

*This opinion is nonprecedential except as provided by
Minn. R. Civ. App. P. 136.01, subd. 1(c).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A24-1236**

State of Minnesota,
Respondent,

vs.

Midwest Car Search, LLC, et al.,
Appellants.

**Filed April 7, 2025
Affirmed
Kirk, Judge***

Anoka County District Court
File No. 02-CV-24-2122

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(for appellants)

Considered and decided by Ede, Presiding Judge; Bentley, Judge; and Kirk, Judge.

NONPRECEDENTIAL OPINION

KIRK, Judge

In this interlocutory appeal, appellants ask this court to reverse the district court's grant of respondent's request for temporary injunction because the order lacked sufficient findings, was too vague to enforce, and the requirements imposed by the district court are

* Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to Minn. Const. art. VI, § 10.

greater than what is required and allowed by statute with respect to used car sales. We affirm.

FACTS

The following facts were obtained from the state’s petition for injunctive relief and the record below. Tom Spiczka is the owner of appellant Midwest Car Search, LLC (MCS). MCS is a used-car dealership in Fridley, Minnesota. In April 2024, respondent State of Minnesota, filed a lawsuit against MCS and Spiczka, alleging that they engaged in fraudulent practices by falsely advertising cars as “certified cars” and signing consumers up for expensive “vehicle service contracts” without their consent.¹ The state’s complaint further alleged that appellants targeted Spanish-speaking customers by exploiting language barriers, refusing to honor warranties, failing to make proper disclosures, and operating under the unregistered business name “Coches MN.” The complaint alleged that appellants violated Minn. Stat. § 325F.622 (2024), which governs the sales of used cars, noting that appellants sold “3,245 cars for more than \$56 million to individual buyers between 2017 and 2022” and that MCS used Credit Acceptance Corporation (CAC) to obtain financing. CAC, which charged MCS customers interest rates of up to 22%, has been the target of significant legal action “for its role in originating subprime auto loans.”

¹ We acknowledge the state’s withdrawal of its factual contention that MCA advertised its vehicles as certified preowned on carsforsale.com. The withdrawal of this fact does not impact our analysis. We note that the evidence the state presented to the district court in support of its motion for injunctive relief included affidavits from investigators and former customers of MCA that attest to MCA’s alleged marketing of its vehicles as certified preowned on Facebook marketplace and other social media sites.

In May 2024, the state filed its notice of motion and motion for temporary injunction. In its accompanying memorandum of law filed in June 2024, the state indicated that it sought temporary injunctive relief under Minn. Stat. §§ 325D.43-.48 (2024), which is the Uniform Deceptive Trade Practices Act (DTPA); Minn. Stat. § 325F.67 (2024), which is the False Statement in Advertisement Act (FSAA); Minn. Stat. §§ 333.001-.01 (2024) (Commercial Assumed Names Law), which prohibits people from conducting a commercial business under an assumed name without filing a certificate; Minn. Stat. § 325F.662 (2024) (Used Car Law), which is a provision of the Minnesota Consumer Fraud Act (MCFA), Minn. Stat. §§ 325F.68-.945 (2024), that addresses the sale of used motor vehicles; and *Dahlberg Bros. v. Ford Motor Co.*, 137 N.W.2d 314, 321-22 (Minn. 1965). The state argued that a temporary injunction was necessary to protect consumers and requested that MCS be required to disclose the proper warranty coverage required by law and accurately disclose its buyer guides in Spanish and English. The state also requested that the district court enjoin appellants from: charging consumers for vehicle service contracts without making accurate, clear, and conspicuous oral and written disclosures; and advertising or selling cars as certified during the pendency of the proceeding.

The state's motion included an affidavit signed by counsel and another affidavit from an investigator from the Attorney General's office. The investigator's affidavit referenced several exhibits generated from his investigation of MCS, including the sales data from January 1, 2017, through April 4, 2023; a review of appellants' marketing and public records; and affidavits from some of appellants' former customers, which the investigator translated from Spanish to English. The affidavits described instances during

which employees of MCS pressured them into purchasing a car, did not fully explain the terms of the purchase agreement including the interest rate, charged them for a vehicle service contract without their consent, and assured them that the vehicle they purchased had been inspected and certified when most of the vehicles had significant mechanical damage.

In July 2024, appellants filed a memorandum of law in opposition to the state's motion for a temporary injunction. Appellants argued that the injunctive relief sought by the state was too "broad" and that the state's request for injunctive relief was moot because appellants "never had any objection" to making the changes sought by the state and had "already implemented the changes." Appellants also argued that the state's "assertions of misconduct and deceptive business practices [fell] so flat," that they never opposed the state's motion for injunctive relief, and that the injunction was unnecessary because they agreed to voluntarily check the box on the buyer's guide next to the service box and "ceas[ed] to advertise or sell vehicles as 'certified.'"

The district court granted the state's motion for injunctive relief, finding that the state had broad authority to request injunctive relief under the applicable statutes and concluding the state would "likely prevail on the merits of its claims that [appellants] have violated, are violating, or are about to violate the Used Car Law, [M]CFA, DTPA, FSSA, and Commercial Assumed Names Law." The district court further concluded that the temporary injunctive relief would "fulfill the legislative purposes of the Used Car Law, [M]CFA, DTPA, FSAA, and Commercial Assumed Names Law," and that the temporary

injunctive relief would “help protect consumers from further harm by [appellants] during the pendency of [the] litigation.”

The district court order stated in part:

2. [Appellants] shall not make any false statement of material fact, nor shall [they] omit any material fact, in connection with [their] marketing and selling of used motor vehicles to Minnesota consumers.

3. [Appellants] shall not advertise or market that any of their used motor vehicles are “certified” and . . . shall not sell any used motor vehicle as “certified.”

4. [Appellants] shall not sell any vehicle service contracts to any Minnesota consumers unless they clearly and conspicuously mark the box on the Buyer’s Guide

5. [Appellants] shall not sell any vehicle service contract without first disclosing, in a clear and conspicuous manner: (1) that the vehicle service contract is an optional product that the consumer is not required to purchase in order to buy a used motor vehicle; (2) that the vehicle service contract is an additional charge . . .; and (3) the price of the vehicle service contract if the consumer chooses to purchase a vehicle service contract. [Appellants] shall make the written disclosure provided for in this paragraph before a Minnesota consumer agrees to purchase a used motor vehicle or otherwise begins signing any forms related to the purchase of the used motor vehicle. If [appellants] conduct a sale in Spanish, [appellants] shall make the written disclosure provided for in this paragraph in Spanish

6. [Appellants] shall clearly and conspicuously disclose to a consumer in writing the price of any vehicle service contract sold in connection with a used motor vehicle. If [appellants] conduct a sale in Spanish, the written disclosure provided for in this paragraph shall be provided to the consumer in Spanish.

7. [Appellants] shall comply with Minnesota Statutes section 325F.662, subdivisions 2, 3, 4, 5, and 7 and: (1) accurately disclose, in writing, the duration of the written, express warranty that applies to the used motor vehicle in accordance with Minnesota Statute section 325F.662, subdivision 2(a)(1)-(3); (2) accurately disclose, in writing, the parts covered by the written, express warranty that applies to the used motor vehicle warranty in accordance with Minnesota Statute section 325F.662, subdivisions 2(c) and 2(d); and (3) honor the terms of the written, express warranty that applies to the used motor vehicle in accordance with Minnesota Statute section 325F.662, subdivisions 4, 5, 6, and 7. If [appellants] conduct a sale in Spanish, the written disclosures provided for in this paragraph shall be provided to the consumer in Spanish.

8. [Appellants] shall comply with Minnesota Statutes section 325F.662, subdivision 6 and: (1) display a Buyer's Guide in the window of each used motor vehicle they make available for sale; (2) provide a Buyer's Guide for each sale of a used motor vehicle; (3) accurately disclose that the vehicle includes a warranty on the Buyer's Guide when the warranty is required by law; (4) accurately disclose the duration and parts covered on the warranty on the Buyer's Guide as required by law; and (5) provide Buyer's Guides in Spanish when the sale is conducted in Spanish.

9. [Appellants] shall provide all documents in connection with its sales of used motor vehicles to Minnesota consumers in Spanish when the sale is conducted in Spanish, or upon request.

10. If the sale . . . is primarily conducted in Spanish, [appellants'] presentation of any third-party financing agreements and associated documentation shall take place in Spanish.

11. [Appellants] shall cease conducting business under the unregistered trade name "Coches MN" or any other unregistered trade name without first filing with the Office of the Secretary of State

This appeal follows.

