

## Complaint

## IN THE MATTER OF

**FOWLerville FORD, INC.**CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF  
SECTION 5 OF THE FEDERAL TRADE COMMISSION ACT, THE TRUTH  
IN LENDING ACT, AND REGULATION Z

*Docket No. C-4433; File No. 132 3023*  
*Complaint, February 20, 2014 – Decision, February 20, 2014*

This consent order addresses Fowlerville Ford, Inc.'s claims made in advertisements and failure to disclose or disclose adequately terms of certain financing offered, despite the respondent's use of certain triggering terms in the advertisements. The complaint alleges that respondent has advertised that consumers have won a prize worth between \$1,000 and \$25,000. The complaint further alleges that, in fact, consumers have not won a prize worth between \$1,000 and \$25,000. The consent order prohibits the respondent from misrepresenting the material terms of any prize, sweepstakes, giveaway, or other incentive, including whether a consumer has won a prize, sweepstakes, giveaway, or other incentive, and the nature, value, or amount of a prize, sweepstakes, giveaway, or other incentive required to be paid at lease inception, and the amounts of all monthly or other periodic payments. The order also requires that the respondent clearly and conspicuously make all of the disclosures required by the Truth in Lending Act and Regulation Z if it states relevant triggering terms, including the monthly financing payment.

*Participants*

For the *Commission*: Sana Chriss, Mark Glassman, John Jacobs, Carole Reynolds, Jason Schall, Christina Tusan, and Katherine Worthman.

For the *Respondent*: Roy R. Hunsinger, solo practitioner.

**COMPLAINT**

The Federal Trade Commission ("Commission"), having reason to believe that Fowlerville Ford Inc., a corporation ("respondent"), has violated provisions of the Federal Trade Commission Act ("FTC Act"), the Truth in Lending Act ("TILA"), and its implementing Regulation Z, and it appearing to the Commission that this proceeding is in the public interest, alleges:

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1. Respondent is a Delaware corporation with its principal office or place of business at 8100 Country Corner Dr., Fowlerville, MI 48836. Respondent offers motor vehicles for sale or lease.

2. The acts or practices of respondent alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

3. Since at least May 2011, respondent has disseminated or caused to be disseminated advertisements promoting the purchase, financing, and leasing of their motor vehicles.

### **Mailed Promotions**

4. Respondent’s advertisements have included, but are not necessarily limited to, promotions mailed to consumers. A copy of one such promotion is attached as Exhibit A.

- a. This promotion includes a “Match & Win” invitation page, which resembles a sweepstakes entry ticket. It lists a series of winning numbers and prominently represents that “[i]f any of the three cards below match the winning numbers above you have won! Prizes listed to the right.\*”
- b. The promotion includes three scratch-off entry “cards,” with prizes listed to the right: \$5,000, \$1,000, and \$25,000. In all or virtually all instances, when consumers have scratched the cards to reveal numbers underneath, at least one set of numbers has corresponded to the winning numbers.
- c. In bold letters across the bottom, the promotion states “BRING THIS INVITATION TO FOWLerville FORD TO CLAIM YOUR PRIZE!” A typical and illustrative “Match & Win” entry page is depicted below:

## Complaint



- d. In numerous instances, consumers have attempted to collect a prize by presenting a card with winning numbers at the Fowlerville Ford dealership. However, no consumer has received any of the prizes advertised in the promotion.

## Video Advertisement

5. Respondents also have disseminated or caused to be disseminated advertisements to the public promoting credit sales and other extensions of closed-end credit in consumer credit transactions, as the terms “advertisement,” “closed-end credit,” “credit sale,” and “consumer credit” are defined in Section 226.2 of Regulation Z, 12 C.F.R. § 226.2, as amended.

6. One such video advertisement has been posted on the website YouTube.com. A video copy of the advertisement is attached as Exhibit B, and screenshot captures of the video are attached as Exhibit C. The advertisement contains the following statements and depictions.

