

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

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

<p><b>In the Matter of</b></p> <p><b>PROGRESSIVE CHEVROLET COMPANY, a corporation, also d/b/a</b></p> <p><b>PROGRESSIVE AUTO GROUP, PROGRESSIVE JEEP, and PROGRESSIVE CHRYSLER,</b></p> <p style="text-align: center;"><b>and</b></p> <p><b>PROGRESSIVE MOTORS, INC., a corporation, also d/b/a</b></p> <p><b>PROGRESSIVE RAM and PROGRESSIVE CHRYSLER JEEP DODGE INC.</b></p>	<p><b>DOCKET NO. C-</b></p>
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**COMPLAINT**

The Federal Trade Commission, having reason to believe that 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. (collectively, “Respondents”), have violated the provisions of the Federal Trade Commission Act, the Consumer Leasing Act (“CLA”), and its implementing Regulation M, and it appearing to the Commission that this proceeding is in the public interest, alleges:

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. Respondents have disseminated or caused to be disseminated advertisements to the public that promote consumer leases for automobiles, as the terms “advertisement” and “consumer lease” are defined in Section 213.2 of Regulation M, 12 C.F.R. § 213.2, as amended.

4. The acts and practices of Respondents alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.
5. Since at least April 2014, Respondents have disseminated or have caused to be disseminated advertisements to the public promoting the leasing of automobiles online and in print, including but not necessarily limited to the attached Exhibit A. The nearly full-page advertisement contains the following statements and depictions:

**Sign & Drive Leases                      ALL LEASES ARE  
ZERO DOWN!!!!!!      Zip, Zero, Zilch – Nothing Down**

6. The advertisement displays two columns – Progressive Chevrolet Company, on the left, advertises three new 2014 Chevrolet vehicles and Progressive Motors, Inc., on the right, advertises six new 2014 Chrysler vehicles. Each pictured vehicle states a lease cost per month. There is no stated length of the lease within close proximity of each vehicle. With each pictured vehicle are the statements repeated from the beginning of the ad: “Sign & Drive” and “Zip, Zero, Zilch – Nothing Down.” These phrases are repeated at least 10 times within the advertisement. Only at the bottom of the advertisement, in fine print and not in close proximity to the advertised vehicles, does the advertisement disclose the term of the lease, that the payment does not include tax, title, and fees, and that the offer is “[s]ubject to 800 beacon [sic] score or higher with approved credit.”
7. The typical consumer does not have an 800 BEACON score or higher. BEACON scores are one type of credit score upon which auto financing entities have relied, and as such are a type of an industry-specific credit score. The typical consumer does not understand what a BEACON score is or know that fewer than 20% of consumers have a BEACON score of 800 or higher. Moreover, the typical consumer does not understand or know what an industry-specific credit score is or how it may differ from a generic credit score.

## **FEDERAL TRADE COMMISSION ACT VIOLATIONS**

### **Count I**

#### **Deceptive Failure to Disclose, and/or Failure to Disclose Adequately, A Material Condition to Obtaining the Lease Monthly Payment**

8. In lease advertisements, including but not necessarily limited to Exhibit A, Respondents have represented, expressly or by implication, that consumers can lease the advertised vehicles at the down payment and monthly payment amounts prominently stated in the advertisements.
9. Respondents failed to disclose, and/or failed to disclose adequately, that typical consumers cannot qualify for the advertised terms. This information would be material to consumers in deciding whether to visit Respondents’ dealerships and/or

whether to lease an automobile from Respondents. The failure to disclose, and/or failure to disclose adequately, that few consumers will qualify, in light of the representations made, was, and is, a deceptive practice.

10. Respondents' practices constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a).

### **VIOLATION OF CONSUMER LEASING ACT AND REGULATION M**

11. Under Section 184 of the CLA and Section 213.7 of Regulation M, advertisements promoting consumer leases are required to make certain disclosures if they state any of several terms, such as the amount of any payment ("CLA triggering terms").  
15 U.S.C. § 1667c; 12 C.F.R. § 213.7.
12. Respondents' advertisements promoting consumer leases, including but not necessarily limited to those described in Paragraphs 5 and 6, are subject to the requirements of the CLA and Regulation M.