DECISION

Appellate courts review a district court's grant of temporary injunctive relief for an abuse of discretion. *See Dahlberg*, 137 N.W.2d at 314, 321. The district court abuses its discretion when it grants a temporary injunction based on an erroneous interpretation of the law. *DSCC v. Simon*, 950 N.W.2d 280, 286 (Minn. 2020). In deciding whether to grant injunctive relief, a district court typically considers: the relationship between the parties, the relative harm to the parties if injunctive relief is granted or denied, the party's likelihood of success on the merits, any public interest or public policy that may be involved, and the administrative burdens involved in judicial supervision and enforcement. *Dahlberg*, 137 N.W.2d at 321-22. "But when injunctive relief is explicitly authorized by statute, proper exercise of discretion requires the issuance of an injunction *if the prerequisites for the remedy have been demonstrated* and the injunction would fulfill the legislative purposes behind the statute's enactment." *State ex rel. Hatch v. Cross Country Bank, Inc.*, 703 N.W.2d 562, 572 (Minn. App. 2005) (emphasis added) (quotation omitted); *see also Wadena Implement Co. v. Deere & Co.*, 480 N.W.2d 383, 389 (Minn. App. 1992) . ²

Importantly, the DTPA states:

² Although this standard has generally been applied in the context of statutory injunctions, *see, e.g., Hatch*, 703 N.W.2d at 572-74, this court has also recognized that a district court may be required to apply the *Dahlberg* factors in some circumstances when a party seeks a statutory temporary injunction. *See State by Ulland v. Int'l Ass'n of Entrepreneurs of Am.*, 527 N.W.2d 133, 137 (Minn. App. 1995) (explaining that application of *Dahlberg* is required when there is a dispute over the applicability of the statute authorizing injunctive relief), *rev. denied* (Minn. Apr. 18, 1995). Although the district court in this case made some findings pertinent to a *Dahlberg* analysis, it also determined that *Dahlberg* did not apply. Appellants do not argue that the district court erred by not applying *Dahlberg*.

Injunctive relief. A person likely to be damaged by a deceptive trade practice of another may be granted an injunction against it under the principles of equity and on terms that the court considers reasonable. Proof of monetary damage, loss of profits, or intent to deceive is not required.

Minn. Stat. § 325D.45, subd. 1.

Additionally, the law allows a district court to grant injunctions when certain claims are brought under the MCFA:

Injunction. The attorney general or any county attorney may institute a civil action in the name of the state in the district court for an injunction prohibiting any violation of sections 325F.68 to 325F.70. The court, upon proper proof that defendant has engaged in a practice made enjoined by section 325F.69, may enjoin the future commission of such practice. It shall be no defense to such an action that the state may have adequate remedies at law.

Minn. Stat. § 325F.70, subd. 1.

Here, the district court determined that injunctive relief was appropriate because: (1) the state showed that appellants had “violated, are violating, or are about to violate the Used Car Law, [M]CFA, DTPA, FSSA, and Commercial Assumed Names Law”; and (2) issuance of the injunction would fulfill the legislative intent of protecting consumers from deceptive practices. *See State by Humphrey v. Alpine Air Prods., Inc.*, 490 N.W.2d 888, 892 (Minn. App. 1992), *aff’d*, 500 N.W.2d 788 (Minn. 1993) (stating that consumer protection laws are intended for the protection of consumers by balancing disproportionate bargaining power present in consumer transactions). Appellants argue that the district court’s order granting the temporary injunction did not contain sufficient findings and is

“too vague to be understood or enforced,” and that the district court’s order exceeds what it is authorized to order. For reasons explained below, these arguments are unavailing.

A. The district court made sufficient factual findings regarding the reasons for issuance of injunctive relief requested by the state.

District courts are afforded broad discretion in determining whether to grant a temporary injunction and will not be reversed absent an abuse of that discretion. *Eakman v. Brutger*, 285 N.W.2d 95, 97 (Minn. 1979). The district court must make sufficient findings to permit meaningful appellate review. *Metro. Sports Facilities Comm’n v. Minn. Twins P’ship*, 638 N.W.2d 214, 220 (Minn. App. 2002), *rev. denied* (Minn. Feb. 4, 2022); *see also* Minn. R. Civ. P. 52.01. Appellate courts review the “facts alleged in the pleadings and affidavits” in the light most favorable to the prevailing party. *See Bud Johnson Constr. Co. v. Metro. Transit Comm’n*, 272 N.W.2d 31, 33 (Minn. 1978) (reviewing an injunction granted under the *Dahlberg* factors, 137 N.W.2d at 321-22). “When findings are insufficient to permit appellate review, the temporary injunction will be reversed and remanded to the district court for findings.” *Minn. Twins*, 638 N.W.2d at 220.

