

Complaint

IN THE MATTER OF

**FIRST AMERICAN TITLE LENDING OF
GEORGIA, LLC**

CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 5(A) OF THE FEDERAL TRADE COMMISSION ACT, SEC. 144 OF
THE TRUTH-IN-LENDING ACT, AND SEC. 1026.24 OF REGULATION Z

*Docket No. C-4529; File No. 132 3264
Complaint, June 2, 2015 – Decision, June 2, 2015*

This consent order addresses allegations that First American Title Lending of Georgia, LLC (“First American”) failed to disclose important conditions and financing information about their title loans. First American is a car title loan company. The complaint alleges that First American advertised that title loans were available to consumers for “0% Interest,” but failed to disclose that the 0 % offer did not apply unless the loan was completely repaid in 30 days. If the consumer did not repay the loan in full in 30 days, he would then be required to pay the finance charge for the first 30 days in addition to any finance charges incurred on day 31. The advertisement also omitted the finance charge amount that would be charged. The complaint alleges that these material omissions constitute a deceptive act or practice under Section 5 of the FTC Act. Under the consent order, First American is prohibited from failing to disclose all the qualifying terms and finance charges associated with obtaining a loan at its advertised rate and from misrepresenting any material terms of its loan agreements.

Participants

For the *Commission*: *Peter Lamberton and Helen Wong.*

For the *Respondent*: *Traci Fant, Corporate Counsel.*

COMPLAINT

The Federal Trade Commission, having reason to believe that First American Title Lending of Georgia, LLC, a limited liability company, (“Respondent”), has violated the provisions of the Federal Trade Commission Act (“FTC Act”) and provisions of 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:

Complaint

1. Respondent First American Title Lending of Georgia, LLC, is a Tennessee limited liability company with its principal place of business at 6045 Century Oaks Drive, Chattanooga, Tennessee, 37416. First American Title Lending of Georgia, LLC, operates from 33 different locations in the state of Georgia.

2. Respondent offers loans secured by consumers' free-and-clear car titles ("title loans").

3. The acts and practices of Respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

BACKGROUND ON CAR TITLE LOANS

4. Car title loans can be short term loans and are often advertised as 30 day loans. Title loans have high interest rates and short repayment periods, with payments due every month. In many instances, however, the loans can be longer-term, high cost installment loans with payments due over several months. The typical APR of a car title loan can be over 300%.

5. Each additional payment after the first month is termed a "renewal." The average consumer does not repay the loan in 30 days, instead "renewing" the loan an average of eight times. Loan amounts differ but typically are \$1,000 and up to \$10,000. The lender takes possession of the consumer's car title and charges a monthly fee, sometimes as much as 25% of the amount borrowed per month. For example, the amount of fees would be \$250 per month and after eight renewals, a consumer taking out the average loan amount of \$1,000 would pay approximately \$2,000 in fees.

RESPONDENT'S BUSINESS PRACTICES

6. Respondent offers consumers car title loans in Georgia, purportedly in accord with Part 5 of Article 3 of Chapter 12 of Title 44 of the Georgia statutes relating to pawnbrokers, O.C.G.A. Sections 44-12-130 *et seq.*, which are secured by the borrower's free-and-clear car title. Respondent's advertisements state that the title loans are offered at "0% interest rate" or "0% interest rate for 30 days."

Complaint

7. Respondent has disseminated or caused to be disseminated advertisements to the public promoting extensions of closed-end credit in consumer credit transactions, as the terms “advertisement,” “closed-end credit,” and “consumer credit” are defined in Section 1026.2 of Regulation Z, 12 C.F.R. § 1026.2, as amended.

8. Since at least January 2012, Respondent has disseminated or caused to be disseminated advertisements promoting its title loans, including on the website www.firstamericantitlelending.com, on web ads, on billboards, flyers and brochures, newspapers, and yard signs, with the following representations, copies of which are attached as Exhibits 1 - 12:

- a. The website advertisements, copies of which are attached as Exhibit 1, provide the following disclosures:

**0% Interest
FOR 30 DAYS***

**Some restrictions apply*

- b. The web search ads, appearing as a Google advertisement on the side of the webpage, copies of which are attached as Exhibit 2, provide the following disclosures:

Lowest Rate Title Pawns
Ask about 0% Interest. No Credit Check.

Title Lending – Low Rates
0% for 30 days. Get the Most Money.

- c. A sampling of the billboard advertisements, copies of which are attached as Exhibits 3 – 5 (Exhibit 5 is in Spanish), provides the following disclosures:

- i. Exhibit 3:

0% Interest for 30 days

Complaint

Certain terms and conditions may apply

ii. Exhibit 4:

0% Interest

iii. Exhibit 5:

0% Interest

**Compramos Prestamos Sobre Su Titulo
(Buy on your title loans)**

d. The flyer and brochure advertisements, copies of which are attached as Exhibits 6 – 8, provide the following disclosures:

i. Exhibit 6:

0% Interest

9.5% or lower!

Lowest Rates in Town

ii. Exhibit 7:

- Get up to \$5,000 in less than 30 minutes
- No credit check – your car is your credit
- Lowest rates in town – as low as 9.5%
- Title pawned? We can buy it out!
- 0% Interest for 30 days

(This ad is also in Spanish)

iii. Exhibit 8:

**0% Interest for 30 days!
Rates as low as 9.5%**

Complaint

- e. The newspaper advertisements, copies of which are attached as Exhibits 9 – 10, provides the following disclosures:

- i. Exhibit 9:

Lowest Rates!
0% Interest!

- ii. Exhibit 10:

0% Interest!
(for 30 days)
Lowest Rates!

- f. The yard sign advertisements, copies of which are attached as Exhibits 11 – 12 provides the following disclosures:

- i. Exhibit 11:

0% Title Pawn

- ii. Exhibit 12:

0% Interest

9. The advertisements, as shown in Paragraph 8, do not disclose that the 0% offer does not apply unless: (1) the borrower is a new customer of Respondent, (2) the borrower is starting a new title loan and not refinancing a different loan through another title lender, and (3) the loan is repaid in certified funds or money order and not by cash or personal check.

10. The advertisements, as shown in Paragraph 8, do not disclose: (1) that the advertised 0% does not apply unless the loan is completely repaid in 30 days, (2) that there will be a substantial finance charge if the loan is not completely repaid in 30 days and (3) the amount of this finance charge.

11. The advertisements, as shown in Paragraph 8, do not disclose that if the loan is not repaid in full in 30 days, the

Complaint

consumer would be required to pay the finance charge for the first 30 days in addition to any additional finance charges that incur on day 31 (for the second 30-day period).

12. The advertisements, as shown in Paragraph 8.d., display an additional rate of finance but do not disclose the rate of finance charge as an annual percentage rate (“APR”).

13. Many of Respondent’s borrowers do not repay their loans within the first 30 days or do not meet the requirements for the 0% introductory rate, and thus many of its borrowers end up paying finance charges.

VIOLATIONS OF THE FEDERAL TRADE COMMISSION ACT

COUNT I

FAILURE TO DISCLOSE TERMS OF THE LOAN

14. In numerous instances, including but not limited to, through the means described in Paragraphs 6 to 13, Respondent has represented, directly or indirectly, expressly or by implication, that it offers title loans to consumers with: (1) a 0% “interest rate” or (2) a 0% rate of finance charge for a 30-day period.

15. In instances in which Respondent has made the representation set forth in Paragraph 14 Respondent has failed to disclose, or failed to disclose adequately: (1) the existence and amount of the finance charge that consumers have to pay for the 30 day introductory period if certain terms and conditions are not met; (2) the existence and amount of the finance charge that consumers have to pay after the conclusion of the 30-day introductory period; and (3) the conditions to get the 0% rate. These facts would be material to consumers in their decisions regarding Respondent’s title loans.