## Complaint

- a. The video shows a 2010 Cobalt LT, accompanied by prominent graphics in the center of the screen representing:

**\$234<sub>DOWN</sub>**

**\$234<sub>/MONTH</sub>**

While these representations appear on screen, a Fowlerville Ford representative stands next to the vehicle and states, “We’ve got some holiday deals for you. How about this 2010 Cobalt LT, only \$234 down and \$234 a month?”

Also while these representations appear on screen, small text appears briefly on the bottom of the screen stating, “72 months. 4.55% Interest. With Approved Credit. See dealer for details.”

The advertisement does not clearly and conspicuously disclose the repayment terms and fails to disclose the annual percentage rate, or “APR,” using that term.

- b. The video also shows a 2007 Grand Prix accompanied by prominent graphics in the center of the screen representing:

**\$169<sub>DOWN</sub>**

**\$169<sub>/MONTH</sub>**

While these representations appear on screen, the Fowlerville Ford representative continues, “Or this 2007 Grand Prix, only \$169 down and \$169 per month?”

Also while these representations appear on screen, small text appears briefly on the bottom of the screen

## Complaint

stating, “72 months. 4.55% Interest. With Approved Credit. See dealer for details.”

The advertisement does not clearly and conspicuously disclose the repayment terms and fails to disclose the annual percentage rate, or “APR,” using that term.

- c. The video includes a similar advertisement for a 2008 Suzuki SX4, which also represents down payment and monthly payment amounts. The advertisement does not clearly and conspicuously disclose the repayment terms and fails to disclose the annual percentage rate, or “APR,” using that term.

**VIOLATIONS OF THE FEDERAL TRADE COMMISSION  
ACT****Count I****Misrepresentation That Consumers Have Won a Prize**

7. Through the means described in Paragraph 4, respondent has represented expressly or by implication that consumers have won a prize worth between \$1,000 and \$25,000 that can be collected at the Fowlerville Ford dealership.

8. In truth and in fact, consumers have not won a prize worth between \$1,000 and \$25,000.

9. Respondent’s practices constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**VIOLATION OF THE TRUTH IN LENDING ACT AND  
REGULATION Z**

10. Under Section 144 of the TILA and Section 226.24(d) of Regulation Z, as amended, advertisements promoting closed-end credit in consumer credit transactions are required to make certain disclosures (“additional terms”) if they state any of several terms, such as the monthly payment (“TILA triggering terms”).

## Complaint

11. Respondent's advertisements promoting closed-end credit, including but not necessarily limited to those described in Paragraph 6, are subject to the requirements of the TILA and Regulation Z.

**Count II****Failure to Disclose or Disclose Clearly and Conspicuously  
Required Credit Information**

12. Respondent's advertisements promoting closed-end credit, including but not necessarily limited to those described in Paragraph 6, have included TILA triggering terms, but have failed to disclose or disclose clearly and conspicuously, additional terms required by the TILA and Regulation Z, including one or more of the following:

- a. The amount or percentage of the down payment.
- b. The terms of repayment, including any balloon payment.
- c. The "annual percentage rate," using that term, and, if the rate may be increased after consummation, that fact.

13. Therefore, the practices set forth in Paragraph 12 of this Complaint have violated Section 144 of the TILA, 15 U.S.C. § 1664, and Section 226.24(d) of Regulation Z, 12 C.F.R. § 226.24(d), as amended.

**THEREFORE**, the Federal Trade Commission, this twentieth day of February, 2014, has issued this complaint against respondent.

By the Commission.

Complaint

**Exhibit A**

**FOWLER'S FORD'S**  
**AUTOMOTIVE**  
**GAS SAVING** EVENT

OUR GOAL IS TO GET YOU IN A  
MORE FUEL-EFFICIENT VEHICLE!

