

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION

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In The Matter of	)
	)
	)
	)
MARTY SUSSMAN ORGANIZATION, INC.,	)
a corporation,	)
	)
also d/b/a	)
SUSSMAN HONDA,	)
SUSSMAN ACURA,	)
SUSSMAN MAZDA,	)
SUSSMAN HYUNDAI,	)
SUSSMAN OLDSMOBILE, and	)
SUSSMAN LINCOLN MERCURY, and	)
	)
MARTIN E. SUSSMAN,	)
individually and as an	)
officer of the corporation.	)
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DOCKET NO. C-3923

COMPLAINT

The Federal Trade Commission, having reason to believe that Marty Sussman Organization, Inc., a corporation, also doing business as Sussman Honda, Sussman Acura, Sussman Mazda, Sussman Hyundai, Sussman Oldsmobile, and Sussman Lincoln Mercury, and Martin E. Sussman, individually and as an officer of the corporation, ("respondents") have violated the provisions of the Federal Trade Commission Act, 15 U.S.C. §§ 45-58, as amended, the Consumer Leasing Act, 15 U.S.C. §§ 1667-1667f, as amended, and its implementing Regulation M, 12 C.F.R. § 213, as amended, and the Truth in Lending Act, 15 U.S.C. §§ 1601-1667, as amended, and its implementing Regulation Z, 12 C.F.R. § 226, as amended, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Marty Sussman Organization, Inc. is a Pennsylvania corporation with its principal office or place of business at Jenkintown & Baeder Roads, Jenkintown, Pennsylvania

19046. Respondent offers automobiles for sale or lease to consumers.

2. Respondent Martin E. Sussman is an officer of the corporate respondent. Individually or in concert with others, he formulates, directs, controls, and participates in the policies, acts, or practices of the corporation, including the acts or practices alleged in this complaint. His principal office or place of business is the same as that of the corporate respondent.

3. Respondents have disseminated advertisements to the public that promote consumer leases, as the terms "advertisement" and "consumer lease" are defined in Section 213.2 of Regulation M, 12 C.F.R. § 213.2, as amended.

4. Respondents have disseminated advertisements to the public that promote credit sales and other extensions of closed-end credit in consumer credit transactions, as the terms "advertisement," "credit sale," and "consumer credit" are defined in Section 226.2 of Regulation Z, 12 C.F.R. § 226.2, as amended.

5. 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, 15 U.S.C. § 44.

6. Respondents have disseminated or have caused to be disseminated advertisements promoting consumer leases ("lease advertisements") and/or credit sales ("credit advertisements") for automobiles, including but not necessarily limited to the attached Sussman Exhibits A and B. Sussman Exhibits A and B are advertisements in the print media. These lease and/or credit advertisements contain the following statements:

A.

[Sussman Exhibit A states several lease and credit offers, including:]

**"1998 CUTLASS GL . . .  
1.9% FINANCING AVAILABLE  
\$199  
A MONTH FOR 36 MONTHS"**

[A fine print disclosure next to the monthly payment amount states, "36 month lease based on 12K miles per year with \$2,250 cap cost reduction, bank fee, security deposit, and 1st month payment due at inception with approved credit. Tax and Tags Extra."]

. . .

**"1998 ACURA 2.3 CL**  
**\$279** A MONTH  
FOR 39  
MONTHS . . .

**1998 ACURA 2.5 TL**  
**\$339** A MONTH  
FOR 39  
MONTHS "

[A fine print disclosure below the monthly payment amounts states, "CL & TL 39 month leases based on 12,000 miles per year with \$999 Cap Cost Reduction, bank fee, security deposit, and 1st month payment due at inception with approved credit. Tax and tags extra."] (Sussman Exhibit A)

B.

[Sussman Exhibit B states several lease and credit offers, including:]

**"1998 MAZDA**  
**MILLENNIA L . . .**  
  
**\$239** A MO.  
FOR 36  
MOS."

[A fine print disclosure below the monthly payment amount states, "36 month lease based on 12K miles per year with \$2,000 cap cost reduction, bank fee, and 1st month payment due at inception with approved credit. Tax and tags extra."]

. . .

**"LINCOLN MERCURY . . .**

**1.75%  
Financing  
Available**

**1998 MERCURY SABLE LS . . . \$269**

**A MONTH FOR 33 MONTHS"**

[A fine print disclosure below the monthly payment amount states, "33 month lease based on 12,000 miles per year with \$1,995 cap cost reduction, 1st month payment, security deposit due at inception with approved credit. Tax and tags extra. Price includes all rebates." ] (Sussman Exhibit B)

FEDERAL TRADE COMMISSION ACT VIOLATIONS  
Count I: Failure to Disclose Lease Terms

7. In lease advertisements, including but not necessarily limited to Sussman Exhibits A and B, respondents have represented, expressly or by implication, that consumers can lease the advertised vehicles at the terms prominently stated in the advertisements, including but not necessarily limited to the monthly payment amount.

8. These lease advertisements have failed to disclose additional terms pertaining to the lease offer, such as the total amount due at lease inception. This information would be material to consumers in deciding whether to visit respondents' dealerships and/or whether to lease an automobile from respondents. The failure to disclose these additional terms, in light of the representation made, was, and is, a deceptive practice.

9. Respondents' practices constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a).

CONSUMER LEASING ACT AND REGULATION M VIOLATIONS  
Count II: Failure to Disclose Required Information

10. Respondents' lease advertisements, including but not necessarily limited to Sussman Exhibits A and B, state a monthly payment amount, but fail to disclose certain additional terms required by the Consumer Leasing Act and Regulation M, including one or more of the following terms:

- 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. This total amount may: 1) exclude third-party fees that vary by state or locality, such as taxes, licenses, and registration fees, and disclose that fact or 2) provide a total that includes third-party fees based on a particular state or locality as long as that fact and the fact that such fees may vary by state or locality are disclosed;
- c. whether or not a security deposit is required;
- d. the number, amounts, and timing of scheduled payments; and
- e. that an extra charge may be imposed at the end of the lease term in a lease where the liability of the consumer is based on the difference between the residual value of the leased property and its realized value at the end of the lease term.

11. Respondents' practices have violated Section 184 of the Consumer Leasing Act, 15 U.S.C. § 1667c, and Section 213.7 of Regulation M, 12 C.F.R. § 213.7.

Count III: Failure to Disclose the Total Amount Due  
at Lease Signing with Equal Prominence

12. Respondents' lease advertisements, including but not necessarily limited to Sussman Exhibits A and B, state a downpayment amount more prominently than the disclosure of the total amount due at lease signing, in violation of Section 213.7(b)(1) of Regulation M, 12 C.F.R. § 213.7(b)(1).

13. Respondents' practices have violated Section 213.7(b)(1) of Regulation M, 12 C.F.R. § 213.7(b)(1).

TRUTH IN LENDING ACT AND REGULATION Z VIOLATIONS  
COUNT IV: Failure to State Rate of Finance Charge  
as Annual Percentage Rate

14. In credit advertisements, including but not necessarily limited to Sussman Exhibits A and B, respondents have stated a rate of finance charge without stating that rate as an "annual percentage rate," using that term or the abbreviation "APR."

15. Respondents' practice constitutes a violation of Section 144 and 107 of the TILA, 15 U.S.C. §§ 1664 and 1606, respectively, and Sections 226.24(b) and 226.22 of Regulation Z, 12 C.F.R. §§ 226.24(b) and 226.22, respectively.

THEREFORE, the Federal Trade Commission this seventh day of February, 2000, has issued this complaint against respondents.

By the Commission.

Donald S. Clark  
Secretary

SEAL: