

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Edith Ramirez, Chairwoman
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright**

)	
In the Matter of)	
)	DOCKET NO. C-4433
Fowlerville Ford, Inc.)	
)	

COMPLAINT

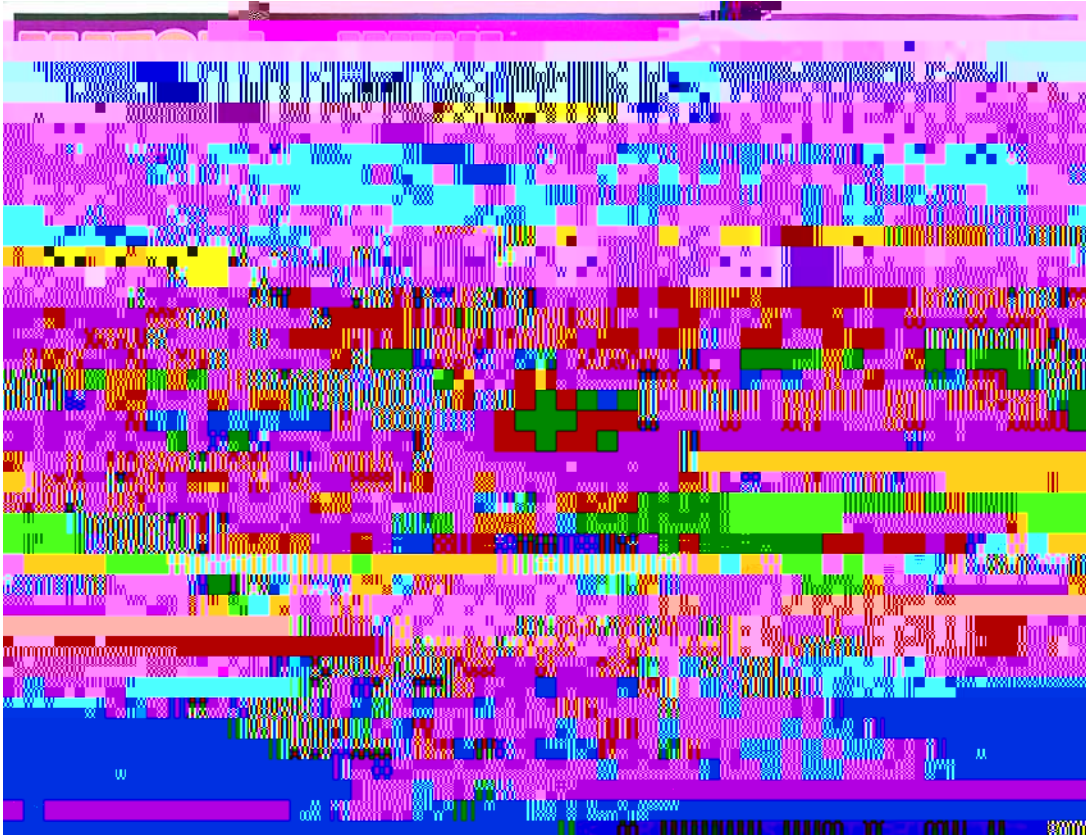
The Federal Trade Commission (“Commission), having reason to believe that Fowlerville Ford Inc., a corporation (“respondent”), has violated provisions of the Federal Trade Commission Act (“FTC Act”), the Truth in Lending Act (“TILA”), and its implementing Regulation Z, and it appearing to the Commission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

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:



- 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.

- 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”).
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.

