

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION**

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

In the Matter of

INFINITI OF CLARENDON HILLS, INC.,
a corporation.

DOCKET NO. C-4438

COMPLAINT

The Federal Trade Commission, having reason to believe that Infiniti of Clarendon Hills, Inc., a corporation (“respondent”), has violated provisions of the Federal Trade Commission Act (“FTC Act”), the Consumer Leasing Act (“CLA”), and its implementing Regulation M, and it appearing to the Commission that this proceeding is in the public interest, alleges:

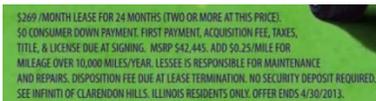
1. Respondent is an Illinois corporation with its principal office or place of business at 415 East Ogden Avenue, Clarendon Hills, Illinois 60514. Respondent offers automobiles for sale or lease to consumers.
2. The acts or practices of respondent alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
3. Since at least May 2013, respondent has disseminated or caused to be disseminated advertisements to the public promoting the purchase, finance, and leasing of automobiles.
4. Respondent has disseminated or caused to be disseminated advertisements promoting consumer leases for automobiles, 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. Such advertisements have been posted on the website YouTube.com. A video copy of one such YouTube.com advertisement is attached as Exhibit A, and a screenshot capture of the video is attached as Exhibit B. The advertisement contains the following statements and depictions:



A picture of a vehicle appears below these prominent statements. While the statements and vehicle appear, a voice-over states:

Lease a 2013 Infiniti G37x Sedan for just 269 a month with no money down.

Also, while the statements and vehicle appear, the following statement appears in small text on the bottom left corner of the screen:



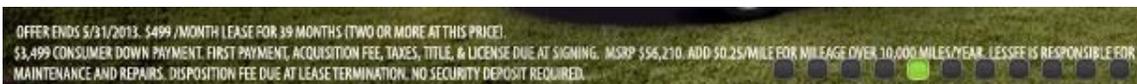
Toward the middle of this statement, the following text appears: "First payment, acquisition fee, taxes, title, & licensing due at signing."

- Respondent also has placed advertisements representing that vehicles are available for "no money down" and specific monthly lease payment amounts on its website, www.infinitiofclarendonhills.com. Screenshot captures of several such advertisements are attached as Exhibit C.

For example, the following statement appears in one advertisement included in Exhibit C:



At the bottom of the advertisements, small text states that additional money is due at lease signing, including the first month's payment and an acquisition fee. In numerous instances, respondent's advertisements also state that a several-thousand dollar downpayment is due at lease signing. For example, the following statement, reflecting a "\$3,499 Consumer Down Payment," appears in one advertisement included in Exhibit C:



Thus, consumers must pay substantially more than the “NO MONEY DOWN” that is prominently stated near the top of the advertisement.

FEDERAL TRADE COMMISSION ACT VIOLATIONS

Count I

Misrepresentation of Amount Due at Lease Inception

7. Through the means described in Paragraphs 5 and 6, respondent has represented, expressly or by implication, that consumers can pay \$0 at lease inception to lease the advertised vehicle for the advertised monthly payment amount.
8. In truth and in fact, consumers cannot pay \$0 at lease inception to lease the advertised vehicle for the advertised monthly payment amount. Consumers must also make downpayments and/or pay fees, including but not limited to the first month’s payment and an acquisition fee, which range from several hundred to several thousand dollars. Therefore, the representation set forth in Paragraph 7 was, and is, false or misleading.
9. 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

10. Under Section 184 of the CLA and Section 213.7 of Regulation M, advertisements promoting consumer leases are required to make certain disclosures (“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.
11. Respondent’s advertisements promoting consumer leases, including but not necessarily limited to those described in Paragraphs 5 and 6, are subject to the requirements of the CLA and Regulation M.

Count II

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

12. Respondent’s advertisements promoting consumer leases, including but not necessarily limited to those described in Paragraphs 5 and 6, 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.
13. Therefore, the practices set forth in Paragraph 12 of this Complaint 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.

THEREFORE, the Federal Trade Commission, this twentieth day of February, 2014, has issued this complaint against respondent.

By the Commission.

Donald S. Clark
Secretary