

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

**COMMISSIONERS:**        **Joseph J. Simons, Chairman**  
                                 **Noah Joshua Phillips**  
                                 **Rohit Chopra**  
                                 **Rebecca Kelly Slaughter**  
                                 **Christine S. Wilson**

**In the Matter of**

**TRAFFIC JAM EVENTS, LLC, a limited liability  
Company, and**

**DAVID J. JEANSONNE II, individually and as an  
Officer of TRAFFIC JAM EVENTS, LLC.**

**DOCKET NO. 9395**

**COMPLAINT**

The Federal Trade Commission, having reason to believe that Traffic Jam Events, LLC, a limited liability company, and David J. Jeansonne II, individually and as an officer of Traffic Jam Events, LLC (collectively, “Respondents”), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Traffic Jam Events, LLC (“Traffic Jam Events”) is a Louisiana limited liability company with its principal place of business at 2232 Idaho Avenue, Kenner, LA 70062.
2. Respondent David J. Jeansonne II, is the owner, managing member, and president of Traffic Jam Events, LLC. Individually or in concert with others, he controlled, had the authority to control, or participated in the acts and practices of Traffic Jam Events, including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of Traffic Jam Events.
3. Respondents have advertised, marketed, promoted, or offered for sale or lease, and sold or leased motor vehicles for or on behalf of auto dealerships nationwide. Respondents create advertising, offer direct mail marketing services, and staff tent sales events to automotive dealerships.
4. The acts and practices of Respondents alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act.

## Defendants' Business Activities

5. Respondents have disseminated or caused to be disseminated deceptive advertisements and promotional materials, including advertisements purporting to provide COVID-19 stimulus relief to consumers.

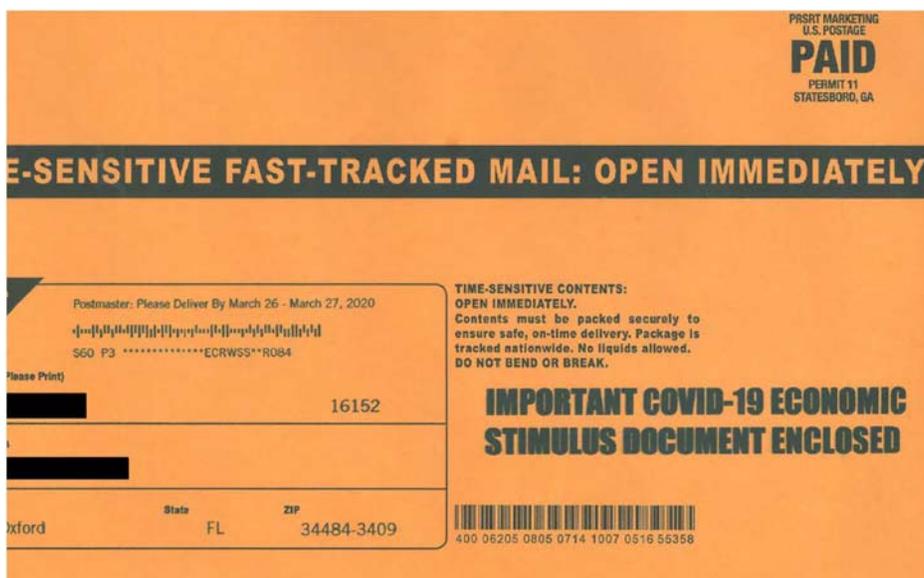
6. Beginning in or around March 2020, Respondents' advertisements sought to lure consumers to dealerships under the guise that valuable government relief related to COVID-19 was available at designated locations for a short period of time.

7. The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), P.L. 116-136, was enacted on March 27, 2020 to provide immediate assistance to individuals, families, and businesses affected by the Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak. The CARES Act provides a \$1,200 stimulus payment to individuals and a \$2,400 payment for married couples, with an additional \$500 payment per qualifying child. Relief begins phasing out when incomes exceed \$75,000 for individual filers and \$150,000 for joint filers.

8. In addition to the monetary relief, the CARES Act provides deferrals on payments for federally-backed mortgages and federal student loans. While it does not provide relief relating to auto loans or auto-related financing, some coronavirus relief proposals have considered such relief.

9. Respondents' deceptive advertisements include an advertisement used for a Florida auto sales event. The advertising materials contain the following statements and depictions:

- A. "TIME-SENSITIVE" mailer purporting to contain "IMPORTANT COVID-19 ECONOMIC STIMULUS DOCUMENTS."



(Exhibit A, Florida mailer envelope).

- B. The notice contained in the mailer states at the top in bold: “URGENT: COVID-19 ECONOMIC AUTOMOTIVE STIMULUS PROGRAM RELIEF FUNDS AVAILABLE • ALL PAYMENTS DEFERRED FOR 120 DAYS.” The notice header also includes a barcode with a notice number that claims to relate to “COVID-19 STIMULUS (INDIVIDUAL)” and a watermark depicting a likeness of the Great Seal of the United States.

**URGENT: COVID-19 ECONOMIC AUTOMOTIVE STIMULUS PROGRAM  
RELIEF FUNDS AVAILABLE • ALL PAYMENTS DEFERRED FOR 120 DAYS**

**Eligible Dates:  
March 27th thru  
April 5th, 2020**



COVID-19 STIMULUS (INDIVIDUAL)  
NOTICE NO. FB02-021225-096781

DATE: 03/25/20  
NOTICE NO: FB02-021225-096781  
ACCOUNT TYPE: COVID-19 STIMULUS (INDIVIDUAL)  
DESCRIPTION: URGENT NOTICE - READ IMMEDIATELY

(Exhibit B, COVID-19 Stimulus notice containing Great Seal in mailer)

- C. Below the header information, the notice claims in bold that “[a] special COVID-19 Economic Automotive Stimulus Program with relief funds and other incentives will be held at 5925 SW 20th St., Bushnell, FL 33513.” A highlighted box touts specific relief similar to the CARES Act relief, including thousands in relief funds and payment deferrals.

At the specified relief headquarters, the following incentives may be available to ALL residents of Bushnell, FL:

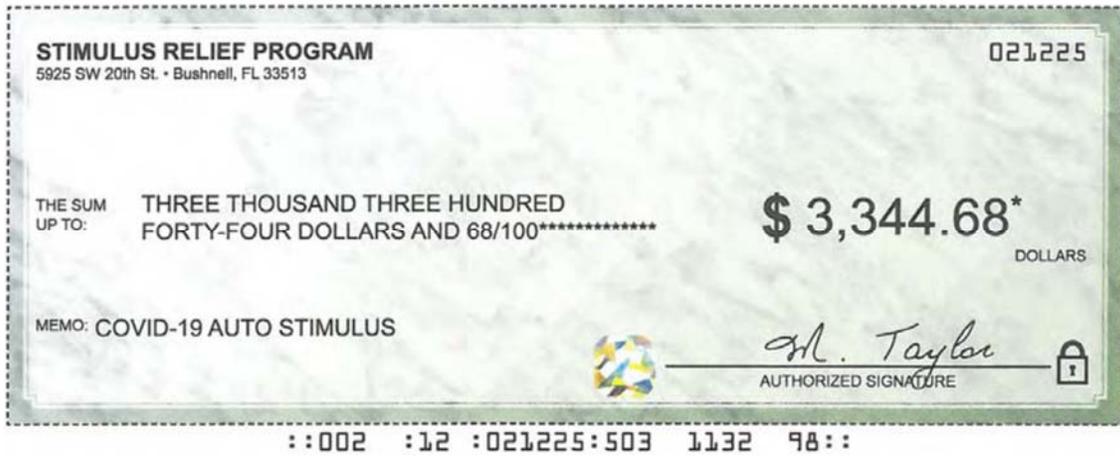
- **0% A.P.R. financing for 60 months.** A variety of vehicles (cars, trucks, SUVs, etc.) will have 0% A.P.R. financing available with little to no money down. <sup>(1)</sup>
- **All payments will be deferred for 120 days.** Do not make a car payment for 120 days/4 months. <sup>(2)</sup>
- **Receive a \$100 Walmart  Gift Card with every vehicle purchase.** Extra funds to be used for any other needs you may have during this time. <sup>(3)</sup>
- **Thousands in Relief Funds with this notice.** Receive additional discounts on your vehicle purchase – check the enclosed documentation for your funds.

