

3. Respondents have disseminated advertisements to the public that promote consumer leases, as the terms "advertisement" and "consumer lease" are defined in Section 213.2 of Regulation M, 12 C.F.R. § 213.2, as amended.

4. Respondents have disseminated advertisements to the public that promote credit sales and other extensions of closed-end credit in consumer credit transactions, as the terms "advertisement," "credit sale," and "consumer credit" are defined in Section 226.2 of Regulation Z, 12 C.F.R. § 226.2, as amended.

5. The acts and practices of respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

6. Respondents have disseminated or have caused to be disseminated advertisements promoting consumer leases ("lease advertisements") and credit sales ("credit advertisements") for automobiles, including but not necessarily limited to the attached Pacifico Ardmere Exhibits A and B. Pacifico Ardmere Exhibits A and B are advertisements in the print media. These lease and/or credit advertisements contains the following statements:

A.

[Pacifico Ardmere Exhibit A states several lease and credit offers, including:]

"1998 FORD TAURUS LX. . .

CASH OR TRADE DOWN \$2,500

BUY \$14,54 FOR

OR LEASE FOR:

\$212 PER MO. 27 MOS. . . .

1998 FORD EXPLORER SPT 4X4. . .

CASH OR TRADE DOWN \$2,500
BUY \$22,105
FOR

OR LEASE FOR:
\$241 PER
MO.
24
MOS. . . .

AS LOW AS 1.9% FINANCING. . ."

[A fine print disclosure at the bottom of the ad states, "1.9 Financing on Escort, Mustang, Contour & Ranger. Prior Sales Excluded. All Leases 24 Mo. (27 Mo. On Taurus). Due at inception \$2,500 down cash or trade, 1st mo. pymt., ref.sec.dep., bank fee (if req.) tax & tags.] (Pacifico Ardmore Exhibit A)

B.

[Pacifico Ardmore Exhibit B states several lease and credit offers, including:]

"0%

FINANCING ...

'99 FORD TAURUS . . .

LEASE PER MO
FOR: \$239 36 MOS.

BUY
FOR: \$16,899

'99 FORD EXPEDITION XLT

LEASE \$339 PER MO.
FOR: 36 MOS. . . ."

[A fine print disclosure at the bottom of the ad states, "36 Mo. Closed End Lease, Due at inception \$2,000 down cash or trade, 1st Mo. pymt., Ref.sec.dep., bank fee, tax & tags to qual. buyers . . .] (Pacifico Ardmore Exhibit B)

FEDERAL TRADE COMMISSION ACT VIOLATIONS
Count I: Failure to Disclose, and/or Failure to Disclose
Adequately, Lease Terms

8. In lease advertisements, including but not necessarily limited to Pacifico Ardmore Exhibits A and B, respondents have represented, expressly or by implication, that consumers can lease the advertised vehicles at the terms prominently stated in the advertisements, including but not necessarily limited to the monthly payment amount.

9. These lease advertisements have failed to disclose, and/or failed to disclose adequately, additional terms pertaining to the lease offer, such as the total amount due at lease inception. This information either does not appear at all or appears in fine print in the advertisements. This information would be material to consumers in deciding whether to visit respondents' dealerships and/or whether to lease an automobile from respondents. The failure to disclose, and/or failure to disclose adequately, these additional terms, in light of the representation made, was, and is, a deceptive practice.

10. Respondents' practices constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a).

Count II: Failure to Disclose, and/or Failure to Disclose
Adequately, Credit Terms

11. In credit advertisements, including but not necessarily limited to Pacifico Ardmore Exhibit A, respondents have represented, expressly or by implication, that consumers can finance the purchase of the advertised vehicles at the terms prominently stated in the advertisements, including but not necessarily limited to the sales price and a downpayment amount.

12. These credit advertisements have failed to disclose, and/or failed to disclose adequately, additional terms pertaining to the credit offer, such as the terms of repayment and the annual percentage rate. This information would be material to consumers in deciding whether to visit respondents' dealerships and/or whether to purchase an automobile from respondents. The failure to disclose, and/or failure to disclose adequately, these additional terms, in light of the representation made, was, and is, a deceptive practice.

13. Respondents' practices constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a).

CONSUMER LEASING ACT AND REGULATION M VIOLATIONS
Count III: Failure to Disclose, and/or Failure to Disclose
Clearly and Conspicuously, Required Information

14. Respondents' lease advertisements, including but not necessarily limited to Pacifico Ardmore Exhibits A and B, state a

total amount due at lease signing, in violation of Section 213.7(b)(1) of Regulation M, 12 C.F.R. § 213.7(b)(1).

18. Respondents' practices have violated Section 213.7(b)(1) of Regulation M, 12 C.F.R. § 213.7(b)(1).

TRUTH IN LENDING ACT AND REGULATION Z VIOLATIONS

Count V: Failure to Disclose, and/or Failure to Disclose Clearly and Conspicuously, Required Information

19. In credit advertisements, including but not necessarily limited to Pacifico Ardmore Exhibit A, respondents have stated a downpayment amount, but have failed to disclose, and/or failed to disclose clearly and conspicuously, the following items of information required by Regulation Z: the annual percentage rate

SEAL: