

**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

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

**In the Matter of**  
  
**TC Dealership, L.P.**  
         **a Nevada Limited Partnership,**  
         **d/b/a PLANET HYUNDAI.**

**DOCKET NO. C-4536**

**COMPLAINT**

The Federal Trade Commission, having reason to believe that TC Dealership, L.P., also doing business as Planet Hyundai (“Respondent”), has violated provisions of the Federal Trade Commission Act (“FTC Act”), the Consumer Leasing Act (“CLA”), and its implementing Regulation M, and 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 Nevada limited partnership with its principal office or place of business at 7150 W. Sahara Ave, Las Vegas, NV 89117. Respondent offers motor vehicles for purchase or lease to consumers.
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 November 2014, Respondent has disseminated or caused to be disseminated advertisements to the public promoting the purchase, finance, and leasing of motor vehicles.
4. Respondent has disseminated or caused to be disseminated advertisements to the public promoting consumer leases for motor vehicles, as the terms “advertisement” and “consumer lease” are defined in Section 213.2 of Regulation M, 12 C.F.R. §213.2, as amended.
5. Respondent has 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.

6. Respondent has placed numerous advertisements promoting consumer leases and purchases of motor vehicles, or promoting credit sales and other extensions of closed-end credit in consumer credit transactions, in printed publications, including in the *Las Vegas Review-Journal* newspaper. Exhibit A is an example of a two-page advertisement that Respondent ran in the *Las Vegas Review-Journal*. Respondent's advertisements in other editions of the *Las Vegas Review-Journal* contain substantially similar statements and depictions.

"50% OFF" Prices

7. Respondent's advertisements, including but not limited to the advertisement attached as Exhibit A, deceptively promote offers for motor vehicles with a prominent "50% OFF" statement next to each vehicle. For example, the advertisement attached as Exhibit A features a 2014 Accent with a "50% OFF" price of "\$36/mo" or "\$8,974":



(from Exhibit A, print advertisement, *Las Vegas Review-Journal* ((Nov. 2014))

8. In a block of text near the bottom of the two-page newspaper advertisement, the following statement appears in miniscule print:

All advertised amounts include all Hyundai incentive/rebates, dealer discounts and \$2500 additional down from your trade in value . . . 1.14MY Accent - \*Price excludes tax, title, license, doc, and dealer fees. MSRP \$18075 - \$2451 Dealer Discount - \$2650 HMA rebates - \$4000 Trade Allowance = Net Price \$8974. Lease 36 months with \$0 Cash down payment. On approved credit. Must trade qualifying vehicle . . . All payment and prices include HMA College Grad Rebate, HMA Military Rebate, and HMA Valued Owner Coupon. Must be active military or spouse of same to qualify for HMA Military Rebate. Must graduate college in the next 6 months or within the last 2 years to qualify for HMA College Grad rebate. Must own currently registered Hyundai to qualify for HMA Valued Owner Coupon.

9. Thus, the prominently advertised prices are not generally available to consumers. In fact, a consumer can qualify for the advertised prices only if the consumer meets certain qualifications for incentives, rebates, or discounts, such as being a recent college graduate, being a member of the military, owning a currently registered Hyundai, or trading in a qualifying vehicle.

10. Additionally, Respondent's advertisements state certain terms, such as a monthly payment amount, but only disclose in miniscule print that the advertised monthly payment is for

a lease and the number of scheduled payments. Respondent’s advertisements fail to include other required information, such as the total amount due at signing and whether or not a security deposit is required.

“\$0 DOWN AVAILABLE”

11. Respondent’s advertisements, including but not limited to the advertisement attached as Exhibit A, deceptively promote offers for motor vehicles with a prominent “\$0 DOWN AVAILABLE” statement:



(from Exhibit A, print advertisement, *Las Vegas Review-Journal* ((Nov. 2014))

12. In fact, consumers seeking to obtain the vehicles shown in the advertisements for “\$0 DOWN” must turn in a qualifying vehicle with a trade-in value of at least \$2,500. Thus, “\$0 DOWN” is not available to consumers who do not trade in a qualifying vehicle.

13. Additionally, Respondent’s advertisements state certain terms, such as the amount down, but only disclose in miniscule print that the advertised monthly payment is for a lease and the number of scheduled payments. Respondent’s advertisements fail to include other required information, such as the total amount due at signing and whether or not a security deposit is required.

“0% APR”

14. Respondent’s advertisements, including but not limited to the advertisement attached as Exhibit A, state credit terms such as “\$0% APR for 72 MONTHS\*\*”:



(from Exhibit A, print advertisement, *Las Vegas Review-Journal* ((Nov. 2014))

15. In the block of text near the bottom of the full-page newspaper advertisement, the following statement appears in miniscule print:

\*\*0% APR for 72 months on select models subject to credit approval through HMF.

16. Respondent's advertisements fail to include other required information, such as the terms of repayment.

## **FEDERAL TRADE COMMISSION ACT VIOLATIONS**

### **Count I**

#### **Misrepresentation of Vehicle Purchase Prices**

17. Through the means described in Paragraphs 6 through 9, Respondent has represented, directly or indirectly, expressly or by implication, that consumers can purchase vehicles for the prominently advertised "50% OFF" prices.

18. In fact, vehicles are not generally available for purchase at the prominently advertised "50% OFF" prices. Therefore, the representation set forth in Paragraph 17 is false or misleading.

19. Respondent's practices constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### **Count II**

#### **Misrepresentation of Offer**

20. Through the means described in Paragraphs 6 through 10, Respondent has represented, directly or indirectly, expressly or by implication, that advertised monthly payment amounts are for vehicle purchases, not leases.

21. In fact, the advertised monthly payment amounts are for vehicle leases, not purchases. Therefore, the representation set forth in Paragraph 20 is false or misleading.

22. Respondent's practices constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### **Count III**

#### **Misrepresentation of Amount Due at Signing**

23. Through the means described in Paragraphs 6 and 11 through 13, Respondent has represented, directly or indirectly, expressly or by implication, that consumers can pay \$0 at signing to obtain the vehicles shown in the advertisements for the advertised monthly payment amount.

24. In fact, consumers cannot pay \$0 at signing to obtain the vehicles shown in the advertisements for the advertised monthly payment amount. Consumers must turn in a qualifying vehicle whose trade-in value is at least \$2,500. Therefore, the representation set forth in Paragraph 23 is false or misleading.

25. Respondent's practices constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### **VIOLATION OF THE CONSUMER LEASING ACT AND REGULATION M**

26. Under Section 184 of the CLA and Section 213.7 of Regulation M, advertisements promoting consumer leases are required to make certain disclosures ("CLA additional terms") if they state any of several terms, such as the amount of any payment ("CLA triggering terms"). 15 U.S.C. § 1667c; 12 C.F.R. § 213.7(d).

27. Respondent's advertisements promoting consumer leases, including but not necessarily limited to the advertisements described in Paragraphs 6 through 13, are subject to the requirements of the CLA and Regulation M.

### **Count IV**

#### **Failure to Disclose or to Disclose Clearly and Conspicuously Required Lease Information**

28. Respondent's advertisements promoting consumer leases, including but not necessarily limited to those described in Paragraphs 6 through 13 have included CLA triggering terms, but have failed to disclose or to disclose clearly and conspicuously additional terms required by the CLA and Regulation M, including one or more of the following:

- a. That the transaction advertised is a lease.
- b. The total amount due prior to or at consummation or by delivery, if delivery occurs after consummation.
- c. Whether or not a security deposit is required.
- d. The number, amount, and timing of scheduled payments.
- e. With respect to a lease in which the liability of the consumer at the end of the lease term is based on the anticipated residual value of the property, that an extra charge may be imposed at the end of the lease term.

29. Therefore, the practices set forth in Paragraph 28 have violated Section 184 of the CLA, 15 U.S.C. § 1667c, and Section 213.7 of Regulation M, 12 C.F.R. § 213.7.

## **VIOLATIONS OF THE TRUTH IN LENDING ACT AND REGULATION Z**

30. 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 number of payments or period of repayment (“TILA triggering terms”).

31. Respondent’s advertisements promoting closed-end credit, including but not necessarily limited to those described in Paragraphs 6 and 14 through 16, are subject to the requirements of the TILA and Regulation Z.

### **Count V**

#### **Failure to Disclose or Disclose Clearly and Conspicuously Required Credit Information**

32. Respondent’s advertisements promoting closed-end credit, including but not necessarily limited to those described in Paragraphs 6 and 14 through 16, 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.

33. Therefore, the practices set forth in Paragraph 32 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 thirteenth day of August, 2015, has issued this complaint against Respondent.

By the Commission.

Donald S. Clark  
Secretary

SEAL: