

FEDERAL TRADE COMMISSION DECISIONS

Findings, Opinions, and Orders

IN THE MATTER OF

FRANK BOMMARITO OLDSMOBILE, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF THE  
CONSUMER LEASING ACT, THE TRUTH IN LENDING ACT AND  
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

*Docket C-3774. Complaint, Jan. 5, 1998--Decision, Jan. 5, 1998*

This consent order prohibits, among other things, the St. Louis Missouri-area automobile dealership and its officer from omitting or burying key cost information in small, and at times, unreadable print in their automobile lease advertisements and from misrepresenting the costs of leasing, including the total amount due at lease signing. The consent order requires the respondents to disclose certain information clearly and conspicuously and to comply with all provisions of the specified acts and regulations.

*Appearances*

For the Commission: *Lauren Steinfeld* and *David Medine*.

For the respondents: *Brian E. McGovern, McCarthy, Leonard, Kaemmerer, Owen, Lamkrin & McGovern*, Chesterfield, MO.

COMPLAINT

The Federal Trade Commission, having reason to believe that Frank Bommarito Oldsmobile, Inc., a corporation, and Frank J. Bommarito, individually and as an officer of the corporation ("respondents"), have violated the provisions of the Federal Trade Commission Act, 15 U.S.C. 45-58, as amended, the Consumer Leasing Act, 15 U.S.C. 1667-1667e, as amended, and its implementing Regulation M, 12 CFR 213, as amended, and the Truth in Lending Act, 15 U.S.C. 1601-1667, as amended, and its implementing Regulation Z, 12 CFR 226, as amended, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Frank Bommarito Oldsmobile, Inc. is a Delaware corporation with its principal office or place of business at 15736 Manchester Road, Ballwin, Missouri. Respondent offers automobiles for sale or lease to consumers.

2. Respondent Frank J. Bommarito is an officer of the corporate respondent. Individually or in concert with others, he formulates, directs, or controls the policies, acts, or practices of the corporation, including the acts or practices alleged in this complaint. His principal office or place of business is the same as that of Frank Bommarito Oldsmobile, Inc.

3. Respondents have disseminated advertisements to the public that promote consumer leases, as the terms "advertisement" and "consumer lease" are defined in Section 213.2 of Regulation M, 12 CFR 213.2, as amended.

4. Respondents have disseminated advertisements to the public that promote credit sales and other extensions of closed-end credit in consumer credit transactions, as the terms "advertisement," "credit sale," and "consumer credit" are defined in Section 226.2 of Regulation Z, 12 CFR 226.2, as amended.

5. 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.

#### LEASE ADVERTISING

6. Respondents have disseminated or have caused to be disseminated consumer lease advertisements ("lease advertisements") for automobiles in the print media, including but not necessarily limited to the attached Exhibits A through F. These advertisements contain the following statements:

A. "BRAND NEW 1995 SAFARI CONVERSION VANS. . . BOMMARITO'S PREFERRED LEASING PRICE \$399 MO. 36 MONTHS NO MONEY DOWN" [A fine print statement at the bottom of the ad states "Prices include all factory rebates."] (Exhibit A)

B. "BOMMARITO INFINITI NO MONEY DOWN SALE. . . 1995 INFINITI J-30 NO DOWN PAYMENT! \$399 PER MONTH\* NO MONEY DOWN 36 MONTH LEASE 1995 INFINITI Q-45 NO DOWN PAYMENT! \$599 PER MONTH\* NO MONEY DOWN 24 MONTH LEASE" (Exhibit B)

C. "OLDSMOBILE '95 CUTLASS SUPREME FOR ONLY \$269\* 36 MOS. LEASE NO MONEY DOWN . . . '95 EIGHTY EIGHT FOR ONLY \$339\* 36 MOS. LEASE NO MONEY DOWN"

. . . INFINITI NEW 1995 J30 NO MONEY DOWN \$449 PER MONTH 36 MONTH LEASE

[A fine print statement at the bottom of the ad states "\*12,000 miles per year, acq. fee and taxes extra."] (Exhibit C)

D. "BOMMARITO MAZDA'S PRESIDENTS WEEK SALE 1995 PROTÉGÉ NO MONEY DOWN \$199 PER MONTH FOR ONLY 36 MONTHS"

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## Complaint

[A fine print statement at the bottom of the advertisement states "Protégé 36 month close end lease, includes gap insurance, excludes taxes. 1st payment and security deposit due. Activation fee required. Approved credit." (Exhibit D)

E. "1995 Q45 2 Year Lease \$599 per mo.\* . . . 1995 J30 3 Year Lease \$399 per mo.\*"

[A fine print statement at the bottom of the ad states "\*Q45, \$2500 cap reduction, 15,000 miles per year, J30, \$2000 cap reduction, 12,xxx miles per year, personal property and luxury tax included, sales tax and acquisition fee extra." (Exhibit E)

F. Full Size \$310<sup>00\*</sup> Mini \$18,995<sup>00\*\*</sup> 36 Month . . ST. LOUIS' EXCLUSIVE STARCRAFT DEALER Was \$34,678, \$399<sup>00\*</sup> 36 Month"

[A fine print statement at the bottom of the ad states "\*\*\*After rebate = \$599 Trim. Pkg. \*36 Month Lease, \$2,000 Down, Cash or Trade, Includes Rebate and Acquisition Fee, 15,000 Miles Per Year." (Exhibit F)

FEDERAL TRADE COMMISSION ACT VIOLATIONS  
COUNT I: MISREPRESENTATION OF INCEPTION FEES

7. In lease advertisements, including but not necessarily limited to Exhibits A through D, respondents have represented, expressly or by implication, that the amount stated as "down" is the total amount consumers must pay at lease inception to lease the advertised vehicles.

8. In truth and in fact, the amount stated as "down" in respondents' lease advertisements is not the total amount consumers must pay at lease inception to lease the advertised vehicles. Consumers are required to pay significant amounts at lease inception, including but not limited to one or more of the following: a downpayment, a first month's payment, security deposit, acquisition fee, and bank fee. Therefore, respondents' representation as alleged in paragraph seven was, and is, false or misleading.

9. 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).

COUNT II: FAILURE TO DISCLOSE ADEQUATELY INCEPTION FEES

10. In lease advertisements, including but not necessarily limited to Exhibits A through F, respondents have represented, expressly or by implication, that consumers can lease the advertised vehicles at the terms prominently stated in the advertisement, including but not limited to the monthly payment amount and/or amount stated as "down."

11. These lease advertisements do not adequately disclose additional terms pertaining to obligations at lease inception, including

but not necessarily limited to one or more of the following charges: a required downpayment, first month's payment, security deposit, acquisition fee, and bank fee. This information either does not appear at all, appears in very fine print, and/or is referenced by multiple and inconsistent asterisks making it unclear which statements are relevant to which offer.

12. These additional terms would be material to consumers in deciding whether to visit respondents' dealership and/or whether to lease an automobile from respondents. The failure to disclose adequately these additional terms, in light of the representation made, was, and is, a deceptive practice.

13. 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).

CONSUMER LEASING ACT AND REGULATION M VIOLATIONS  
COUNT III: FAILURE TO DISCLOSE REQUIRED INFORMATION  
CLEARLY AND CONSPICUOUSLY

14. In lease advertisements, including but not necessarily limited to Exhibits A through F, respondents have stated a monthly payment amount, the number of required payments, and/or an amount "down."

15. These lease advertisements have failed to disclose clearly and conspicuously the following items of information required by Regulation M: the total amount of any payment such as a security deposit or capitalized cost reduction required at the consummation of the lease or that no such payments are required; the total of scheduled payments under the lease; a statement of whether or not the lessee has the option to purchase the leased property and at what price and time or, in lieu of disclosure of the price, the method of determining the purchase-option price; and a statement of the amount or method of determining the amount of any liabilities the lease imposes upon the lessee at the end of the term.