Appellants argue that the district court did not make sufficient factual findings to support the relief granted. In particular, appellants argue that the district court’s order “does not contain any Findings of Fact section” and that it “consists only of Conclusions of Law and various directives.” While the district court’s findings are not distinguished under a designated “facts” section, the district court’s findings are apparent from the reading of the order. For instance, the district court found “good cause to believe the State will likely

prevail on the merits it claims that [appellants] have violated, are violating, or were about to violate the Used Car Law, [M]CFA, DPTA, FSSA, and [the] Commercial Assumed Names Law.” The district court found that the evidence presented by the state showed that appellants:

(1) falsely advertised and misrepresented that their used cars were certified; (2) misrepresented the cost and optional nature of vehicle service contracts; (3) misrepresented and failed to honor the warranty coverage consumers were entitled to under Minnesota law; (4) failed to follow Buyer’s Guide requirements; and (5) conducted business under an unregistered assumed name.

Those findings led the district court to conclude that the relief the state sought would “fulfill the legislative purposes of the Used Car Law, [M]CFA, DTPA, FSSA, and Commercial Assumed Names Law,” which, the district court explained, aim to provide “the best protection possible for consumers” from deceptive practices and unequal bargaining power in consumer transactions.³ See *Liabo v. Wayzata Nissan, LLC*, 707 N.W.2d 715, 724 (Minn. App. 2006) (“Consumer-protection statutes are remedial in nature and are liberally construed in favor of protecting consumers.”), *rev. denied* (Minn. Mar. 28, 2006).

Therefore, we conclude that the district court made sufficient findings to support the temporary injunction.

³ Appellants also contend that there is no indication the district court considered their submissions, arguments, or disputed facts. This is contradicted by the record. The first page of the district court’s order states it “considered the pleading, exhibits, files, records, arguments, submissions of the State, and the affidavits and declarations submitted to the Court.” Additionally, the colloquy between appellants’ counsel and the district court during the hearing on the temporary-injunction motion demonstrates that it had read and considered appellants’ submissions, as the district court asked additional questions about issues appellants raised in their opposition to the state’s motion for injunctive relief.

B. The district court's order for temporary injunction contained clear directives that explained to appellants what conduct they were prohibited from engaging in.

Appellants argue that the district court's injunction directives were too vague to be understood and enforced. We disagree.

Under Minn. R. Civ. P 65.04, an injunction "shall be specific in terms; shall describe in reasonable detail, and not by reference to the complaint or other document, the act or acts sought to be restrained."

Appellants contend that various provisions of the order are "blanket, follow-the-law-injunctive provisions of limitless breadth" which "fail to give [appellants] the guidance and reasonable detail regarding acts restrained or mandated that the law requires." However, when the provisions are read *in their entirety*, the order from the district court clearly identifies the conduct appellants are to refrain from and the statutes appellants are required to abide by. As an example, provision seven of the district court's order states:

[Appellants] shall comply with Minnesota Statutes section 325F.662, subdivisions 2, 3, 4, 5, and 7 and: (1) accurately disclose, in writing, the duration of the written, express warranty that applies to the used motor vehicle in accordance with Minnesota Statute section 325F.662, subdivision 2(a)(1)-(3); (2) accurately disclose, in writing, the parts covered by the written, express warranty that applies to the used motor vehicle warranty in accordance with Minnesota Statute section 325F.662, subdivision 2(c) and 2(d); and (3) honor the terms of the written, express warranty that applies to the used motor vehicle in accordance with Minnesota Statute section 325F.662, subdivisions 4, 5, 6, and 7. If [appellants] conduct a sale in Spanish, the written disclosures provided for in this paragraph shall be provided to the consumer in Spanish.

This directive, like the other directives in the order, provides appellants with clear directions on how they are to proceed with any other used auto sales from their dealership. Additionally, the district court's order specifies that the relief ordered will remain in effect "during the pendency of the litigation." In our view, the district court's order leaves no room for appellants to be confused about the specific conduct they are ordered to refrain from or what actions the district court ordered them to complete to comply with the law.

Therefore, we discern no basis to reverse the district court's temporary injunction on this ground.

C. The district court's injunction fulfilled the legislative purposes of the statutes by protecting consumers from further harm from appellants.

Appellants argue that the district court's injunction did not fulfill the legislative purpose of the statutes because they "voluntarily modif[ied] their practices to make litigation unnecessary." This position is inconsistent with the record.

Consumer-protection statutes are remedial in nature and are liberally construed in favor of protecting consumers. *See State v. Minn. Sch. of Bus., Inc.*, 935 N.W.2d 124, 133 (Minn. 2019) (quotation omitted) (discussing the MCFA and DPTA).

Appellants provide no persuasive authority from any court that supports the proposition that voluntary compliance with the law forecloses the right to a temporary injunction because the injunction no longer fulfills the legislative purpose of the statutes. Regardless, the United States Supreme Court has said that "a defendant's voluntary cessation of a challenged practice does not deprive a [] court of its power to determine the legality of the practice." *Friends of the Earth, Inc. v. Laidlaw Env'tl. Servs. (TOC), Inc.*,

528 U.S. 167, 189 (2000). The Minnesota Supreme Court has also adopted this approach, stating the “defendant . . . bears the formidable burden of showing that it is absolutely clear the allegedly wrongful behavior could not reasonably be expected to recur.” *Snell v. Walz*, 985 N.W.2d 277, 288 (Minn. 2023) (quoting *Laidlaw*, 528 U.S. at 190). Appellants have taken no such action here.

Despite their argument that the temporary injunction is no longer necessary, appellants did not provide the district court, or this court, with any evidence other than its averment that its business practices have been remedied and are not expected to recur. But even if appellants had provided proof that it had remedied its business practices, the district court is still permitted to issue a temporary injunction. *See id.* Because the temporary injunction fulfills the legislative purposes of the relevant statutes, the district court did not abuse its discretion in issuing it to protect the public and ensure they are afforded the protections provided by the consumer-protection statutes.

D. The district court’s injunctive relief is a permissible remedy under Minnesota law.

Appellants additionally argue that the district court exceeded its authority by requiring appellants to take additional actions beyond what is required under Minn. Stat. § 325F.662, which governs the sale of used cars. We are not persuaded.

The MCFA and the DPTA “are remedial in nature and are to be liberally construed in favor of protecting consumers.” *Minn. Sch. of Bus.*, 935 N.W.2d at 133 (quotation omitted). The MCFA “reflect[s] a clear legislative policy encouraging aggressive prosecution of statutory violations” and thus should be generally very broadly construed to

enhance consumer protection.” *Ly v. Nystrom*, 615 N.W.2d 302, 308 (Minn. 2000) (quotation omitted). Minnesota Statutes section 8.31, subdivision 3 (2024), “broadly authorizes the Attorney General to seek equitable relief to stop conduct that harms consumers.” *Minn. Sch. of Bus.*, 935 N.W.2d at 134. “The essence of equity jurisdiction has been the power of the [district court] to do equity and to [fashion] each decree to the necessities of the particular case. Flexibility rather than rigidity has distinguished [this remedy].” *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 312 (1982) (quotation omitted).

Appellants argue that the district court’s order requiring them to provide all documents related to the sale of a car in Spanish if the sale is conducted primarily in Spanish is not a specific requirement of the used car statute. While that may be true, the district court is afforded great equitable power in injunctive proceedings to ensure the public is protected, particularly in consumer protection cases. *See Minn. Sch. Of Bus.*, 935 N.W.2d at 134; *Eakman*, 285 N.W.2d at 97. In light of the evidence presented by the state, including but not limited to the affidavits from appellants’ former customers, who are primarily Spanish speakers, the district court’s order requiring appellants to provide the appropriate documentation to Spanish speakers when the sale is conducted in Spanish is an appropriate exercise of the district court’s equitable authority to protect the public from the harms alleged by respondent. Likewise, the district court’s order prohibiting appellants from “making any false statement of material fact” during the marketing and selling of a used motor vehicle serves to protect all consumers from appellants’ alleged deceptive conduct. Thus, these requirements satisfy the legislature’s intent of protecting consumers from deceptive practices and fraudulent conduct. In sum, the temporary injunction’s

requirements were appropriately tailored to enjoin appellants from engaging in conduct that the district court had good cause to believe violated various consumer protection statutes based on the evidence submitted by the state. We therefore discern no abuse of discretion by the district court.

Affirmed.