



PARAGRAPH THREE: Huling Bros. Chrysler/Plymouth, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington, with its principal place of business located at 4550 Fauntleroy Way S.W., Seattle, Washington 98126.

PARAGRAPH FOUR: In the ordinary course and conduct of their business, respondents have been engaged in the dissemination of advertisements that promote, directly or indirectly, credit sales and other extensions of closed-end credit in consumer credit transactions, as the terms "advertisement," "credit sale," "closed-end credit," and "consumer credit" are defined in the TILA and Regulation Z.

PARAGRAPH FIVE: The acts and practices of respondents alleged in this complaint have been and are in or affecting commerce, as "commerce" is defined in the FTC Act.

#### **COUNT ONE**

PARAGRAPH SIX: Respondent Huling Bros. Chevrolet, Inc., in the course and conduct of its business, on numerous occasions has disseminated, or caused to be disseminated, advertisements that state annual percentage rates as well as monthly payment amounts and vehicle sales prices. In fact, in many instances, the advertisements understate the annual percentage rates by more than 1/4 of 1 percentage point, thereby failing to disclose accurately the annual percentage rate.

PARAGRAPH SEVEN: Respondent's aforesaid practice violates Sections 107 and 144(c) and (d) of the TILA, 15 U.S.C. §§ 1606 and 1664(c) and (d), and Sections 226.22(a) and 226.24(b) and (c) of Regulation Z, 12 C.F.R. §§ 226.22(a) and 226.24(b) and (c), and constitutes an unfair or deceptive act or practice, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

#### **COUNT TWO**

PARAGRAPH EIGHT: Respondents Huling Bros. Chevrolet, Inc., Huling Buick, Inc., and Huling Bros. Chrysler/Plymouth, Inc., in the course and conduct of their business, on numerous occasions have disseminated, or caused to be disseminated, advertisements that state the amount or percentage of any downpayment, the number of payments or period of repayment, or the amount of any payment, but fail to state the annual percentage rate.

PARAGRAPH NINE: Respondents' aforesaid practice violates Section 144(d) of the TILA, 15 U.S.C. § 1664(d), and Section 226.24(c) of Regulation Z, 12 C.F.R. § 226.24(c).

### COUNT THREE

PARAGRAPH TEN: Respondents Huling Bros. Chevrolet, Inc., and Huling Buick, Inc., in the course and conduct of their business, on numerous occasions have disseminated, or caused to be disseminated, advertisements that state conflicting monthly payment amounts for the same transaction, thereby failing to disclose accurately the terms of repayment.

PARAGRAPH ELEVEN: Respondents' aforesaid practice violates Section 144(d) of the TILA, 15 U.S.C. § 1664(d), and Section 226.24(c) of Regulation Z, 12 C.F.R. § 226.24(c), and constitutes an unfair or deceptive act or practice, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### COUNT FOUR

PARAGRAPH TWELVE: Respondents Huling Bros. Chevrolet, Inc., Huling Buick, Inc., and Huling Bros. Chrysler/Plymouth, Inc., in the course and conduct of their business, on numerous occasions have disseminated, or caused to be disseminated, advertisements that state terms of repayment (such as monthly payment amounts) or annual percentage rates that are not actually arranged or offered by respondents.

PARAGRAPH THIRTEEN: Respondents' aforesaid practice violates Section 142 of the TILA, 15 U.S.C. § 1662, and Section 226.24(a) of Regulation Z, 12 C.F.R. § 226.24(a), and constitutes an unfair or deceptive act or practice, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### COUNT FIVE

PARAGRAPH FOURTEEN: Respondents Huling Bros. Chevrolet, Inc., Huling Buick, Inc., and Huling Bros. Chrysler/Plymouth, Inc., in the course and conduct of their business, in numerous instances including but not limited to Exhibits A and B, have disseminated, or caused to be disseminated, advertisements offering new motor vehicles that state monthly payment amounts, sale prices, and rebates. In many instances, the advertisements represent that "College Graduate" or "1st Time Buyer" rebates are available in conjunction with a payment plan in which monthly payments are at one amount for the first 12 months and are approximately double that amount thereafter ("Half Payment Program"). In fact, these rebates are not available to purchasers who choose the Half Payment Program.

PARAGRAPH FIFTEEN: Respondents' aforesaid practice constitutes an unfair or deceptive act or practice, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**COUNT SIX**

PARAGRAPH SIXTEEN: Respondent Huling Buick, Inc., in the course and conduct of its business, has disseminated, or caused to be disseminated, advertisements that state a rate of a finance charge, but fail to state the rate as an "annual percentage rate," using that term or the abbreviation "APR."

PARAGRAPH SEVENTEEN: Respondent's aforesaid practice violates Section 144(c) of the TILA, 15 U.S.C. § 1664(c), and Section 226.24(b) of Regulation Z, 12 C.F.R. § 226.24(b).

THEREFORE, the Federal Trade Commission this fourteenth day of April, 1997, has issued this complaint against respondents.

By the Commission.

Donald S. Clark  
Secretary

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[Exhibits A and B are attached to paper copies of the complaint, but are not available in electronic form.]