**STOP PAYING  
TOO MUCH  
AT THE  
PUMP!**

**YOU MAY HAVE WON \$25,000 IN FREE GAS!**

**OFFICIAL EVENT LOCATION:**

**FOWLER'S FORD** | 8100 COUNTRY CORNER DR  
FOWLERVILLE, MI 48836  
**866-409-8847**

## Complaint

**MATCH & WIN!**

8 13 65 68 92

If any of the three cards below match the winning numbers above you have won!  
Prizes listed to the right.\*

SCRATCH OFF BELOW TO REVEAL YOUR NUMBERS

SCRATCH OFF HERE

**MATCH 5 AND WIN!**

8 16 65 67 90

**\$5,000 CASH**  
1:30,000 ODDS

SCRATCH OFF BELOW TO REVEAL YOUR NUMBERS

SCRATCH OFF HERE

**MATCH 5 AND WIN!**

8 13 65 68 92

**\$1,000 CASH**  
1:30,000 ODDS

SCRATCH OFF BELOW TO REVEAL YOUR NUMBERS

SCRATCH OFF HERE

**MATCH 5 AND WIN!**

6 13 65 62 94

**\$25,000**  
29,997:30,000 ODDS WILL  
RECEIVE A CHANCE AT \$25,000.  
CARDS PROVIDED BY ODDS  
ON PROMOTION.  
ODDS OF WINNING 1:593,775.

**\$25,000 IN GAS!**

**CONGRATULATIONS!**

PREPAID BY US POSTAGE PAID HOPKINS, MS PERMIT NO. 38

YOU COULD BE THE GRAND PRIZE WINNER OF \$25,000 IN GAS!  
SCAN AT THE DEALERSHIP

14963-135

\*\*\*\*\*4 30VSN\*\*\*\*\*

\*\*\*\*\*4 30VSN\*\*\*\*\*

\*\*\*\*\*4 30VSN\*\*\*\*\*

\* SCAN BARCODE AT EVENT LOCATION TO DETERMINE WHICH PRIZE TO REDEEM.

**BRING THIS INVITATION TO FOWLerville FORD TO CLAIM YOUR PRIZE!**

## Complaint

**OVER 100 CARS IN STOCK FROM \$2950**

| Vehicle Model                                    | Retail Value | Fowlerville Ford Price |
|--------------------------------------------------|--------------|------------------------|
| 2008 MERCURY MILAN<br><small>STK#3418R</small>   | \$19,250     | \$15,500               |
| 2008 FORD EXPLORER<br><small>STK#3423R</small>   | \$22,600     | \$18,000               |
| 2006 LANDROVER LR3<br><small>STK#11423A</small>  | \$22,000     | \$18,500               |
| 2006 LINCOLN TOWNCAR<br><small>STK#34005</small> | \$16,000     | \$11,500               |

**NO CREDIT? BAD CREDIT?**  
*No Problem!*  
Bankruptcy Charge Offs, Divorced, Repossession,  
Tax Liens, Credit Card Difficulties...  
**CREDIT AMNESTY GETS YOU THE CREDIT YOU NEED!**

**WE MAY BE ABLE TO GET YOU INTO A NEW FUEL EFFICIENT VEHICLE FOR LESS THEN YOU ARE PAYING FOR YOUR GUZZLER**



**PUSH PULL or DRAG**  
**\$2,000 MINIMUM TRADE!**  
\* Minimum \$8,000 purchase

**\$0 DOWN ON NEW VEHICLES!**

*With Approved Credit. See dealer for details.*

## Complaint

| TUESDAY<br>MAY 3<br>9AM-8PM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | WEDNESDAY<br>MAY 4<br>9AM-8PM                                                              | THURSDAY<br>MAY 5<br>9AM-8PM                                                                                                                                                                                                                                                                                                                                          | FRIDAY<br>MAY 6<br>9AM-8PM | SATURDAY<br>MAY 7<br>10AM-4PM |                                                                                               |                                                                                            |                            |                                         |                   |  |                                                                  |  |  |                                                                                                                                                                              |  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------|-------------------|--|------------------------------------------------------------------|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>2003 FORD TAURUS</b><br><br>Only ONE Available<br><b>\$88 Down<br/>\$109 /Month</b><br><small>\$88 down payment / \$109 per month example: 2003 Ford Taurus sdx#11048A, selling price \$5,400, 60 months at 5.0% APR plus tax, title, and license. With approved credit.</small>                                                                                                                                                                                                                                                                                                                                                               |                                                                                            | <b>2005 FORD TAURUS</b><br><br>Only ONE Available<br><b>\$99 Down<br/>\$159 /Month</b><br><small>\$99 down payment / \$159 per month example: 2005 Ford Taurus sdx#11048A, selling price \$7,800, 60 months at 5.0% APR plus tax, title, and license. With approved credit.</small> |                            |                               |                                                                                               |                                                                                            |                            |                                         |                   |  |                                                                  |  |  |                                                                                                                                                                              |  |  |
| <b>OFFICIAL EVENT LOCATION:</b><br><b>FOWLERVILLE FORD</b>   8100 COUNTRY CORNER DR<br>FOWLERVILLE, MI 48836   <b>866-409-8847</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                            |                                                                                                                                                                                                                                                                                                                                                                       |                            |                               |                                                                                               |                                                                                            |                            |                                         |                   |  |                                                                  |  |  |                                                                                                                                                                              |  |  |
| <b>DON'T MISS THIS EVENT!</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                            | <b>COME IN BEFORE YOUR TANK HITS EMPTY!</b>                                                                                                                                                                                                                                      |                            |                               |                                                                                               |                                                                                            |                            |                                         |                   |  |                                                                  |  |  |                                                                                                                                                                              |  |  |
| <table border="1"> <tr> <td> <b>FOWLERVILLE FORD</b><br/> <small>8100 COUNTRY CORNER DRIVE<br/>FOWLERVILLE, MI 48836</small> </td> <td> <b>Clearance Event Savings Certificate</b><br/> <small>Valid May 3rd - May 7th, 2011</small> </td> <td> <small>Not a Check</small> </td> </tr> <tr> <td>           TO THE ORDER OF: <i>Valued Customer</i> </td> <td colspan="2"> <b>\$2,876.00</b> </td> </tr> <tr> <td colspan="3"> <i>Two Thousand Eight Hundred Seventy-Six and 00/100 DOLLARS</i> </td> </tr> <tr> <td colspan="3"> <small>MEMO: Certificate good only towards selected pre-owned vehicles. No cash Value. Cannot be used in conjunction with any other offer. Minimum \$8,000 purchase.</small> </td> </tr> </table> |                                                                                            |                                                                                                                                                                                                                                                                                                                                                                       |                            |                               | <b>FOWLERVILLE FORD</b><br><small>8100 COUNTRY CORNER DRIVE<br/>FOWLERVILLE, MI 48836</small> | <b>Clearance Event Savings Certificate</b><br><small>Valid May 3rd - May 7th, 2011</small> | <small>Not a Check</small> | TO THE ORDER OF: <i>Valued Customer</i> | <b>\$2,876.00</b> |  | <i>Two Thousand Eight Hundred Seventy-Six and 00/100 DOLLARS</i> |  |  | <small>MEMO: Certificate good only towards selected pre-owned vehicles. No cash Value. Cannot be used in conjunction with any other offer. Minimum \$8,000 purchase.</small> |  |  |
| <b>FOWLERVILLE FORD</b><br><small>8100 COUNTRY CORNER DRIVE<br/>FOWLERVILLE, MI 48836</small>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Clearance Event Savings Certificate</b><br><small>Valid May 3rd - May 7th, 2011</small> | <small>Not a Check</small>                                                                                                                                                                                                                                                                                                                                            |                            |                               |                                                                                               |                                                                                            |                            |                                         |                   |  |                                                                  |  |  |                                                                                                                                                                              |  |  |
| TO THE ORDER OF: <i>Valued Customer</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>\$2,876.00</b>                                                                          |                                                                                                                                                                                                                                                                                                                                                                       |                            |                               |                                                                                               |                                                                                            |                            |                                         |                   |  |                                                                  |  |  |                                                                                                                                                                              |  |  |
| <i>Two Thousand Eight Hundred Seventy-Six and 00/100 DOLLARS</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                            |                                                                                                                                                                                                                                                                                                                                                                       |                            |                               |                                                                                               |                                                                                            |                            |                                         |                   |  |                                                                  |  |  |                                                                                                                                                                              |  |  |
| <small>MEMO: Certificate good only towards selected pre-owned vehicles. No cash Value. Cannot be used in conjunction with any other offer. Minimum \$8,000 purchase.</small>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                            |                                                                                                                                                                                                                                                                                                                                                                       |                            |                               |                                                                                               |                                                                                            |                            |                                         |                   |  |                                                                  |  |  |                                                                                                                                                                              |  |  |

Complaint

**Exhibit B**

**Exhibit B**

Fowlerville Ford, LLC

Video Advertisement  
(Electronic File)

Complaint

**Exhibit C**

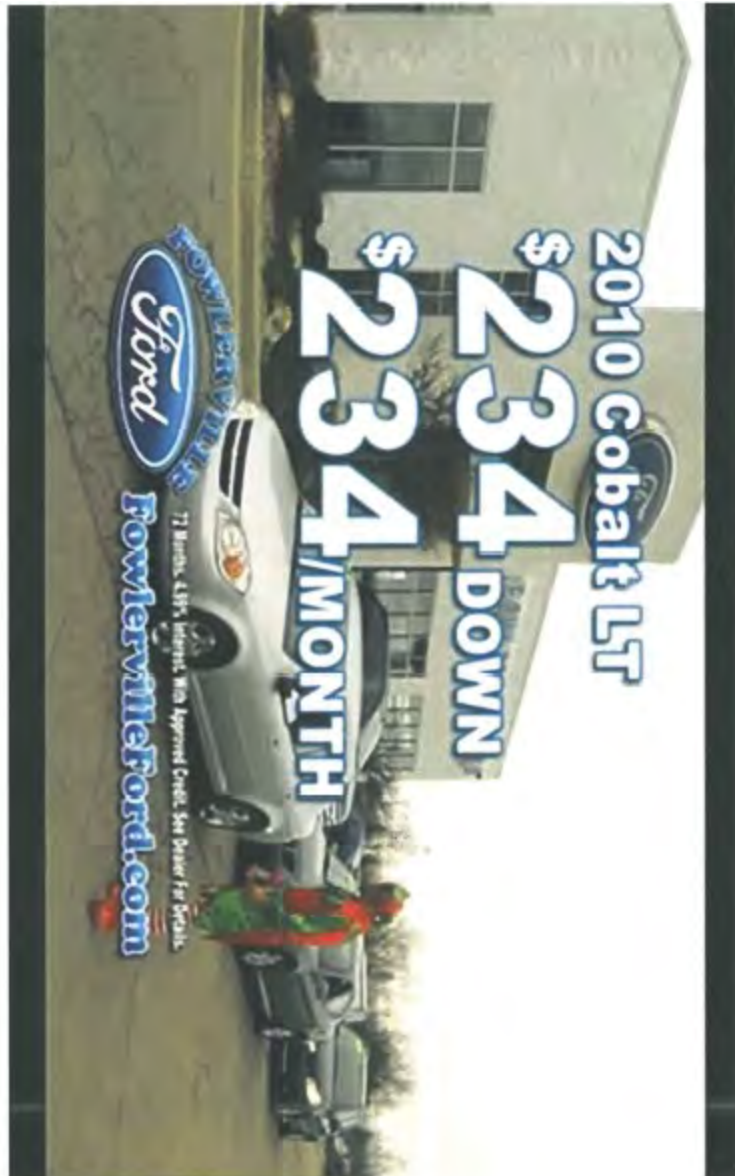


Exhibit C  
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## Complaint

Exhibit C  
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Complaint

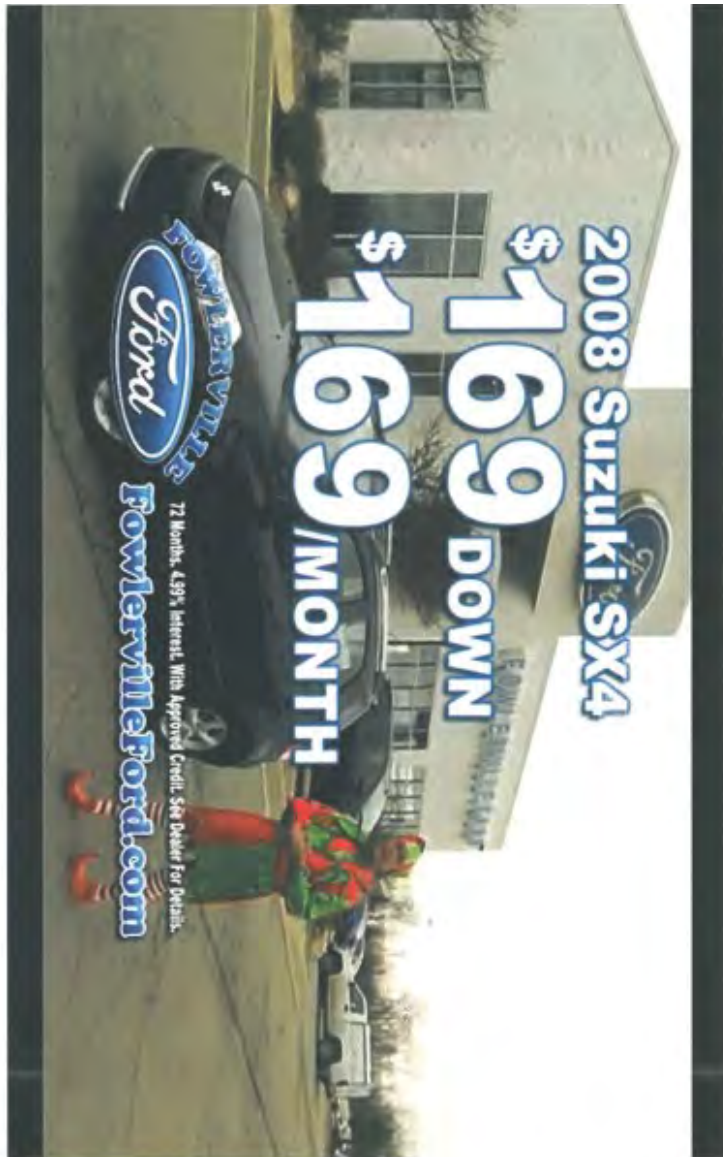


Exhibit C  
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## Decision and Order

**DECISION AND ORDER**

The Federal Trade Commission having initiated an investigation of certain acts and practices of respondent named in the caption hereof, and respondent having been furnished thereafter with a copy of a draft complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violations of the Federal Trade Commission Act (“FTC Act”), the Truth in Lending Act (“TILA”), and its implementing Regulation Z; and

Respondent, respondent’s attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order (“consent agreement”), which includes: a statement by respondent that it neither admits nor denies any of the allegations in the draft complaint, except as specifically stated in the Consent Agreement, and, only for purposes of this action, admits the facts necessary to establish jurisdiction; and waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that respondent has violated the FTC Act, the TILA, and its implementing Regulation Z, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such consent agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure prescribed in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Fowlerville Ford, Inc., is a Delaware corporation with its principal office or place of business at 8100 Country Corner Dr., Fowlerville, MI 48836. Respondent offers motor vehicles for sale or lease.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the

## Decision and Order

Respondent, and the proceeding is in the public interest.

**ORDER****DEFINITIONS**

For the purposes of this order, the following definitions shall apply:

- A. Unless otherwise specified, “respondent” shall mean Fowlerville Ford, Inc., and its successors and assigns.
- B. “Advertisement” shall mean a commercial message in any medium that directly or indirectly promotes a consumer transaction.
- C. “Clearly and conspicuously” shall mean as follows:
  - 1. In a print advertisement, the disclosure shall be in a type size, location, and in print that contrasts with the background against which it appears, sufficient for an ordinary consumer to notice, read, and comprehend it.
  - 2. In an electronic medium, an audio disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. A video disclosure shall be of a size and shade and appear on the screen for a duration, and in a location, sufficient for an ordinary consumer to read and comprehend it.
  - 3. In a television or video advertisement, an audio disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. A video disclosure shall be of a size and shade, and appear on the screen for a duration, and in a location, sufficient for an ordinary consumer to read and comprehend it.

