

Analysis of Proposed Consent  
Order to Aid Public Comment

The Federal Trade Commission has accepted agreements to proposed consent orders from respondents Lou Fusz Automotive Network, Inc. and Louis J. Fusz, Jr. ("respondents Lou Fusz"); Frank Bommarito Oldsmobile, Inc. and Frank L. Bommarito ("respondents Frank

Bommarito"); Suntrup Ford, Inc., Suntrup Buick-Pontiac-GMC Truck, Inc., and Thomas Suntrup ("respondents Suntrup"); and Beuckman Ford, Inc. and Fred J. Beuckman, III ("respondents Beuckman").<sup>1</sup> The persons named in these actions are named individually and as officers of their respective corporations.

The proposed consent orders have been placed on the public record for sixty (60) days for receipt of comments by interested persons. Comments received during this period will become

The complaints against respondents Lou Fusz, Bommarito, and Suntrup allege that their

The complaints allege that these companies' ads represented, based on prominent statements of "0  
Down " "No Money Down " and "No Payment til April/March" respectively, that consumers can

which requires that advertisers make advertised terms "usually and customarily" available to consumers.

The complaint against respondents Lou Fusz also alleges that their lease advertisements promoting a "one payment" plan have represented that consumers can lease the advertised vehicles by making equal monthly payments for a specified term. This representation is false, according to the complaint, because the "one payment" plan requires consumers to make all payments owed under the lease agreement at lease signing. These practices, according to the

complaint, constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act

The complaint against respondents Beuckman also alleges that their lease advertisements have represented that consumers can purchase the advertised vehicles by financing the vehicles through credit at the advertised monthly payment and term. According to the complaint, respondents Beuckman failed to disclose adequately that the transaction advertised is a lease. Specifically, the complaint alleges that respondents Beuckman failed to disclose that the term "RCL" is an abbreviation for "Red Carpet Lease" or to otherwise disclose that the advertised monthly payment and term are components of a lease offer. These practices, according to the

stating any amount due at lease inception or that no such amount is required, not including a statement of the periodic payment, unless the advertisement also states with "equal prominence" the total amount due at lease inception. This "prominence" requirement for lease inception fees also is found in the Board's 1996 and 1997 revisions to Regulation M.

The proposed orders also require respondents, in any advertisement that states the amount of any payment, the number of required payments, or that any or no downpayment or other payment is required at consummation of the lease, to also state clearly and conspicuously all of the terms required by Regulation M, as applicable and as follows: that the transaction advertised

required at the consummation of the lease, or that no such payments are required; the number, amounts, due dates or periods of scheduled payments, and the total of such payments under the

The proposed order for respondents Frank Bommarito prohibits these respondents in any

credit advertisement, from misrepresenting the terms of financing a vehicle, including but not limited to the amount of any balloon payment. This proposed order also prohibits respondents Frank Bommarito from stating the amount of any payment or the amount or percentage of any downpayment or amount "down" in any advertisement unless these respondents also state the amount of any final balloon payment prominently and in close proximity to the most prominent of the above statements.

The proposed order also prohibits all respondents from failing to comply in any other