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December 18, 2009

### Attorney General Corbett files consumer protection lawsuit in used car warranty scam



HARRISBURG - A Lackawanna County used car warranty company and its operators, accused of defrauding thousands of motorists across the country, are the subject of a lawsuit filed by the Attorney General's Bureau of Consumer Protection.

Attorney General Tom Corbett said the civil lawsuit was filed against The Eagle Warranty Corporation, 940 Route 6, Scranton / Carbondale Highway, Eynon, PA; along with company President Charles Yaskulski, of RR

1, Box 50B, Uniondale, PA, and Vice-President Edmund Yaskulski, of RR 8, Box 8376, Moscow, PA.

Corbett said the company sold warranties for used cars through a network of car dealerships in twelve states, including Pennsylvania, Delaware, Kentucky, Michigan, New Jersey, New York, Ohio, Rhode Island, South Carolina, Tennessee, Texas and West Virginia. The company abruptly stopped operating on December 11th, 2009.

"Consumers paid anywhere from \$400 to \$2,500 for up to four years of coverage, believing that they were protecting their vehicles and guarding against future repair expenses," Corbett said. "Instead, consumers have been met with unanswered calls, unpaid claims, bounced checks, unrepaired vehicles and worthless warranties."

In conjunction with the consumer protection lawsuit, Corbett said the Attorney General's Office has obtained a special preliminary injunction, freezing any bank accounts, business records and other assets belonging to Eagle Warranty Corporation, along with Charles and Edmund Yaskulski. A hearing is scheduled for Tuesday, December 22nd, at 9:30 a.m., in Lackawanna County Court of Common Pleas, to determine if the asset freeze and special preliminary injunction should be continued.

Corbett said the Attorney General's Bureau of Consumer Protection requested the asset freeze in order to identify and preserve any funds that might be used for future consumer restitution, as well as to secure financial and business records that would be helpful to this ongoing investigation.

According to the lawsuit, Eagle Warranty failed to honor auto repairs that it had authorized, resulting in consumers receiving bills or demands for payment from auto repair shops. In some instances, checks

that were sent to consumers or repair shops by Eagle Warranty were returned by banks because of insufficient funds, resulting in additional fees or expenses for consumers and repair shops.

Corbett said that Eagle Warranty, along with Charles and Edmund Yaskulski, continued to market and accept payment for used car warranties until the business suddenly closed on December 11th, when they knew or should have known that they would be unable to provide continuing coverage. In many cases, consumers still have several years remaining on the repair plans they had purchased, but the company is now unable to fulfill those warranties.

The lawsuit seeks restitution for all consumers who have not received the services or products that they have paid for, along with civil penalties of up to \$1,000 per violation of the Consumer Protection Law (or up to \$3,000 for each violation involving a senior citizen).

Additionally, the lawsuit asks the court to prohibit the defendants from operating as a used car warranty business, or other similar capacity, until all consumer restitution and other penalties have been paid.

Corbett encouraged consumers who have encountered problems with the Eagle Warranty Corporation to call the Attorney General's Consumer Protection Hotline at 1-800-441-2555 or [file an online consumer complaint](#).

Corbett noted that the Attorney General's Office has so far received more than 160 complaints from consumers throughout Pennsylvania, along with motorists in Colorado, Delaware, Illinois, Kentucky, Michigan, Mississippi, New Jersey, New York, Ohio, Rhode Island, South Carolina, Tennessee, Texas, Virginia and West Virginia. Eagle Warranty claims to have approximately 65,000 customers across the United States.

Consumers who purchased Eagle Warranty coverage in other states are urged to file complaints with their state Attorney General's Office or consumer protection agency, along with [filing complaints with the Pennsylvania Attorney General's Bureau of Consumer Protection](#).

The case is being handled by Senior Deputy Attorney General J. P. McGowan, from the Scranton regional office of the Attorney General's Bureau of Consumer Protection.