

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

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

**In the Matter of**

**JS AUTOWORLD, INC.,  
a Nevada Corporation,  
d/b/a PLANET NISSAN.**

**DOCKET NO.** \_\_\_\_\_

**COMPLAINT**

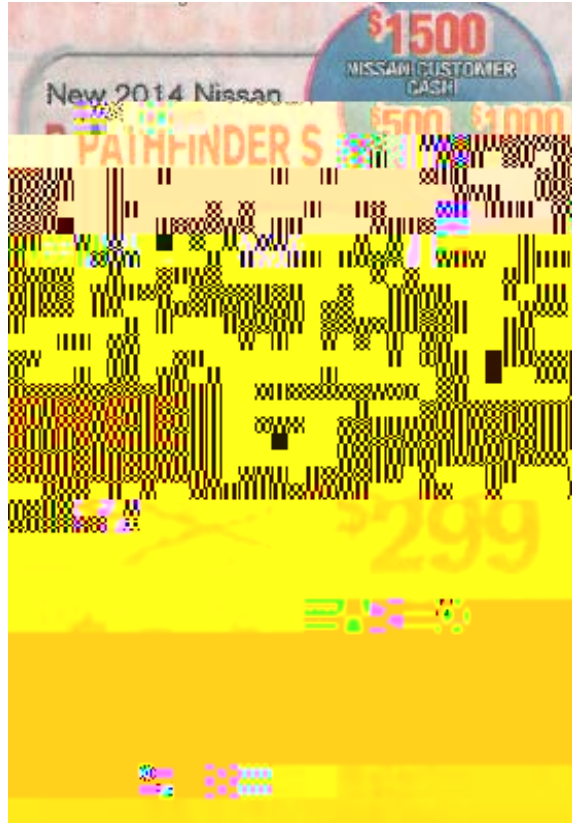
The Federal Trade Commission, having reason to believe that JS Autoworld, Inc., also doing business as Planet Nissan (“Respondent”), has violated provisions of the Federal Trade Commission Act (“FTC Act”), the Consumer Leasing Act (“CLA”), and its implementing Regulation M, and the Truth in Lending Act (“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 Nevada corporation with its principal office or place of business at 5850 Centennial Center Blvd, Las Vegas, NV 89149. Respondent offers motor vehicles for purchase 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 July 2014, Respondent has disseminated or caused to be disseminated advertisements to the public promoting the purchase, finance, and leasing of motor vehicles.
4. Respondent has disseminated or caused to be disseminated advertisements to the public promoting consumer leases for motor vehicles, as the terms “advertisement” and “consumer lease” are defined in Section 213.2 of Regulation M, 12 C.F.R. §213.2, as amended.
5. 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.
6. Respondent has placed numerous advertisements promoting consumer leases and purchases of motor vehicles, or promoting credit sales and other extensions of closed-end credit

in consumer credit transactions, in printed publications, including in the *Las Vegas Review-Journal* newspaper. Exhibit A is an example of a full-page advertisement that Respondent ran in the *Las Vegas Review-Journal*. Respondent's advertisements in other editions of the

“PURCHASE! NOT A LEASE!”

10. Respondent’s advertisements, including but not limited to the advertisement attached as Exhibit A, deceptively promote offers for motor vehicles with a bright yellow “PURCHASE! NOT A LEASE!” statement next to each vehicle. For example, the advertisement attached as Exhibit A promotes a 2014 Nissan Pathfinder S with a “NOW” price of “\$299” or “\$24,777” as a “PURCHASE! NOT A LEASE!”:



(from Exhibit A, print advertisement, *Las Vegas Review-Journal* ((Nov. 2014))

11. Below the depicted vehicle, the advertisement states in small print: “#25114, 2 or more at this price, \$1000 Trade Assistance & \$600 VPP/Active Military discount and \$600 College Grad discount. \$299 - 36 month lease with \$2,000 due at signing, 12K miles per year.” Thus, despite the prominent “PURCHASE! NOT A LEASE!” statement, the advertised “\$299” payment is for a lease, not a purchase.

12. Additionally, Respondent’s advertisements state certain terms, such as a payment amount, but only disclose in small print the amount due at signing, the number and timing of scheduled payments, and that the advertised payment is a monthly amount and for a lease. Respondents’ advertisements fail to include other required information, such as whether or not a security deposit is required.

“\$0 DOWN”

13. Respondent’s advertisements, including but not limited to the advertisement attached as Exhibit B, deceptively promote offers for motor vehicles with a prominent “\$0 DOWN” statement near the depicted vehicle. For example, the advertisement attached as Exhibit B promotes a 2014 Nissan Pathfinder for “\$0 DOWN”:

(from Exhibit B, Facebook page posting, <https://www.facebook.com/planetnissan> (July 2014))

14. Beneath this prominent statement, the advertisement states in small print: “#25114, 2 or more at this price, \$1000 Trade Assistance & \$600 VPP/Active Military discount and \$600 College Grad discount. \$299 - 36 month lease with \$2,000 due at signing, 12K miles per year.” Thus, the offer is for a lease, and consumers must pay at least \$2,000 at lease sig

17. In a block of text at the bottom of the full-



31. Therefore, the practices set forth in Paragraph 30 have violated Section 184 of the CLA, 15 U.S.C. § 1667c, and Section 213.7 of Regulation M, 12 C.F.R. § 213.7.

### **VIOLATIONS OF THE TRUTH IN LENDING ACT AND REGULATION Z**

32. 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 number of payments or period of repayment (“TILA triggering terms”).

33. Respondent’s advertisements promoting closed-end credit, including but not necessarily limited to those described in Paragraphs 6 and 16 through 18, are subject to the requirements of the TILA and Regulation Z.