

- b. A visual disclosure, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.
- c. An audible disclosure, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for ordinary consumers to easily hear and understand it.
- d. In any communication using an interactive electronic medium, such as the Internet or software, the disclosure must be unavoidable.
- e. The disclosure must use diction and syntax understandable to ordinary consumers and must appear in each language in which the representation that requires the disclosure appears.
- f. The disclosure must comply with these requirements in each medium through which it is received, including all electronic devices and face-to-face communications.
- g- The disclosure must not be contradicted or mitigated by, or inconsistent with, anything else in the communication.

4. "Material" shall mean likely to affect a person's choice of, or conduct regarding, goods or services.

5. "Motor vehicle" shall mean:

- a. Any self-propelled vehicle designed for transporting persons or property on a street, highway, or other road;
- b. Recreational boats and marine equipment;
- c. Motorcycles;
- d. Motor homes, recreational vehicle trailers, and slide-in campers; and
- e. Other vehicles that are titled and sold through dealers.

I.

IT IS HEREBY ORDERED that Respondent and its officers, agents, representatives, and employees, directly or indirectly, in connection with the marketing, advertising, offering for sale, or sale of used motor vehicles to consumers shall not, in any manner, expressly or by implication:

A. Represent that motor vehicles that Respondent offers for sale are safe, have been repaired for safety issues, or have been subject to a rigorous inspection, unless:

1. The used motor vehicles are not subject to any open recalls relating to safety, and the representation is otherwise not misleading, or
2. Respondent discloses, clearly and conspicuously, and in close proximity to such representation, any material qualifying information related to open recalls, including but not limited to:
 - i. the fact that its used motor vehicles may be subject to recalls for safety issues that have not been repaired, and
 - ii. how consumers can determine whether an individual used motor vehicle is subject to an open recall for safety issues that has not been repaired,

and the representation is otherwise not misleading; *provided further* that prior to the consummation of the sale of an individual used motor vehicle to a consumer, Respondent must clearly and conspicuously provide to the consumer either (a) any written notification from a manufacturer that Respondent has received that the motor vehicle is subject to an open recall for a safety issue, or a document that conveys the same information using a substantially similar format, or (b) a written notification that clearly and conspicuously conveys that the vehicle is subject to an open recall that is unrepaired, and the safety risks associated with the recall, that is made available by the U.S. Department of Transportation's National Highway Traffic Safety Administration ("NHTSA") or a commercial provider of recall information.

B. Misrepresent the following:

1. Whether there is or is not an open recall for safety issues on any used motor vehicle;
2. Whether Respondent repairs used motor vehicles for open safety recalls; and

3. Any other material fact about the safety or recall status of the used motor vehicles it advertises for sale.

II.

IT IS FURTHER ORDERED that Respondent, within sixty (60) days of entry of this Order, must provide, by first class mail to the last known address of every consumer who purchased a used motor vehicle from Respondent between July 1, 2013 and November 20, 2014, a notice on Respondent's letterhead that clearly and conspicuously states the following:

"We want to alert you that some of the used cars we recently sold had been recalled for safety issues, but weren't repaired yet when we sold them. You can check whether the used car you bought from us is subject to an unrepaired recall at the National Highway Traffic Safety Administration's recall website, <https://vinrcl.safercar.gov/vin/>. That site also provides information on how to get your car fixed if it's been recalled."

Respondent shall not include any advertising, marketing, or other promotional information in the notice. Moreover, the mailing shall not include any other documents. The envelope enclosing the notice shall have printed thereon in a clear and conspicuous fashion the disclosure "Important Safety Recall Information."

Provided, however, that Respondent is not required to provide this notice for (A) any used motor vehicle that Respondent can demonstrate was not subject to an open recall for a safety issue at the time of purchase and delivery; (B) any used motor vehicle that was the subject of one or more open recalls for safety issues at the time of purchase and delivery that Respondent can demonstrate have subsequently been fixed; (C) any used motor vehicle that the consumer no longer owns or possesses because the consumer returned it to Respondent within five (5) days of the date of purchase; or (D) any used motor vehicle whose owner, between March 31, 2014, and November 20, 2014, received from Respondent a letter that did not include any advertising, marketing, or other promotional information, informing the owner clearly and conspicuously that the owner purchased a vehicle that may be affected by the GM ignition switch safety recall (NHTSA Campaign Number 14V171000).

For purposes of Subpart (A) of this proviso, records showing that the vehicle was not listed as

the National Highway Traffic Safety Administration's www.safercar.gov database, or on a database with information on vehicle recalls that is generally accepted based on the expertise of professionals in the relevant area to yield accurate and reliable results, shall be deemed sufficient to demonstrate that an open recall for a safety issue has been fixed.

III.

IT IS FURTHER ORDERED that Respondent shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Commission for inspection and copying:

A. Each advertisement or other marketing material that makes any representation covered by the order unless, in comparison to an advertisement or other marketing material already maintained by Respondent pursuant to this Section, g:hato in compae tesat-4(at(r)3(ke)4(t)-2i)-2(ng)10(r

IT IS FURTHER ORDERED that Respondent shall notify the Commission at least thirty (30) days prior to any change in the corporation(s) that may affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. *Provided, however,* that, with reT2 1 0 Tw t,0 fdrT1 1-10(e 68.8(d 20()3(3i8@e 68.8(d 20()3(3i8@e 68)-3.9B

FEDERAL TRADE COMMISSION

Dated: _____

EVAN R. ZULLOW
PETER LAMBERTON
Counsel for the Federal Trade Commission

APPROVED:

DUANE POZZA
Acting Assistant Director
Division of Financial Practices

MALINI MITHAL
Acting Associate Director
Division of Financial Practices

JESSICA L. RICH
Director
Bureau of Consumer Protection