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## Complaint

## IN THE MATTER OF

## LOGAN FORD CO.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION ACT*Docket C-2551. Complaint, Sept. 23, 1974—Decision, Sept. 23, 1974*

Consent order requiring a Springfield, Va., new and used car dealer, among other things to cease misrepresenting that any vehicle is new when it has been used in any manner other than the limited use necessary in moving or road testing prior to delivery to customer.

*Appearances*

For the Commission: *Jerry W. Boykin, Michael E. K. Mpras and Michael Dershowitz.*

For the respondent: *William E. Constable, Wash., D. C.*

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Logan Ford Co., a corporation, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Logan Ford Co. is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Virginia, with its principal office and place of business located at 6801 Commerce Street, in Springfield, Commonwealth of Virginia.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, and sale to the public of new and used motor vehicles and in the servicing and repair thereof.

PAR. 3. In the course and conduct of its aforesaid business, respondent now causes, and for some time last past has caused, its said motor vehicles to be sold to purchasers thereof located in various States of the United States and the District of Columbia, including the Commonwealth of Virginia, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said motor vehicles in commerce, as "commerce" is defined in the Federal Trade Commission Act. Also in the course and conduct of its business, respondent has caused, and now causes, customers' notes, contracts, payments, checks,

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credit reports, title registrations, correspondence, and other documents relating to payment of the purchase price for respondent's motor vehicles, to be transmitted by various means, including but not limited to, the United States mails, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

In the course and conduct of its business, as aforesaid, and for the purpose of inducing the purchase of its motor vehicles, the respondent has made, and is now making, numerous statements and representations in advertisements inserted in newspapers of general interstate circulation, and by means in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Typical and illustrative of the statements and representations in said advertisements, published in September 1970, disseminated as aforesaid, but not all inclusive thereof, are the following:

LUCKY LOGAN WILL BETTER ANY ADVERTISED PRICE ON A NEW FORD!  
BRING US THE BEST ADVERTISED DEAL YOU CAN FIND AND WATCH US  
BEAT IT!!!

## '71 INTRODUCTORY SALE

\* \* \* \* \*

## FINAL REDUCTIONS ON '70 MODELS!

New '70 FALCON 4 dr. Sedan, V-8, auto. trans., white wall tires, body side molding, p. s. & b, tinted glass, #1157, list price \$3562.70 SAVE \$635  
'70 MUSTANG hdt., V-8, auto. trans., white wall tires, p. s., radio, #563, list price \$3310-SAVE \$535  
'70 LTD 2 dr. hdt., 390 V-8, vinyl roof, auto. trans., body side molding, p. s. & b., AM/FM stereo radio, tinted glass, mag wheel covers, air cond., #1307, list price \$4855-SAVE \$975  
'70 LTD 4 dr. hdt., 390 V-8, green vinyl roof, white wall tires, body side molding, p. s. & b., tinted glass, radio, wheel covers, air cond., #975, list price \$4677-SAVE \$938  
'70 THUNDERBIRD Landau, 4 dr., fully equipped, all power, air cond., #493, list price \$6213-Save \$1348  
New '70 FAIRLANE 500 2 dr. hdt., auto. trans., p. s., radio, tinted glass, air cond., #1449, list price \$3667.70-SAVE \$651

\* \* \* \* \*

PAR. 5. By and through the use of the above-quoted statements and others of similar import and meaning but not expressly set out herein, the respondent has represented, and is now representing, directly or by implication:

That the motor vehicles described or referred to in said advertisements are new.

PAR. 6. In truth and in fact:

The motor vehicles described or referred to in said advertisements, in

many instances, are not new. To the contrary, they have been driven substantially in excess of the limited use necessary in moving or road testing a new vehicle prior to its delivery to the ultimate purchaser.

Therefore, the statements and representations as set forth in Paragraphs Four and Five, hereof, and respondent's failure to disclose in its advertisements the material facts as to the nature and extent of the prior use of said motor vehicles, were, and are, unfair, false, misleading and deceptive.

PAR. 7. In the course and conduct of its aforesaid business and at all times mentioned herein, respondent has been, and is now, in substantial competition, in commerce, with corporations, firms and individuals in the sale, service and repair of new and used motor vehicles of the same general kind and nature as that sold, serviced and repaired by respondent.

PAR. 8. The use by the respondent of the aforesaid unfair, false, misleading and deceptive statements, representations, acts and practices and its failure to disclose material facts, as aforesaid, has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were, and are, true and complete and into the purchase of substantial quantities of respondent's motor vehicles and services by reason of said erroneous and mistaken belief. Respondent's aforesaid acts and practices unfairly cause the purchasing public to assume debts and obligations and to make payments of money which they might otherwise not have incurred.

PAR. 9. The acts and practices of the respondent as herein alleged, were, and are, all to the prejudice and injury of the public and of respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair or deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereto with violation of the Federal Trade Commission Act, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the

respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having considered the agreement and having provisionally accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Logan Ford Co. is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Virginia, with its office and principal place of business located at 6801 Commerce Street, in Springfield, Commonwealth of Virginia.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

#### ORDER

*It is ordered,* That respondent Logan Ford Co., a corporation, its successors and assigns and its officers, and respondent's agents, representatives and employees directly or through any corporation, subsidiary, division or other device in connection with the advertising, offering for sale, sale or distribution, service and repair of new and used motor vehicles, or any other products or services, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, orally or in writing, directly or by implication, that any vehicle is new when it has been used in any manner other than the limited use necessary in moving or road testing a new vehicle prior to delivery of such vehicle to the customer.

2. Offering for sale or selling any vehicle of the current or previous model year, which has been used, in any manner, other than the limited use referred to in Paragraph 1., above, without orally disclosing, prior to any sales presentation the nature and extent of such previous use of said vehicle.

3. Advertising any vehicle of the current or the previous model year which has been used in any manner, other than the limited use referred to in Paragraph 1., above, without clearly and conspicuously disclosing in any and all advertising thereof the nature of such previous use of said vehicle.

4. Displaying, offering for sale or selling any vehicle of the current or the previous model year which has been used in any manner, other than the limited use referred to in Paragraph 1., above, without clearly and conspicuously disclosing by decal or sticker affixed to the inside of the side window containing the manufacturer's suggested retail price or "Monroney sticker," or if space is not available thereon, in close proximity thereto, so as to be clearly visible, the nature of such previous use of said vehicle. Said decal or sticker shall also contain the following statement: "FOR EXACT MILEAGE, SEE ODOMETER."

5. Misrepresenting, orally or in writing, directly or by implication, the nature or extent of previous use or condition of any vehicle displayed, offered for sale or sold.

*It is further ordered:*

(a) That the respondent shall forthwith distribute a copy of this order to each of its operating divisions;

(b) That respondent deliver a copy of this order to cease and desist to all present and future personnel engaged in the offering for sale, or sale, of any motor vehicle, or in any aspect of preparation, creation, or placing of advertising, and that respondent secure a signed statement acknowledging receipt of said order from each such person;

(c) That respondent notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order; and

(d) That the respondent herein shall within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

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## IN THE MATTER OF

## WILBANKS CARPET SPECIALISTS, INC., ET AL.

ORDER, OPINION, ETC., IN REGARD TO ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION AND TRUTH IN LENDING ACTS*Docket 8933. Complaint, June 28, 1973—Decision, Sept. 24, 1974*

Order requiring an Essex, Md., seller, distributor and installer of carpeting and floor coverings, among other things to cease misrepresenting itself as a manufacturer; using bait and switch tactics; disparaging merchandise; failing to maintain adequate records; misrepresenting offers as free when their cost is incorporated into the selling price; misrepresenting prices; and failing to inform consumers, in connection with the extension of consumer credit, such information as required by Regulation Z of the Truth in Lending Act.

*Appearances*

For the Commission: *Maureen L. McGill, Everette E. Thomas, Richard F. Kelly and Alice C. Kelleher.*

For the respondents: *Benjamin R. Civiletti and John Henry Lewin, Jr.,* Baltimore, Md., withdrew from participation on June 6, 1974.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Truth in Lending Act and the implementing regulation promulgated thereunder, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Wilbanks Carpet Specialists, Inc., a corporation, trading as Mr. Carpet Centers and Design Carpets Consultants, and J.C.B. Distributors, Inc., a corporation, trading as Mr. Carpet Centers, and George Wilbanks and Lester L. Miller, individually and as officers of said corporations, hereinafter referred to as respondents, have violated the provisions of said Acts, and the implementing regulation promulgated under the Truth in Lending Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Wilbanks Carpet Specialists, Inc., trading as Mr. Carpet Centers and Design Carpets Consultants, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its principal office and place of business located at 18 South Maryland Street, Essex, Md.

Respondent J.C.B. Distributors, Inc., trading as Mr. Carpet Centers, is a corporation organized, existing and doing business under and by