintiffs and Class members have no direct contractual relationship
with FCA, Plaintiffs and Class members conferred a benefit upon FCA by purchasing Class
Vehicles. Although authorized dealers sold the Class Vehicles, the destination charge is a direct
pass-through and FCA directly profits from the sale of each Class Vehicle and the payment for
each concomitant destination charge. Plaintiffs and members of the Class paid FCA for
destination charges in amounts that were hundreds of dollars higher than the actual cost of
transporting the Class Vehicles to dealerships for sale. Through this practice, FCA artificially
inflated demand for its vehicles, selling a greater volume of Class Vehicles than it otherwise
would have.

126. FCA knew that these improper benefits were conferred upon it.

127. FCA, having received these benefits, is required to provide remuneration under
the circumstances. It is unjust for FCA to retain such monies obtained by the illegal conduct
described above. Such money or property belongs in good conscience to Plaintiffs and Class
members and can be traced to funds or property in FCA's possession. Plaintiffs' and Class
members' detriment and FCA's enrichment are related to and flow from the conduct challenged
in this Complaint.

128. Plaintiffs and Class members are entitled to all available restitution and disgorgement of revenues, as it would be inequitable and unjust for FCA to retain such benefits. Other remedies and claims may not permit them to obtain such relief, leaving them without an adequate remedy at law.

REQUEST FOR RELIEF

WHEREFORE, Plaintiffs, individually and on behalf of members of the Class, respectfully request that the Court enter judgment against Defendants and in favor of Plaintiffs and the Class, and award the following relief:

- A. Certification of this action as a class action pursuant to Federal Rule of Civil Procedure 23, declaring Plaintiffs as the representatives of the Class and appointing Plaintiffs' counsel as counsel for the Class;
- B. An order awarding declaratory relief and temporarily and/or permanently enjoining FCA from continuing the unlawful, deceptive, and unfair business practices alleged in this complaint;
- C. A declaration that FCA is financially responsible for providing notice to the Class and for administering relief to the Class;
- D. An order requiring FCA to pay all available monetary relief to the Class, including in the form of damages, statutory damages, and treble damages, and to repay Class members in the amount of all destination charges it received for Class Vehicles exceeding the cost of delivering those vehicles to dealerships for sale;
- E. An order requiring FCA to pay restitution to the Class and to disgorge its ill-gotten gains;

- F. An order requiring FCA to pay both pre- and post-judgment interest on any amounts awarded;
- G. An award of costs, expenses, and attorneys' fees as permitted by law; and
- H. Such other or further relief as the Court may deem appropriate, just, and equitable.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a jury trial for all claims so triable.

**LITE DEPALMA GREENBERG &
AFANADOR, LLC**

Dated: April 26, 2023

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AMENDED LOCAL CIVIL RULE 11.2 CERTIFICATION

Pursuant to Local Civil Rule 11.2, I hereby certify that the matter in controversy is related to the following civil action:

- *Beeney, et al v. FCA US, LLC, et al*,
Docket No. 1:22-cv-00518 (Delaware)
- *Gunn, et al v. FCA US, LLC, et al*,
Docket No. 3:22-cv-2229 (California)

I hereby certify that the following statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

**LITE DEPALMA GREENBERG &
AFANADOR, LLC**

Dated: April 26, 2023

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