16. Respondent’s failure to disclose, or failure to disclose adequately, the material information described in paragraph 15, in light of the representation set forth in Paragraph 14, is a deceptive act or practice.

Complaint

17. The acts and practices of Respondent alleged in this complaint constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act.

VIOLATION OF THE TRUTH IN LENDING ACT AND
REGULATION Z

18. Respondent's advertisements promoting title loans, including but not limited to those described in Paragraph 8.d., are subject to the requirements of TILA and Regulation Z.

19. Section 144 of TILA and Section 1026.24(c) of Regulation Z require that the rate of finance charge must be stated as an "annual percentage rate" using that term or the abbreviation "APR."

COUNT II

20. Respondent's advertisements promoting the extension of closed-end credit in consumer credit transactions, including but not limited to those described in Paragraph 8.d., provide a rate of finance charge but fail to state that rate as an "annual percentage rate" or "APR."

21. Therefore, Respondent's practices violate Section 144 of TILA, 15 U.S.C. §1664, and Section 1026.24(c) of Regulation Z, 12 C.F.R. §1026.24(c).

THEREFORE, the Federal Trade Commission this second day of June, 2015, has issued this complaint against Respondent.

By the Commission.

Complaint

EXHIBIT 1

First American Title Lending [Apply Online](#)

[home](#) | [apply online!](#) | [how it works](#) | [FAQs](#) | [specials](#) | [locations](#) | [about us](#) | [privacy policy](#) | [careers](#)

Get the MONEY you need TODAY!

✓Fast.
Visit a First American Title Lending location and fill out an application.

✓Easy.
A quick appraisal will be done on your car.

✓Convenient.
A check will be issued to you!

Drive away with all the help you need!

© 2011 First American Title Lending. All Rights Reserved. Not affiliated with First American Title Insurance Company or real estate title insurance products.

First American Title Lending [Apply Online](#)

[home](#) | [apply online!](#) | [how it works](#) | [FAQs](#) | [specials](#) | [locations](#) | [about us](#) | [privacy policy](#) | [careers](#)

✓Fast.
Visit a First American Title Lending location and fill out an application.
You'll need to bring:

- identification
- clear vehicle title or current pawn contract from any competitor
- vehicle
- proof of income (such as a pay stub or bank statement)
- proof of residence (such as a utility bill)

✓Easy.
A quick appraisal will be done on your car.

✓Convenient.
A check will be issued to you!

[Apply Now!](#)

[Privacy Policy](#)

© 2011 First American Title Lending. All Rights Reserved. Not affiliated with First American Title Insurance Company or real estate title insurance products.

Complaint

EXHIBIT 1

First American
Title Lending

Apply Online

[home](#) | [apply online!](#) | [how it works](#) | [FAQs](#) | [specials](#) | [locations](#) | [about us](#) | [privacy policy](#) | [careers](#)

Frequently Asked Questions



Fast.
Visit a First American location and fill out an application.

Easy.
A quick appraisal will be done on your car.

Convenient.
A check will be issued to you!

Q. What is a title pawn?
A. A title pawn is a way to get the money that you need while we hold your vehicle title.

Q. Do I get to keep my vehicle?
A. YES. You get to keep it.

Q. Do you do a credit check?
A. NO. We do not do a credit check. We don't care about bad credit, bankruptcy, or foreclosures.

Q. How long does it take to get the money?
A. Less than 30 minutes.

Q. What happens to my title?
A. We place a lien on the title until it is paid in full. Then we return the title to you.

Q. Do you offer a referral program?
A. YES. We will give you a \$25 for each person (first time customer) you refer once the pawn is made.

Q. Is my car too old?
A. Any year vehicle is accepted.

Q. What kind of vehicle can I pawn?
A. You can pawn any vehicle with a title (including commercial & semis).

© 2011 First American Title Lending. All Rights Reserved. Not affiliated with First American Title Insurance Company or real estate title insurance products.

