UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION

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

In the Matter of

DOCKET NO. C-4435

Mohammad Sabha, also d/b/a RAINBOW AUTO SALES

COMPLAINT

The Federal Trade Commission, having reason to believe that Mohammad Sabha ("respondent"), an individual trading and doing business as Rainbow Auto Sales, has violated provisions of the Federal Trade Commission Act ("FTC Act"), and it appearing to the Commission that this proceeding is in the public interest, alleges:

- 1. Respondent Mohammad Sabha is an individual trading and doing business as Rainbow Auto Sales with his principal office or place of business at 3700 Firestone Blvd., South Gate, California 90280. Individually, or in concert with others, he formulates, directs, controls, or participates in the policies, acts, or practices alleged in this complaint.
- 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 March 1, 2013, respondent has disseminated or caused to be disseminated advertisements to the public promoting the purchase and finance of automobiles.
- 4. Respondent has placed advertisements in numerous editions of a free advertising circular titled *myautoplus.com*. Each edition of the circular is also made available online at www.myautoplus.com. A copy of one such advertisement is attached is Exhibit A. This advertisement contains the statements and depictions described in Paragraphs 5 and 6 below. Respondent's other advertisements in *myautoplus.com* contain substantially similar statements and depictions.
- 5. Respondent's advertisements, including but not limited to the advertisement attached as Exhibit A, include numerous photographs of individual automobiles offered for sale. A price is prominently displayed immediately below each automobile. For example, the advertisement attached as Exhibit A features a 2003 Hummer H2 as follows:



6. The following statements related to the prices of the featured vehicles appear in small print at the bottom of respondent's advertisements, including but not limited to the advertisement attached as Exhibit A:

Precios despues de \$5,000 de enganche + tax + licencia + cargos por documentación con crédito aprobado.

(This statement translated into English is: "Prices after \$5,000 down + tax + license + documentation fees with credit approval.")

Prices after \$5,000 down + tax + lic + doc fees on approved credit.

7. Thus, the actual price of each of respondent's advertised vehicles is \$5,000 more than the dollar amount that is prominently displayed immediately below the vehicle.

FEDERAL TRADE COMMISSION ACT VIOLATIONS

<u>Count I</u>

Misrepresentation Regarding Purchase Price of the Vehicles

- 8. In numerous instances, through the means described in Paragraphs 4 and 5, respondent has represented, expressly or by implication, that vehicles are available for purchase at the prices prominently advertised.
- 9. In truth and in fact, vehicles are not available for purchase at the prices prominently advertised. Consumers must pay an additional \$5,000 to purchase the advertised vehicles. Therefore, respondent's representation as alleged in Paragraph 8 was, and is, false and misleading.

10. 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).

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

By the Commission.

Donald S. Clark Secretary