

Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of Ganley Ford West, Inc.
File No. 1223269

The Federal Trade Commission (“FTC”) has accepted, subject to final approval, an agreement containing a consent order from Ganley Ford West, Inc. The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the FTC will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement’s proposed order.

The respondent is a motor vehicle dealer. According to the FTC complaint, respondent has advertised that particular Ford models are available at a specific dealer discount. The complaint alleges that, in fact, once consumers reach the dealership, they find out that respondent has failed to disclose that the specific discounts are only available for some, but not all, of the Ford models advertised. The failure to disclose this information could be materially misleading to consumers wishing to purchase one of the numerous other versions of the model. The complaint alleges, therefore, that the representations constitute deceptive acts or practices in violation of Section 5 of the FTC Act.

The proposed order is designed to prevent the respondent from engaging in similar deceptive practices in the future. Section I.A of the proposed consent order prohibits respondent from representing that a discount, rebate, bonus, incentive or price is available to consumers unless the representation clearly and conspicuously discloses all material qualifications or restrictions, if any, including but not limited to qualifications or restrictions on: (a) a consumer’s ability to obtain the discount, rebate, bonus, incentive or price or (b) the vehicles available at the discount, rebate, bonus, incentive or price.

Section I.B. prohibits respondent from misrepresenting: 1) the existence or amount of any discount, rebate, bonus, incentive or price; 2) the existence, price, value, coverage, or features of any product or service; 3) the number of vehicles available at particular prices; or 4) any other material fact about the price, sale, financing, or leasing of motor vehicles.

Part II of the proposed order requires respondent to keep copies of relevant advertisements and materials substantiating claims made in the advertisements. Part III requires that respondent provide copies of the order to certain of its personnel. Part IV requires notification to the Commission regarding changes in corporate structure that might affect compliance obligations under the order. Part V requires the respondent to file compliance reports with the Commission. Finally, Part VI is a provision “sunsetting” the order after twenty (20) years, with certain exceptions.

The purpose of this analysis is to aid public comment on the proposed order. It is not intended to constitute an official interpretation of the complaint or proposed order, or to modify in any way the proposed order’s terms.