

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION**

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

In the Matter of

PARAMOUNT KIA OF HICKORY, LLC,
a limited liability company.

Thus, instead of owing \$99 per month, consumers will owe \$251 per month for 69 of 72 months. Further, the advertisement fails to clearly and conspicuously disclose the repayment obligations over the full term of the loan and the “annual percentage rate,” using that term.

FEDERAL TRADE COMMISSION ACT VIOLATIONS

Count I

Misrepresentation Regarding Monthly Payment Amount

7. Through the means described in Paragraphs 5 and 6, Paramount has represented, expressly or by implication, that consumers can finance the purchase of vehicles for the prominently advertised terms, including the advertised monthly payment amount.
8. In truth and in fact, consumers cannot finance the purchase of vehicles for the prominently advertised terms, including the advertised monthly payment amount. In numerous instances, consumers’ monthly payments increase dramatically after the first three payments of \$99. Therefore, Paramount’s representation as alleged in Paragraph 7 was, and is, false and misleading.
9. Paramount’s practices constitute ^{CamountI}deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS 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. Paramount’s advertisements promoting closed-end credit, including but not necessarily limited to those described in Paragraphs 5 and 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. Paramount’s advertisements promoting closed-end credit, including, but not necessarily limited to those described in Paragraphs 5 and 6, have included TILA triggering terms, but have failed to disclose or disclose

- b. The terms of repayment, which reflect the repayment obligations over the full term of the loan, 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 eleventh day of April, 2014, has issued this complaint against Paramount.

By the Commission.

Donald S. Clark
Secretary