## Decision and Order

4. In a radio advertisement, the disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it.
  5. In all advertisements, the disclosure shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement or promotion.
- D. “Material” shall mean likely to affect a person’s choice of, or conduct regarding, goods or services.
- E. “Motor vehicle” or “vehicle” shall mean:
1. Any self-propelled vehicle designed for transporting persons or property on a street, highway, or other road;
  2. Recreational boats and marine equipment;
  3. Motorcycles;
  4. Motor homes, recreational vehicle trailers, and slide-in campers; and
  5. Other vehicles that are titled and sold through dealers.

**I.**

**IT IS HEREBY ORDERED** that respondent and its officers, agents, representatives, and employees, directly or indirectly, in connection with any advertisement for the purchase, financing, or leasing of motor vehicles, shall not, in any manner, expressly or by implication:

- A. Misrepresent the material terms of any prize, sweepstakes, giveaway, or other incentive, including whether a consumer has won a prize, sweepstakes, giveaway, or other incentive, and the nature, value, or

## Decision and Order

amount of a prize, sweepstakes, giveaway, or other incentive.

- B. Misrepresent any material fact about the price, sale, financing, or leasing of any vehicle.

**II.**

**IT IS FURTHER ORDERED** that respondent and its officers, agents, representatives, and employees, directly or indirectly, in connection with any advertisement for the purchase, financing, or leasing of motor vehicles, shall not, in any manner, expressly or by implication:

- A. State the amount or percentage of any downpayment, the number of payments or period of repayment, the amount of any payment, or the amount of any finance charge, without disclosing clearly and conspicuously all of the following terms:
  - 1. The amount or percentage of the downpayment;
  - 2. The terms of repayment; and
  - 3. The annual percentage rate, using the term “annual percentage rate” or the abbreviation “APR.” If the annual percentage rate may be increased after consummation of the credit transaction, that fact must also be disclosed; or
- B. State a rate of finance charge without stating the rate as an “annual percentage rate” or the abbreviation “APR,” using that term; or
- C. Fail to comply in any respect with Regulation Z, 12 C.F.R. Part 226, as amended, and the Truth in Lending Act, as amended, 15 U.S.C. §§ 1601-1667.

**III.**

**IT IS FURTHER ORDERED** that respondent shall, for five (5) years after the last date of dissemination of any representation

## Decision and Order

covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

- A. All advertisements and promotional materials containing the representation;
- B. All materials that were relied upon in disseminating the representation;
- C. All evidence in its possession or control that contradicts, qualifies, or calls into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations; and
- D. Any documents reasonably necessary to demonstrate full compliance with each provision of this order, including but not limited to all documents obtained, created, generated, or that in any way relate to the requirements, provisions, or terms of this order, and all reports submitted to the Commission pursuant to this order.

**IV.**

**IT IS FURTHER ORDERED** that respondent shall deliver a copy of this order to all current and future principals, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondent shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

**V.**

**IT IS FURTHER ORDERED** that respondent shall notify the Commission at least thirty (30) days prior to any change in the corporation(s) that may affect compliance obligations arising

## Decision and Order

under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. *Provided, however,* that, with respect to any proposed change in the corporation about which respondent learns less than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as is practicable after obtaining such knowledge. Unless otherwise directed by a representative of the Commission in writing, all notices required by this Part shall be emailed to [Debrief@ftc.gov](mailto:Debrief@ftc.gov) or sent by overnight courier (not U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC, 20580. The subject line must begin: FTC v. Fowlerville Ford, Inc.

**VI.**

**IT IS FURTHER ORDERED** that respondent, within sixty (60) days after the date of service of this order, shall file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form of its own compliance with this order. Within ten (10) days of receipt of written notice from a representative of the Commission, it shall submit additional true and accurate written reports.

**VII.**

This order will terminate on February 20, 2034, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; *provided, however,* that the filing of such a complaint will not affect the duration of:

- A. Any Part in this order that terminates in less than twenty (20) years;
- B. This order's application to any respondent that is not named as a defendant in such complaint;

## Analysis to Aid Public Comment

- C. This order if such complaint is filed after the order has terminated pursuant to this Part.

*Provided, further,* that if such complaint is dismissed or a federal court rules that respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission.