First American
Title Lending

Apply Online

[home](#) | [apply online!](#) | [how it works](#) | [FAQs](#) | [specials](#) | [locations](#) | [about us](#) | [privacy policy](#) | [careers](#)

specials

Call the branch near you for any additional specials!

0% INTEREST FOR 30 DAYS*

*Some restrictions apply. See branch manager for deals.

georgia

Lowest Rates

© 2011 First American Title Lending. All Rights Reserved. Not affiliated with First American Title Insurance Company or real estate title insurance products.

Complaint

EXHIBIT 2

Google Adword Ads

Lowest Rate Title Pawns
Ask about 0% Interest. No Credit
Check. We Buy Out Title Loans!
www.firstamericantitlelending.com

Title Lending – Low Rate.
0% for 30 days. Get The Most Money.
Title Pawned? We Can Buy it Out!
www.firstamericantitlelending.com

Title Lending – Low Rates.
0% for 30 days. Most Money.
Title Pawned? We Can Buy it Out!
www.firstamericantitlelending.com

Title Lending – Low Rates.
0% Interest 30 days. Most Money.
Title Pawned? We Can Buy it Out!
www.firstamericantitlelending.com

Title Lending – Low Rates.
0% for 30. Get The Most Money.
Title Pawned? We Can Buy it Out!
www.firstamericantitlelending.com

Title Lending – Low Rates.
0% 30 days . Get The Most Money.
Title Pawned? We Can Buy it Out!
www.firstamericantitlelending.com

Title Lending – Low Rates.
0% Interest for 30 days!
Title Pawned? We Can Buy it Out!
www.firstamericantitlelending.com

Title Lending – Low Rates.
0% for 30 days. All Makes & Models.
Title Pawned? We Can Buy it Out!
www.firstamericantitlelending.com

Title Lending – Low Rates.
0% Interest for 30 Days.
Title Pawned? We Can Help!
www.firstamericantitlelending.com

Title Lending – Low Rates.
0% Interest 30 days.
Title Pawned? We Can Buy it Out!
www.firstamericantitlelending.com

Title Lending – Low Rates.
0% Interest for 30 days. We Buy
Out Title Pawns. Nor Credit Check.
www.firstamericantitlelending.com

Title Lending – Low Rates.
0% Interest for 30 Days. No Credit
Check. We Buy Out Title Loans!
www.firstamericantitlelending.com

Title Lending – Low Rates.
0% for 30 days! No Credit Check.
Title Pawned? We Can Buy it Out!

Complaint

EXHIBIT 3



Complaint

EXHIBIT 4



Complaint

EXHIBIT 5



Complaint

EXHIBIT 5



Complaint

EXHIBIT 6

BLACK FRIDAY ONLY
All Title Pawns
9.5%
or lower!

0% Interest

Lowest RATES in town

First American Title Lending

Gainesville - Call 770-532-6741 or visit us at 199 John W Morrow Jr.
(located between Jack's Vacuum and Dioselina's Bakery)

This is a pawn transaction. Certain terms and conditions may apply. Based on vehicle appraisal. See manager for details.

Complaint

EXHIBIT 7

First American
Title Lending
Get the cash you need today!

- Get up to \$5,000 in less than 30 minutes
- No credit check - your car is your credit
- Lowest rates in town - as low as 9.5%
- Title pawned? We can buy it out!
- 0% Interest for 30 days

- NO NECESITA CREDITO!...Y USTED PUEDE SEGUIR MANEJANDO SU CARRO.
- GARANTIZAMOS LOS MAS BAJOS INTERESES EN LA CUIDAD.
- NECESITA AYUDA CON LOS GASTOS DE SU MUDANZA?
- RESIBA HASTA \$ 5,000 EN SOLO 30 MINUTOS.
- 0% INTERESES EN LOS PRIMEROS 30 DIAS.

Gainesville 770-532-6741
199 John Morrow Parkway
(across from Ci-Ci's Pizza)

Some restrictions apply. See branch for details.



Complaint

EXHIBIT 8



**First American
Title Lending**

**Need some extra cash
for the Holidays?**

0% Interest for 30 days!
Rates as low as 9.5%

**Title already pawned?
We can buy it out!**

Lawrenceville 770-339-0400
900 Duluth Hwy (next to Moes Southwest Grill)
or apply online at www.firstamericantitlelending.com

This is a pawn transaction. Some restrictions and conditions may apply for the 0% offer. All transactions subject to vehicle appraisal.

Complaint

EXHIBIT 9



Need Extra Holiday Cash?
Lowest Rates!
0% Interest!

**First American
Title Lending**

Jonesboro (678) 471-1174
7441 Tara Blvd (next to Acme Pawn)

McDonough (678) 583-1813
2009 Jonesboro Rd (between Cheddar's & Firehouse Subs)

Locust Grove (678) 271-4340
4916 Bill Gardner Parkway (in the Kroger shopping center)

This is a pawn transaction. Certain terms and conditions may apply. Subject to vehicle appraisal and approval.

Complaint

EXHIBIT 10

**First American
Title Lending**

Need some extra cash?

0% INTEREST!
for 30 Days!

LOWEST RATES!

ALL MAKES & MODELS!

NO CREDIT CHECK!

TITLE PAWNED?

WE CAN BUY IT OUT!

Dalton
(706) 281-1886
1709 E Walnut Ave

Fort Oglethorpe
(706) 866-2102
1543 Battlefield Parkway

Apply online www.FirstAmericanTitleLending.com

This is a pawn transaction. Certain terms and conditions may apply. Subject to vehicle inspection.

Complaint

EXHIBIT 11



Complaint

EXHIBIT 12

First American
Title Lending

0%
INTEREST

Decision and Order

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the Respondent named in the caption hereof, and Respondent having been furnished thereafter with a copy of a draft complaint that 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 a violation of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45 *et seq.*; and a violation of the Truth In Lending Act (“TILA”), 15 U.S.C. § 1664; and Section 1026.24(c) of Regulation Z; and

Respondent, its Attorney, and counsel for the Commission having thereafter executed an Agreement Containing 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 has reason to believe that Respondent has violated the FTC Act and 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, and having duly considered the comment received from an interested person pursuant to Commission Rule 2.34, 16 C.F.R. § 2.34, now in further conformity with the procedure prescribed in Commission Rule 2.34, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent First American Title Lending of Georgia, LLC, is a limited liability company with its principal place of business at 6045 Century Oaks Drive, Chattanooga, Tennessee 37416.

Decision and Order

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

ORDER

DEFINITIONS

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

- A. “Consumer Credit” means credit offered or extended to a consumer primarily for personal, family, or household purposes, as set forth in Section 1026.2(a)(12) of Regulation Z, 12 C.F.R. §1026.2(a)(12) as amended.
- B. “Clear and Conspicuous” or “Clearly and Conspicuously” means:
 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.
- C. “Respondent” means First American Title Lending of Georgia, LLC, and its successors and assigns.

I.

IT IS HEREBY ORDERED that Respondent and its officers, agents, representatives, and employees, directly or indirectly, in connection with any advertisement for any extension of consumer credit, in or affecting commerce, shall not, in any manner, expressly or by implication:

- A. State an introductory or temporary finance charge without disclosing, clearly and conspicuously, the finance charge after the introductory or temporary period ends;
- B. State an introductory or temporary finance charge without disclosing, clearly and conspicuously, the full effect of failing to make a timely complete repayment of the loan within the introductory or temporary time period;
- C. Fail to disclose, clearly and conspicuously, all qualifying terms associated with obtaining the loan at its advertised rate, including but not limited to, minimum loan requirements, new customer requirements, and any other material term;
- D. Fail to disclose, clearly and conspicuously, all costs associated with obtaining the loan, including but not limited to transaction costs, registration costs or fees, recording costs or fees, and title fees; or

Decision and Order

- E. Misrepresent any other material fact about the terms of the loan.

II.

IT IS FURTHER ORDERED that Respondent and its officers, agents, representatives, and employees, directly or indirectly, in connection with any advertisement to promote, directly or indirectly, any extension of consumer credit in or affecting commerce, shall not, in any manner, expressly or by implication:

- A. State the amount or percentage of down payment, 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 terms required by Section 144 of the Truth in Lending Act (“TILA”), 15 U.S.C. §1664, and Section 1026.24(d) of Regulation Z, including but not limited to:
 - 1. The amount of percentage or the down payment;
 - 2. The terms of repayment; and
 - 3. The annual percentage rate, using that term or the abbreviation “APR.” If the annual percentage rate may be increased after the 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” using that term or the abbreviation “APR,” as required by Section 144 of the TILA, 15 U.S.C. §1664, and Section 1026.24(c) of Regulation Z; or
- C. Fail to comply in any other respect with the TILA, 15 U.S.C. §§ 1601- 1667, as amended, and its implementing Regulation Z, 12 C.F.R. Part 1026 as amended.

Decision and Order

III.

IT IS FURTHER ORDERED that Respondent shall deliver as soon as practicable, but in no event later than thirty (30) days after entry of this order, an exact copy (written or electronic) of this order, showing the date of delivery, to all of Respondent's current and future principals, officers, directors, and managers and to all current employees, agents, and representatives having responsibilities with respect to the advertisement of consumer credit, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondent shall deliver this order to future personnel within thirty (30) days after the person assumes such position or responsibilities.

IV.

IT IS FURTHER ORDERED that Respondent shall, for five (5) years after the last date of dissemination of any representation 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 tests, reports, studies, surveys, demonstrations, or other evidence in its possession or control that contradict, qualify, or call 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. Other records that will demonstrate compliance with the requirements of this order.

Decision and Order

V.

IT IS FURTHER ORDERED that Respondent shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising 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; 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 or sent by overnight courier (not the 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: First American Title Lending, Docket No. C-4529.

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 June 2, 2035, 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:

Analysis to Aid Public Comment

- 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; and
- 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 the 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" or "Commission") has accepted, subject to final approval, an agreement containing a consent order from First American Title Lending of Georgia, LLC, or respondent. 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.

Analysis to Aid Public Comment

The respondent is a car title loan company. According to the FTC complaint, respondent has advertised its loans with advertisements that broadly state that the title loans are available for “0% Interest!” Sometimes, but not always, these advertisements state in much smaller print, “Certain terms and conditions may apply” or “Some restrictions apply.” However, respondent’s advertisements fail to disclose that unless the loan is completely repaid in 30 days, the 0% offer does not apply and there is a significant finance charge. If a consumer does not repay the loan in full in 30 days, he or she would then be required to pay the finance charge for the first 30 days in addition to any additional finance charges incurred on day 31 (to start the second 30-day period). The advertisements also fail to disclose the amount of the finance charge after expiration of the 30-day introductory period. The proposed complaint alleges that these material omissions constitute a deceptive act or practice under Section 5 of the FTC Act.

The Commission is also alleging a Truth in Lending Act (“TILA”) violation against respondent. Some advertisements displayed “9.5%” next to the claim of “0% interest.” First American allegedly violated TILA by advertising a finance rate (9.5%), but failing to state the rate as an APR.

The proposed order is designed to prevent the respondent from engaging in similar deceptive practices, or violating TILA, in the future. Part I prohibits the respondent from stating an introductory or temporary finance charge without disclosing, clearly and conspicuously, the finance charge after the introductory or temporary period ends; or the full effect of failing to make a timely complete repayment of the loan within the introductory or temporary time period. Respondent must further disclose all qualifying terms associated with obtaining the loan at its advertised rate, including but not limited to, minimum loan requirements, new customer requirements, and any other material term; all costs associated with obtaining the loan, including but not limited to transaction costs, registration costs or fees, recording costs or fees, and title fees. The respondent also cannot misrepresent any other material fact about the terms of the loan.

Part II of the proposed order prohibits the respondent, in connection with any advertisement to promote, directly or

Analysis to Aid Public Comment

indirectly, any extension of consumer credit in or affecting commerce, from expressly or by implication stating the amount or percentage of down payment, 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 terms required by Section 144 of TILA, 15 U.S.C. §1664, and Section 1026.24(d) of Regulation Z, including but not limited to the amount of percentage or the down payment; the terms of repayment; and the annual percentage rate, using that term or the abbreviation “APR.” If the annual percentage rate or APR may be increased after the consummation of the credit transaction, that fact must also be disclosed. Moreover, the respondent cannot state a rate of finance charge without stating the rate as an “annual percentage rate” using that term or the abbreviation “APR,” as required by Section 144 of the TILA, 15 U.S.C. §1664, and Section 1026.24(c) of Regulation Z; or fail to comply in any other respect with the TILA, 15 U.S.C. §§ 1601- 1667, as amended, and its implementing Regulation Z, 12 C.F.R. Part 1026 as amended.

Parts III through VII of the proposed order are reporting and compliance provisions. Part III is an order distribution provision that requires respondent to provide the order to current and future principals, officers, directors, and managers and to all current employees, agents, and representatives having responsibilities with respect to the advertisement of consumer credit. Part IV of the proposed order requires respondent to maintain and upon request make available to the Commission certain compliance-related records, including all advertisements and also consumer complaints and records that demonstrate compliance with the proposed order for a period of five years. Part V requires respondent to notify the Commission of corporate changes that may affect compliance obligations within 30 days of such a change. Part VI requires respondent to submit a compliance report to the Commission 60 days after entry of the order, and also additional compliance reports within 10 business days of a written request by the Commission. Part VII “sunsets” the order after 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

HOLCIM LTD. AND LAFARGE S.A.CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE FEDERAL TRADE
COMMISSION ACT

Docket No. C-4519; File No. 141 0129
Complaint, May 4, 2015 – Decision, June 11, 2015

This consent order addresses the \$24.95 Billion acquisition by Holcim Ltd. (“Holcim”) of Lafarge S.A. (“Lafarge”). Holcim is a Swiss-based, vertically integrated global building materials company. and Lafarge is a vertically integrated global building materials company incorporated in France. In the United States, Holcim currently operates nine portland cement and three slag-grinding plants, as well as a large network of distribution assets. Lafarge currently operates six portland cement and three slag cement-grinding plants as well as numerous distribution terminals. The complaint alleges that merger of Holcim and Lafarge would create the world’s largest cement manufacturer and likely harm competition for portland cement—an essential ingredient in making concrete—in 12 geographic markets in the United States. The consent order eliminates the competitive concerns raised by the acquisition, by requiring the parties to divest assets in each relevant market. Under the order, the two companies are required to divest cement plants, quarries, terminals and other assets in 12 states. The order further requires Holcim to find a Commission-approved buyer for the cement plants and cement terminals located in the U.S., at no minimum price, no later than 120 days from the date the parties consummate the acquisition.

Participants

For the *Commission*: *Jennifer Milici* and *James E. Southworth*.

For the *Respondents*: *George Cary* and *Mark W. Nelson, Cleary Gottlieb Steen & Hamilton*; and *Andrew M. Lacy* and *Matthew J. Reilly, Simpson Thacher & Bartlett LLP*.

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act (“FTC Act”), and its authority thereunder, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Holcim Ltd. (“Holcim”), a company subject to the jurisdiction of the Commission, has agreed to