

Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of Bill Robertson & Sons, Inc. d/b/a/ Honda of Hollywood, File No. 1323142

The Federal Trade Commission (“FTC”) has accepted, subject to final approval, an agreement containing a consent order from Bill Robertson & Sons, Inc. d/b/a Honda of Hollywood. 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, the respondent has advertised cars for leasing. In connection with its advertised leasing offers, the complaint alleges that the respondent has advertised that consumers can pay “\$0 down” with “0 first payment” and “0 due at signing” to lease a car, and has depicted several cars in its

between \$1,995 and \$2,499 on lease with 0 first payment and 0 due at signing. The complaint alleges 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 Consumer Leasing Act and requires the respondent to clearly and conspicuously disclose the costs and terms of certain leasing offers. The proposed consent order addresses the respondent’s use of certain triggering terms in the advertisements.

The proposed order is designed to prevent the respondent from engaging in similar violations in the future. Part I.A prohibits the respondent from (1) leasing a vehicle, including but not limited to the total amount of the lease, downpayment, amount down, acquisition fee, capitalized cost, and the amounts of all payments; or (2) purchasing a vehicle with financing, including but not limited to the amount or percentage of the downpayment, the number of payments or the amount of any payment, and the repayment obligation over the full term of the loan or balloon payment. Part I.B prohibits the respondent from failing to disclose a material fact about the price, sale, financing, or leasing of any vehicle.

The proposed order addresses the CLA allegation. It requires that the respondent clearly and conspicuously make all of the disclosures required by CLA and Regulation M, including relevant triggering terms, including the monthly lease payment. In addition, the order addresses any other violation of CLA and Regulation M.

The proposed order requires respondent to keep copies of relevant documents and records that substantiate claims made in the advertisements. Part IV requires the respondent to notify certain of its personnel. Part V requires the respondent to file a notification regarding changes in corporate structure that might affect the order. Part VI requires the respondent to file compliance reports. Finally, Part VII is a provision “sunsetting” the order after twenty years.

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.