**ANALYSIS OF CONSENT ORDER TO AID PUBLIC  
COMMENT**

The Federal Trade Commission (“FTC”) has accepted, subject to final approval, an agreement containing a consent order from Fowlerville Ford, Inc. The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the FTC will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement’s proposed order.

The respondent is a motor vehicle dealer. According to the FTC complaint, respondent has advertised that consumers have won a prize worth between \$1,000 and \$25,000. The complaint alleges that, in fact, consumers have not won a prize worth between \$1,000 and \$25,000. The complaint alleges therefore that the respondent’s representations are false or misleading in violation of Section 5 of the FTC Act. In addition, the complaint alleges a violation of the Truth in Lending Act (“TILA”) and its implementing Regulation Z for failing to disclose or disclose

*Analysis to Aid Public Comment*

adequately terms of certain financing offered, despite the respondent's use of certain triggering terms in the advertisements.

The proposed order is designed to prevent the respondent from engaging in similar deceptive practices in the future. Part I.A prohibits the respondent from misrepresenting the material terms of any prize, sweepstakes, giveaway, or other incentive, including whether a consumer has won a prize, sweepstakes, giveaway, or other incentive, and the nature, value, or amount of a prize, sweepstakes, giveaway, or other incentive required to be paid at lease inception, and the amounts of all monthly or other periodic payments. Part I.B prohibits the respondent from misrepresenting any other material fact about the price, sale, financing, or leasing of any vehicle.

Part II of the proposed order addresses the TILA allegation. It requires that the respondent clearly and conspicuously make all of the disclosures required by TILA and Regulation Z if it states relevant triggering terms, including the monthly financing payment. In addition, Part II prohibits any other violation of TILA and Regulation Z.

Part III of the proposed order requires respondent to keep copies of relevant advertisements and materials substantiating claims made in the advertisements. Part IV requires that respondent provide copies of the order to certain of its personnel. Part V requires notification to the Commission regarding changes in corporate structure that might affect compliance obligations under the order. Part VI requires the respondent to file compliance reports with the Commission. Finally, Part VII is a provision "sunsetting" the order after twenty (20) years, with certain exceptions.

The purpose of this analysis is to aid public comment on the proposed order. It is not intended to constitute an official interpretation of the complaint or proposed order, or to modify in any way the proposed order's terms.

## Complaint

## IN THE MATTER OF

**LUIS ALFONSO SIERRE**  
**D/B/A**  
**CASINO AUTO SALES**CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF  
SECTION 5 OF THE FEDERAL TRADE COMMISSION ACT

*Docket No. C-4434; File No. 132 3107*  
*Complaint, February 20, 2014 – Decision, February 20, 2014*

This consent order addresses Luis Alfonso Sierra d/b/a/ Casino Auto Sales' advertisements of cars for sale. The complaint alleges that the respondent's advertisements feature photographs of numerous cars, with a price prominently displayed below each car, and that the respondent has advertised that each car is available for purchase at the price that is prominently displayed below the car. The complaint further alleges that, in fact, the featured cars are not available for purchase at the prices that are displayed below each car, and that, instead, the purchase price of each car is actually \$5,000 more than the advertised price. The consent order prohibits the respondent from misrepresenting the cost of purchasing a vehicle, including but not necessarily limited to (1) the purchase price of the vehicle, or (2) any finance terms, including the amount or percentage of the down payment, the number of payments or period of repayment, the amount of any payment, and the repayment obligation over the full term of the loan, including any balloon payment.

*Participants*

For the *Commission*: Sana Chriss, Mark Glassman, John Jacobs, Carole Reynolds, Jason Schall, Christina Tusan, and Katherine Worthman.

For the *Respondent*: Alexander J. Petale, Law Offices of Alexander J. Petale.

**COMPLAINT**

The Federal Trade Commission, having reason to believe that Luis Alfonso Sierra ("respondent"), an individual trading and doing business as Casino Auto Sales, has violated provisions of the Federal Trade Commission Act ("FTC Act"), and it appearing to the Commission that this proceeding is in the public interest, alleges: