

Analysis of Proposed Consent Order to Aid Public Comment

TT of Longwood, Inc., also doing business as Cory Fairbanks Mazda, File No. 1523047

The Federal Trade Commission (“FTC”) has accepted, subject to final approval, an agreement containing a consent order from TT of Longwood, Inc., also doing business as Cory Fairbanks Mazda. 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’s complaint, the respondent has misrepresented: (1) vehicle purchase prices; (2) that advertised prices, discounts, rebates, bonuses, and incentives are available to all consumers; (3) the prices for added features such as spoilers and sunroofs; (4) that vehicles are available for sale or lease for zero down, zero payments, or zero interest; (5) that vehicles are available for \$99; and (6) that consumers can pay \$0 at the inception of a lease to lease the advertised vehicle for the advertised monthly payment amount. The complaint alleges therefore that the representations are false and misleading in violation of Section 5 of the FTC Act.

In addition, the complaint alleges the respondent violated the Consumer Leasing Act (“CLA”) and Regulation M for failing to disclose or to disclose clearly and conspicuously certain costsid(pi)--15-6(n)o]TJ -36.28 -1.17 Td [(co)-4(s)-5e0.004 Tw piIn

respondent from stating the amount of any payment or that any or no initial payment is required at lease inception without disclosing clearly and conspicuously: (1) that the transaction advertised is a lease; (2) the total amount due at lease signing or delivery; (3) whether or not a security deposit is required; (4) the number, amounts, and timing of scheduled payments; and (5) that an extra charge may be imposed at the end of the lease term. Part III.B prohibits the respondent from violating any provision of the CLA or Regulation M.

Part IV of the proposed order requires the respondent to keep copies of relevant advertisements and materials substantiating claims made in the advertisements. Part V requires the respondent to provide copies of the order to certain of its personnel. Part VI requires notification to the Commission regarding changes in corporate structure that might affect compliance obligations under the order. Part VII requires the respondent to file compliance reports with the Commission. Finally, Part VIII is a provision “sunsetting” the order after twenty (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.