16. Respondents' practices have violated Section 184 of the Consumer Leasing Act, 15 U.S.C. 1667c, and Section 213.5(c) of Regulation M, 12 CFR 213.5(c).

CREDIT ADVERTISING

17. Respondents have disseminated or have caused to be disseminated credit sale advertisements ("credit advertisements") for automobiles in the print media, including but not necessarily limited

to the attached Exhibit F. These advertisements contain the following statements:

"BOMMARITO SMART BUY '95 Cutlass Supreme THIS IS NOT A LEASE 5.8% A.P.R. WITH APPROVED CREDIT FOR ONLY \$275\* 36 MOS. NO MONEY DOWN . . . BOMMARITO SMART BUY '95 EIGHTY EIGHT THIS IS NOT A LEASE 4.8% A.P.R. WITH APPROVED CREDIT FOR ONLY \$315\* 36 MOS. NO MONEY DOWN [A fine print statement at the bottom of the ad states "\*\*\*After rebate = \$599 Trim Pkg. \*36 Month Lease, \$2,000 Down, Cash or Trade, Includes Rebate and Acquisition Fee, 15,000 Miles Per Year." ] (Exhibit F)

FEDERAL TRADE COMMISSION ACT VIOLATIONS  
COUNT IV: MISREPRESENTATION OF BALLOON PAYMENTS

18. In credit advertisements, including but not necessarily limited to Exhibit F, respondents have represented, expressly or by implication, that consumers can buy the advertised vehicles at the terms prominently stated, including but not necessarily limited to the monthly payment amount, APR, and amount stated as "down."

19. In truth and in fact, consumers cannot buy the advertised vehicles at the terms prominently stated in the advertisements. Consumers must also satisfy a final balloon payment obligation of several thousand dollars to purchase the advertised vehicles. Therefore, respondents' representation as alleged in paragraph eighteen was, and is, false or misleading.

20. 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).

TRUTH IN LENDING ACT AND REGULATION Z VIOLATIONS  
COUNT V: FAILURE TO DISCLOSE REQUIRED INFORMATION

21. In credit advertisements, including but not necessarily limited to Exhibit F, respondents have stated a monthly payment amount and/or an amount "down" as terms for financing the purchase of the advertised vehicles.

22. These advertisements have failed to disclose, as required by Regulation Z, the terms of repayment, including but not limited to the existence and amount of the balloon payment.

23. Respondents' practices have violated Section 144 of the Truth in Lending Act, 15 U.S.C. 1664, and Section 226.24(c) of Regulation Z, 12 CFR 226.24(c).

Commissioner Thompson and Commissioner Swindle not participating.

**BRAND NEW  
1995 SAFARI CONVERSION VANS  
ALL NEW STYLING**



- XT LENGTH
- POWER WINDOWS & LOCKS
- TILT
- CRUISE
- DUTCH DOORS
- AIR CONDITIONING
- STEREO
- CUSTOM
- 2-TONE PAINT
- FIBERGLASS
- BOARDS
- SPECIAL-BUTTON
- TUFTED SEATS
- ALL NEW FRONT END STYLING
- OVERHEAD LIGHTING & MOOD LIGHTING
- AND MUCH, MUCH MORE!

**OVER 50  
TO CHOOSE FROM**

**BOMMARITO'S PREFERRED LEASING PRICE**

**\$399** **36**  
**MONTHS**

**MO.**

**NO MONEY DOWN**

**FRANK BOMMARITO**  
GMC TRUCKS & VANS

Manchester at Clarkson  
Seven Miles West of I-270  
**391-7200**

Complaint

EXHIBIT B

Bommarito Exhibit B

**BOMMARITO INFINITI**

**NO MONEY DOWN SALE**

**1994 INFINITI G-20**

ORIGINAL LIST PRICE \$18,495

NO DOWN PAYMENT!  
 AUTOMATIC TRANSMISSION  
 AIR CONDITIONING, DUAL AIR FILTERS, ABS, 16" WHEELS, 100 MPH SPEED, 100 MPH TORQUE, 100 MPH ACCELERATION, 100 MPH HANDLING, 100 MPH MANEUVERING.