### **Count II**

#### **Failure to Disclose, and/or Failure to Disclose, Clearly and Conspicuously, Required Lease Information**

13. Respondents' lease advertisements, including but not necessarily limited to Exhibit A, stated a monthly payment amount, a CLA triggering term, but failed to disclose, and/or failed to disclose clearly and conspicuously, certain additional terms required by the Consumer Leasing Act and Regulation M, including one or more of the following terms:
  - a. That the transaction advertised is a lease;
  - b. The total amount due prior to or at consummation or by delivery, if delivery occurs after consummation;
  - c. The number, amounts, and due dates or periods of scheduled payments under the lease;
  - d. A statement of whether or not a security deposit is required; and
  - e. A statement 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.

14. The lease disclosures required by Regulation M, if provided, are not clear and conspicuous because they appear in fine print and/or in an inconspicuous location.
15. Therefore, the practices set forth in Paragraphs 13 and 14 of this complaint have violated Section 184 of the Consumer Leasing Act, 15 U.S.C. § 1667c, and Section 213.7 of Regulation M, 12 C.F.R. § 213.7.

**THEREFORE**, the Federal Trade Commission this \_\_\_\_ day of \_\_\_\_\_, 2015, has issued this complaint against Respondents.

By the Commission.

Donald S. Clark  
Secretary

SEAL:

EXHIBIT A

**Sign & Drive Leases** **ALL LEASES ARE**  
**ZERO DOWN!!!!!!** **Zip, Zero, Zilch - Nothing Down!**

**2014 CHEVY CRUZE LT**



**Sign & Drive!**

**Zip Zero Zilch Nothing Down!**

**\$169 PER MO.**

Stock# C40427 Includes 2 years free maintenance

**2014 JEEP COMPASS**



**Sign & Drive!**

**\$199 PER MO.**

Stock #D40704 **Zip Zero Zilch - Nothing Down!**

**2014 JEEP CHEROKEE**



**Sign & Drive!**

**\$299 PER MO.**

Stock #D40744 **Zip Zero Zilch - Nothing Down!**

**2014 MALIBU LT**



**Sign & Drive!**

**Zip Zero Zilch Nothing Down!**

**\$199 PER MO.**

Stock# C40382 Includes 2 years free maintenance

**2014 DODGE JOURNEY**



**Sign & Drive!**

**\$279 PER MO.**

Stock #D40684 **Zip Zero Zilch - Nothing Down!**

**2014 CHRYSLER 300**




**Sign & Drive!**

**\$299 PER MO.**

Stock #D40733 **Zip Zero Zilch - Nothing Down!**

**2014 EQUINOX LT**



**Sign & Drive!**

**Zip Zero Zilch Nothing Down!**

**\$249 PER MO.**

Stock# C40138 Includes 2 years free maintenance

**2014 CHRYSLER TOWN & COUNTRY**



**Sign & Drive!**

**\$329 PER MO.**

Stock #D40647 **Zip Zero Zilch - Nothing Down!**

**2014 JEEP GR. CHEROKEE**



**Sign & Drive!**

**\$379 PER MO.**

Stock #D40040 **Zip Zero Zilch - Nothing Down!**

**ProgressiveChevrolet.com**



Chevy Runs Deep 

**PROGRESSIVE CHEVROLET**

8000 HILLS AND DALES NW - MASSILLON OH 44646

**1-800-376-4167**

**ProgressiveDodge.com**

CHRYSLER **Jeep**  **RAM** 

**PROGRESSIVE CHRYSLER • JEEP • DODGE**

7966 HILLS AND DALES NW - MASSILLON OH 44646

**1-800-580-7886**

Payments based on 48 month 10,000 mile per year lease plus tax title and fees, 25 cents over mileage penalty. Lease price and sale price may be different due to incentives or discounts that do not combine. Subject to 800 business score or higher with approved credit. Special financing programs available for lower credit scores. Negative equity may affect amount financed. Pictures for illustration purposes. EXPIRES: 4/30/2014.