

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

**COMMISSIONERS:**        **Edith Ramirez, Chairwoman  
Maureen K. Ohlhausen  
Terrell McSweeney**

**In the Matter of**

**PROGRESSIVE CHEVROLET  
COMPANY,  
a corporation, also d/b/a**

**PROGRESSIVE AUTO GROUP,  
PROGRESSIVE JEEP, and  
PROGRESSIVE CHRYSLER,**

**and**

**PROGRESSIVE MOTORS, INC.,  
a corporation, also d/b/a**

**PROGRESSIVE RAM and  
PROGRESSIVE CHRYSLER JEEP  
DODGE INC.**

**DOCKET NO. C-4578**

**DECISION AND ORDER**

The Federal Trade Commission (“Commission”), having initiated an investigation of certain acts and practices of the Respondents named in the caption hereof, and the Respondents having been furnished thereafter with a copy of a draft of a complaint which the East Central Region-Cleveland proposed to present to the Commission for its consideration and which, if issued, would charge the Respondents with violations of the Federal Trade Commission Act (“FTC Act”), the Consumer Leasing Act (“CLA”), and its implementing Regulation M; and

The Respondents, their attorney, and counsel for the Commission having thereafter executed an Agreement Containing a Consent Order (“consent agreement”), which includes: a statement by the Respondents that they neither admit nor deny any of the allegations in the draft complaint except as specifically stated in the consent agreement, and, only for purposes of this action, admit the facts necessary to establish jurisdiction; and waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the Respondents have violated the FTC Act, the CLA, and its implementing Regulation M, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, and having duly considered the comment received from an interested person, now in further conformity with the procedure prescribed in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Progressive Chevrolet Company is an Ohio corporation with its principal office or place of business at 8000 Hills and Dales Road, Massillon, Ohio 44646. Respondent offers automobiles for sale or lease to consumers.
2. Respondent Progressive Motors, Inc. is an Ohio corporation with its principal office or place of business at 7966 Hills and Dales Road, Massillon, Ohio 44646. Respondent offers automobiles for sale or lease to consumers.
3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondents, and the proceeding is in the public interest.

## **ORDER**

### **DEFINITIONS**

For purposes of this order, the following definitions shall apply:

1. Unless otherwise specified, “Respondents” shall mean Progressive Chevrolet Company, Progressive Motors, Inc., and their successors and assigns.
2. “Advertisement” shall mean a commercial message in any medium that directly or indirectly promotes a consumer transaction.
3. “Clearly and conspicuously” shall mean as follows:
  - a. In a print advertisement, the disclosure shall be in a type size, location, and in print that contrasts with the background against which it appears, sufficient for an ordinary consumer to notice, read, and comprehend it.

- b. In an electronic medium, an audio disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. A video disclosure shall be of a size and shade and appear on the screen for a duration, and in a location, sufficient for an ordinary consumer to read and comprehend it.
- c. In a television or video advertisement, an audio disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. A video disclosure shall be of a size and shade, and appear on the screen for a duration, and in a location, sufficient for an ordinary consumer to read and comprehend it.
- d. In a radio advertisement, the disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it.
- e. In all advertisements, the disclosure shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement or promotion.

4. “Consumer lease” shall mean a contract in the form of a bailment or lease for the use of personal property by a natural person primarily for personal, family, or household purposes, for a period exceeding four months and for a total contractual obligation not exceeding the applicable threshold amount, whether or not the lessee has the option to purchase or otherwise become the owner of the property at the expiration of the lease, as set forth in Section 213.2 of Regulation M, 12 C.F.R. § 213.2, as amended.

5. “Lease inception” shall mean prior to or at consummation of the lease or by delivery, if delivery occurs after consummation.

6. “Material” shall mean likely to affect a person’s choice of, or conduct regarding, goods or services.

7. “Motor vehicle” shall mean:

- a. Any self-propelled vehicle designed for transporting persons or property on a street, highway, or other road;
- b. Recreational boats and marine equipment;
- c. Motorcycles;
- d. Motor homes, recreational vehicle trailers, and slide-in campers; and
- e. Other vehicles that are titled and sold through dealers.

## I.

**IT IS HEREBY ORDERED** that Respondents and their officers, agents, representatives, and employees shall not, directly or indirectly, expressly or by implication:

- A. In an advertisement concerning the leasing or financing of a motor vehicle, represent the amount of any monthly payment, periodic payment, initial payment, or down payment, or the length of any payment term, unless the representation is non-misleading, and the advertisement clearly and conspicuously discloses all qualifications or restrictions on the consumer's ability to obtain the represented terms, including but not limited to qualifications or restrictions based on the consumer's credit score. *Provided, further,* that, if a majority of consumers likely will not be able to meet a stated credit score qualification or restriction, the advertisement must clearly and conspicuously disclose that fact.
- B. Misrepresent the cost of:
  - 1. Purchasing a vehicle with financing, including but not limited to, the amount or percentage of the down payment, the number of payments or period of repayment, the amount of any payment, and the repayment obligation over the full term of the loan, including any balloon payment; or
  - 2. Leasing a vehicle, including but not limited to, the total amount due at lease inception, the down payment, amount down, acquisition fee, capitalized cost reduction, any other amount required to be paid at lease inception, and the amounts of all monthly or other periodic payments.
- C. Misrepresent any other material fact about the price, sale, financing, or leasing of any motor vehicle.

## II.

**IT IS FURTHER ORDERED** that Respondents and their officers, agents, representatives, and employees shall not, in connection with any advertisement for any consumer lease, directly or indirectly, expressly or by implication:

- A. State the amount of any payment or that any or no initial payment is required at lease inception, without disclosing clearly and conspicuously the following terms:

1. that the transaction advertised is a lease;
  2. the total amount due prior to or at consummation or by delivery, if delivery occurs after consummation;
  3. the number, amounts, and timing of scheduled payments;
  4. whether or not a security deposit is required; and
  5. that an extra charge may be imposed at the end of the lease term where the consumer's liability (if any) is based on the difference between the residual value of the leased property and its realized value at the end of the lease term.
- B. Fail to comply in any respect with Regulation M, 12 C.F.R. Part 213, as amended, and the Consumer Leasing Act, 15 U.S.C. §§ 1667-1667f, as amended.

### **III.**

**IT IS FURTHER ORDERED** that Respondents shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Commission for inspection and copying:

- A. All advertisements and promotional materials containing the representation;
- B. All materials that were relied upon in disseminating the representation;
- C. All evidence in their possession or control that contradicts, qualifies, or calls into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations; and
- D. Any documents reasonably necessary to demonstrate full compliance with each provision of this order, including, but not limited to, all documents obtained, created, generated, or that in any way relate to the requirements, provisions, or terms of this order, and all reports submitted to the Commission pursuant to this order.

#### IV.

**IT IS FURTHER ORDERED** that Respondents shall deliver a copy of this order to all current and future principals, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order, with any electronic signatures complying with the requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.* Respondents shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

#### V.

**IT IS FURTHER ORDERED** that Respondents shall notify the Commission at least thirty (30) days prior to any change in the corporation(s) that may affect compliance obligations arising under this order, including, but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. *Provided, however,* that, with respect to any proposed change in the corporation about which Respondents learn less than thirty (30) days prior to the date such action is to take place, Respondents shall notify the Commission as soon as is practicable after obtaining such knowledge. Unless otherwise directed by a representative of the Commission in writing, all notices required by this Part shall be emailed to [Debrief@ftc.gov](mailto:Debrief@ftc.gov) or sent by overnight courier (not U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. The subject line must begin: *In re Progressive Chevrolet Company and Progressive Motors, Inc.*

#### VI.

**IT IS FURTHER ORDERED** that Respondents, within sixty (60) days after the date of service of this order, shall file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form of its own compliance with this order. Within ten (10) days of receipt of written notice from a representative of the Commission, it shall submit additional true and accurate written reports.

#### VII.

This order will terminate on June 13, 2036, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; *provided, however,* that the filing of such a complaint will not affect the duration of:

- A. Any Part in this order that terminates in less than twenty (20) years;
- B. This order's application to any Respondent that is not named as a defendant in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this Part.

*Provided, further,* that if such complaint is dismissed or a federal court rules that a Respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission.

Donald S. Clark  
Secretary

SEAL:  
ISSUED: June 13, 2016