

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION**

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

In the Matter of

**NISSAN OF SOUTH ATLANTA, LLC,
also d/b/a NISSAN SOUTH
a corporation,**

DOCKET NO. C-4441

COMPLAINT

The Federal Trade Commission, having reason to believe that Nissan of South Atlanta, LLC, also doing business as Nissan South (“respondent”), has violated provisions of the Federal Trade Commission Act (“FTC Act”), 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 Georgia corporation with its principal office or place of business at 6889 Jonesboro Road, Morrow, Georgia, 30260-2902. 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 February 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 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.
5. Such advertisements include print advertisements published in paper circulations of Cars Magazine. A copy of one such advertisement is attached as Exhibit A. This advertisement contains the statements and depictions described below. Respondent’s advertisements in other editions of Cars Magazine contain substantially similar statements.

- a. The top portion of the advertisement attached as Exhibit A includes the following representation in large, bold font:

\$0 DOWN \$99/MO

- b. The middle portion of the advertisement depicts several vehicles, most of which contain the representation:

\$0 DOWN · \$99/MO

- c. The bottom portion of the advertisement includes the following representation in small text:

\$0 DOWN AT 5.499% APR FOR 84 MONTHS WITH APPROVED CREDIT. SEE DEALER FOR DETAILS. DEALER RETAINS ALL REBATES. \$99/MO IS FOR 1ST 2 MONTHS. CANNOT EXCEED TOTAL VALUE OF \$800. NOT APPLICABLE WITH ANY OTHER OFFER

6. Respondent's advertisements fail to state clearly and conspicuously that consumers will pay \$99 per month for only the first two months of an 84-month period. The advertisements also fail to state the amount of each payment beyond the first two months of financing.

FEDERAL TRADE COMMISSION ACT VIOLATIONS

Count I

Misrepresentation Regarding Monthly Payment Amount

7. Through the means described in Paragraph 5, respondent has represented, expressly or by implication, that consumers can finance vehicles for the prominently advertised terms, including the advertised monthly payment amount.
8. In truth and in fact, consumers cannot finance the vehicles for the prominently advertised terms, including the advertised monthly payment amount of \$99. Instead, consumers pay \$99 each month for the first two months only, and consumers owe a different monthly amount for the remaining 82 months. Accordingly, respondent's representation as alleged in Paragraph 7 was, and is, false and 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).

VIOLATIONS OF THE TRUTH IN LENDING ACT AND REGULATION Z

10. 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 monthly payment (“TILA triggering terms”).
11. Respondent’s advertisements promoting closed-end credit, including but not necessarily limited to those described in Paragraph 5, are subject to the requirements of the TILA and Regulation Z.

Count II

Failure to Disclose or Disclose Clearly and Conspicuously Required Credit Information

12. Respondent’s advertisements promoting closed-end credit, including but not necessarily limited to those described in Paragraph 5, 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.
13. Therefore, the practices set forth in Paragraph 12 of this Complaint 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 twenty-eighth day of February, 2014, has issued this complaint against respondent.

By the Commission.

Donald S. Clark
Secretary