- D. The notice repeatedly describes the location as “relief headquarters,” “your designated temporary 10-day site,” and “designated local headquarters.” In particular, the notice represents that consumers “must claim these stimulus incentives at your designated temporary 10-day site: 5925 SW 20th St., Bushnell, FL 33513.”
- E. The notice additionally purports to describe “Mandatory qualifications to receive Stimulus Relief Funds:”

**Mandatory qualifications to receive Stimulus Relief Funds:**

- 1) **Must be permanent U.S. resident.**
- 2) **Must have valid driver's license.**
- 3) **Annual Income cannot exceed \$91,300.00.**

F. Respondents also have included a supposed check issued by “Stimulus Relief Program” with the memo field stating “COVID-19 AUTO STIMULUS” and a space to endorse the check on the back.



(Exhibit C, copy of the purported check contained in mailer)

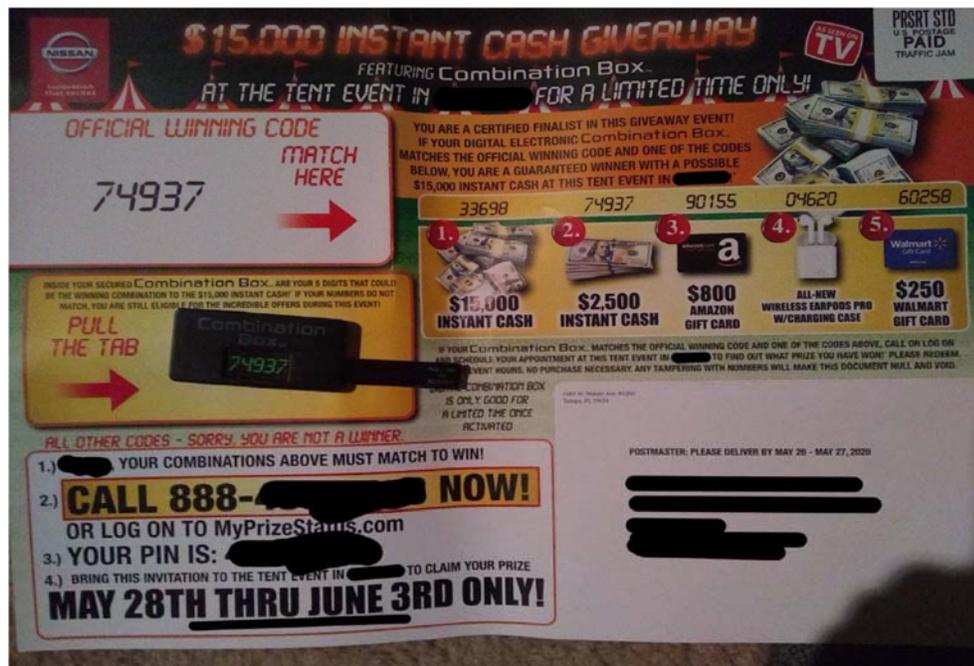
10. Respondents disseminated a similar “TIME-SENSITIVE” mailer purporting to contain “IMPORTANT COVID-19 ECONOMIC STIMULUS DOCUMENTS” to entice consumers to a Chrysler Dodge dealership in Dothan, Alabama (Exhibit D).



11. Respondents proposed additional advertising campaigns to at least one dealership touting “STIMULUS RELIEF FUNDS AND GIVEAWAYS.” The advertisements represented that “THIS STIMULUS MONEY IS BEING ALLOCATED TO THE AUTOMOTIVE INDUSTRY SO THAT YOU, THE PUBLIC CAN BUY A VEHICLE AT NEVER BEFORE SEEN PRICES.” The proposed advertisements repeatedly described “STIMULUS RELIEF HEADQUARTERS” (Exhibit E).

12. Respondents have also disseminated or have caused to be disseminated advertisements and promotional materials claiming that recipients have won prizes to lure individuals and families to auto sales events. For example, as part of an auto sales events from May 28 through June 3, 2020, Respondents disseminated or caused to be disseminated a promotion that lists an “OFFICIAL WINNING CODE,” indicates that the prize for that code is “\$2,500 INSTANT CASH,” and invites consumers to pull a tab to see if the code in their “Combination Box” is the same code. The promotion represents, “If your digital electronic combination box matches the official winning code and one of the codes below, you are a guaranteed winner. . . .”

A. Below is the promotion, with the tab pulled, indicating that the Combination Box code is the WINNING CODE:



(Exhibit F, prize advertisement (redacted by consumer))

B. On the reverse side, in fine print at the bottom of the advertisement, the seventh line states, contrary to the claim that the consumer with a matching code is a “guaranteed winner” of “\$2,500 INSTANT CASH,” that consumers must visit the dealership to see if they have won a prize, and that they only have 1/52000 odds

of winning \$2,500 cash even if their Combination Box contained the winning code.

13. Respondents have been subject to state law enforcement actions for deceptive advertising. The Florida Attorney General sued Respondents on April 23, 2020 over the advertisement described in Paragraph 9. Previously, Indiana and Kansas brought actions against Respondent Traffic Jam Events alleging that Respondent's advertisements represented that consumers had won substantial prizes that could be claimed at auto sales events when, in fact, they had not, resulting in consent agreements. The Indiana agreement is signed by Respondent David Jeansonne II on behalf of Respondent Traffic Jam Events.

14. Respondents have also disseminated advertisements that fail to clearly and conspicuously disclose terms required by federal law. The COVID-19 notice for the Florida sales event described above and included as Exhibit B advertises various vehicles for sale, purportedly as part of the "COVID-19 Economic Stimulus Program" provided by "participating dealers in the area." The notice states particular terms, such as the down payment amount and monthly payment for the vehicles, without clearly and conspicuously disclosing other required terms, such as the repayment terms and annual percentage rate.

## **Violations of the FTC Act**

### **Count I**

#### **Respondents' Deceptive Representations Regarding Government Relief**

15. In connection with the advertising, marketing, promotion, or offering for sale, or sale of motor vehicles, Respondents have represented, directly or indirectly, expressly or by implication, that consumers are receiving official COVID-19 stimulus information; that consumers are receiving COVID-19 stimulus relief, including stimulus checks; and that Respondents are affiliated or otherwise associated with, or approved by, the government.

16. In fact, consumers are not receiving important COVID-19 stimulus information; consumers are not receiving COVID-19 stimulus relief, including stimulus checks and Respondents are not affiliated with, or approved by, the government. Therefore, the representations set forth in Paragraph 15 are false or misleading.

### **Count II**

#### **Respondents' Deceptive Representations Regarding Prize Winnings**

17. In connection with the advertising, marketing, promotion, or offering for sale, or sale of motor vehicles, Respondents have represented, directly or indirectly, expressly or by implication, that consumers have won a specific prize that can be collected by visiting a particular dealership.

18. In fact, consumers have not won the specific prize. Therefore, the representations set forth in Paragraph 17 are false or misleading.

19. The acts and practices of Respondents as alleged in this complaint constitute unfair or deceptive acts or practices, and the making of false advertisements, in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

### **Violations of TILA and Regulation Z**

20. Under Section 144 of the TILA and Section 226.24(d) of Regulation Z, 12 C.F.R. § 226.24(d), as amended, advertisements promoting closed-end credit transactions are required to make certain disclosures (“TILA additional terms”) if they state any of several terms, such as the monthly payment (“TILA triggering terms”).

21. Respondents’ advertisements promote closed-end credit, including but not necessarily limited to those described in Paragraphs 9-10, and Respondent Traffic Jam Events is subject to the requirements of the TILA and Regulation Z.

### **Count III**

22. In numerous instances, Respondents’ advertisements promoting closed-end credit, including, but not limited to, those described in Paragraphs 9-10, have included TILA triggering terms, but have failed to disclose, or failed to disclose clearly and conspicuously, TILA 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, which reflect the repayment obligations over the full term of the loan, including any balloon payment; and
- c. The “annual percentage rate,” using that term, and, if the rate may be increased after consummation, that fact.

23. Therefore, Respondents’ acts or practices as set forth in Paragraph 22 violate 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.

## NOTICE

You are notified that on Tuesday, May 4, 2021, at 10:00 a.m., at the Federal Trade Commission offices, 600 Pennsylvania Avenue, NW, Room 532-H, Washington, DC 20580, an Administrative Law Judge of the Federal Trade Commission will hold a hearing on the charges set forth in this Complaint. At that time and place, you will have the right under the Federal Trade Commission Act to appear and show cause why an order should not be entered requiring you to cease and desist from the violations of law charged in this Complaint.

You are notified that you are afforded the opportunity to file with the Federal Trade Commission (“Commission”) an answer to this Complaint on or before the 14th day after service of the Complaint upon you. An answer in which the allegations of the Complaint are contested must contain a concise statement of the facts constituting each ground of defense; and specific admission, denial, or explanation of each fact alleged in the Complaint or, if you are without knowledge thereof, a statement to that effect. Allegations of the Complaint not thus answered shall be deemed to have been admitted.

If you elect not to contest the allegations of fact set forth in the Complaint, the answer shall consist of a statement that you admit all of the material facts to be true. Such an answer shall constitute a waiver of hearings as to the facts alleged in the Complaint and, together with the Complaint, will provide a record basis on which the Commission shall issue a final decision containing appropriate findings and conclusions and a final order disposing of the proceeding. In such answer, you may, however, reserve the right to submit proposed findings of fact and conclusions of law under § 3.46 of the Federal Trade Commission’s Rules of Practice for Adjudicative Proceedings.

Failure to answer timely will be deemed to constitute a waiver of your right to appear and contest the allegations of the Complaint and will authorize the Commission, without further notice to you, to find the facts to be as alleged in the Complaint and to enter a final decision containing appropriate findings and conclusions and a final order disposing of the proceeding.

The Administrative Law Judge will hold an initial prehearing scheduling conference to be held not later than 10 days after the answer is filed by the last answering respondent in the Complaint. Unless otherwise directed by the Administrative Law Judge, the scheduling conference and further proceedings will take place at the Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Room 532-H, Washington, D.C. 20580. Rule 3.21(a) requires a meeting of the parties’ counsel as early as practicable before the prehearing scheduling conference, but in any event no later than five days after the answer is filed by the last answering respondent. Rule 3.31(b) obligates counsel for each party, within five days of receiving a respondent’s answer, to make certain initial disclosures without awaiting a formal discovery request.

Moreover, the Commission has reason to believe that, if the facts are found as alleged in the complaint, it may be necessary and appropriate for the Commission to seek relief to redress injury to consumers, or other persons, partnerships or corporations, in the form of restitution for past, present, and future consumers and such other types of relief as are set forth in Section 19(b)

of the Federal Trade Commission Act. The Commission will determine whether to apply to a court for such relief based on the adjudicative proceedings in this matter and such other factors as are relevant to consider the necessity and appropriateness of such action.

### **NOTICE OF CONTEMPLATED RELIEF**

Should the Commission conclude from the record developed in any adjudicative proceedings in this matter that Respondents have violated or are violating Section 5 of the FTC Act, as amended, Section 144 of the TILA and Section 226.24(d) of Regulation Z, 12 C.F.R. § 226.24(d), as amended, the Commission may order such relief against Respondents as is supported by the record and is necessary and appropriate, including but not limited to:

- a. A prohibition on advertising and marketing concerning auto vehicles, government relief, or prizes, sweepstakes, and promotions.
- b. A prohibition on misleading representations in connection with the advertising, marketing, promoting, or offering for sale of any product or services.
- c. Relief requiring clear and conspicuous disclosures in connection with any advertisement for the extension of consumer credit, and relief in compliance with the Truth in Lending Act.
- d. A requirement that Respondents must send appropriate notification of the order to any affected persons.
- e. A requirement that, for a period of time, Respondents must send acknowledgments of the order to the Commission.
- f. A requirement that, for a period of time, Traffic Jam Events and David J. Jeansonne must provide prior notice to the Commission of all new business activity.
- g. A requirement to file periodic compliance reports with the Commission.
- h. Requiring that Respondents' compliance with the order may be monitored for a term to be determined by the Commission.

- i. Any other relief appropriate to correct or remedy the effects of Respondents' deceptive practices or of any or all of the conduct alleged in the complaint.

**IN WITNESS WHEREOF**, the Federal Trade Commission has caused this complaint to be signed by its Secretary and its official seal to be hereto affixed, at Washington, DC, this 7<sup>th</sup> day of August, 2020.

By the Commission, Commissioner Slaughter not participating.

  
April J. Tabor  
Secretary

SEAL: