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Doors slam shut on Joe Gibson

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Joe Gibson Automotive and Joe Gibson Auto World will close today, two Spartanburg attorneys said Friday.

Suzuki and Mitsubishi cars remained on the West Main Street lots Friday afternoon, but several desks inside the embattled auto dealer's building were vacated. A salesman would not comment.

Pat Knie and David Alford said that Gibson's Columbia-based attorney, William McCarthy, said Thursday at a U.S. Bankruptcy Court hearing in Spartanburg that the dealerships had no choice but to close because they have not taken in enough revenue since filing for Chapter 11 bankruptcy July 16.

"Gibson's lawyer told the judge the dealer had sold four cars since filing," Alford said.

Paul M. "Joe" Gibson made the bankruptcy filings on behalf of Joe Gibson Automotive, 489 W. Main St., which also does business as Joe Gibson Mitsubishi, and Joe Gibson's Auto World, 630 Hampshire Drive, Gaffney, while more than 100 lawsuits alleging fraud were pending.

Knie and Alford have each filed more than 30 suits alleging fraud by Gibson. The suits stem from a series of commercials that said people could lease a Suzuki for monthly payments between \$47 and \$99.

Customers have claimed they were told they could then swap the vehicle for another one at the end of a year and continue with the low payments. However, the customers say they were not allowed to swap their vehicles and were blindsided by much higher payments.

The consumer complaints about the ads and the treatment of customers by the dealerships were first reported by the Herald-Journal on March 2.

Court papers from the July 16 filing show Gibson paid the McCarthy Law Firm \$17,500 for a Chapter 11 retainer on May 28. Documents estimated Joe Gibson Automotive has more than 1,000 creditors, assets of about \$2.9 million and liabilities of more than \$8.5 million. Joe Gibson's Auto World, Gibson's other company, has more than 1,000 creditors, with assets of about \$8.7 million and liabilities of almost \$14 million.

Alford said his question for Gibson is "Where did all the money go?" and said his cases in state court would remain exactly where they are.

"I can't speak for American Suzuki," Knie said. "My take is that manufacturers are not eager to have Joe Gibson remain as dealer."

Attempts to reach the dealerships' general manager, Billy Mills, McCarthy and George Cauthen, the Columbia-based attorney representing American Suzuki, were unsuccessful.

Knie said the lawsuits he's filed remain viable and that he is optimistic about the cases. Knie has hired "bankruptcy expert" Jim Cassidy of Greenville to assist with the proceedings.

The dealerships said in a statement last month that the Chapter 11 filings were an attempt to protect the jobs of about 50 employees.

Another hearing to determine whether the Chapter 11 filing will be dismissed or switched to Chapter 7 is scheduled for 1:30 p.m. on Aug. 14 in Columbia. A Chapter 7 filing could result in the liquidation of the businesses.

"I'm looking for (Gibson) to stand up to the community and make things right," Alford said.

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