**10 TO CHOOSE FROM**

**1995 INFINITI J-30**

NO DOWN PAYMENT!  
 AUTOMATIC TRANSMISSION  
 AIR CONDITIONING, DUAL AIR FILTERS, ABS, 16" WHEELS, 100 MPH SPEED, 100 MPH TORQUE, 100 MPH ACCELERATION, 100 MPH HANDLING, 100 MPH MANEUVERING.

**38 MONTH LEASE**

**1995 INFINITI Q-43**

NO DOWN PAYMENT!  
 DUAL AIR BAGS, AIR CONDITIONING, ABS, 16" WHEELS, 100 MPH SPEED, 100 MPH TORQUE, 100 MPH ACCELERATION, 100 MPH HANDLING, 100 MPH MANEUVERING, PLUS MUCH MORE!

**24 MONTH LEASE**

**FREE LOANER CARS**

**NO MONEY DOWN**

**Frank Bommarito**

**391-9400**

MANCHESTER AT CLARKSON (7 miles west of I-270) CLARKSON ROAD NOW OPEN



**BOMMARITO MAZDA'S**  
**Auto show**  
**Savings Jamboree!**

**1995 PROTEGE**

DX CONV. GROUP  
 AIR CONDITIONING  
 AM/FM  
 CASSETTE  
 FLOOR MATS  
 DUAL AIR BAGS  
 REAR DEFROSTER  
 TILT WHEEL  
 RECLINING  
 BUCKET SEATS



**\$199** PER MONTH FOR ONLY 36 MONTHS

**NO MONEY DOWN**

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**1995 MIATA**

1000 REBATE



AIR CONDITIONING, AM/FM CASSETTE, FLOOR MATS, STARTING AT

**\$199** PER MONTH FOR ONLY 26 MONTHS

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**1994 B-3000 SE CAB PLUS**

11 IN STOCK



AIR COND., FLOOR MATS, JUMP SEATS, CASSETTE, P-STEERING, BUCKET SEATS, REBATE, STARTING AT

**\$12,795**


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**BOMMARITO MAZDA**

ELLISVILLE Manchester at Clarkson  
**391-0073**  
 ST. PETERS I-70 & Cave Springs  
**928-2300**

*Bommarito Infiniti's*  
**NEW YEAR SALES EXTRAVAGANZA!**  
 Highest Customer Satisfaction Index  
 In St. Louis For 1994.  
 Come In And Experience The  
**BEST LEASE DEALS  
 IN THE WORLD!**

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MSRP \$52,850 **1995 Q45**  
  
 2 Year Lease **\$599** per mo.

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MSRP \$39,000 **1995 J30**  
  
 3 Year Lease **\$399** per mo.  
 INCREDIBLE SAVINGS ON  
 REMAINING 1994 J30'S AVAILABLE

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MSRP \$23,325 **1995 G20**  
  
 Purchase For As Low As **\$18,565**

\*Q45, \$2500 cap reduction, 15,000 miles per year. J30, \$2000 cap reduction, 12,000 miles per year, personal property and luxury tax included, sales tax and acquisition fee extra.

 *Frank Bommarito Infiniti*  
 Manchester at Clarkson. **391-9400** CLARKSON ROAD  
 7 miles west of I-270 **NOW OPEN!**



## DECISION AND ORDER

The Federal Trade 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 complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge the respondents with violation of the Federal Trade Commission Act, the Consumer Leasing Act and its implementing Regulation M, and the Truth in Lending Act and its implementing Regulation Z; and

The respondents, their attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true 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 said Acts and Regulations, 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Frank Bommarito Oldsmobile, Inc. is a Delaware corporation with its principal office or place of business at 15736 Manchester Road, Ballwin, Missouri.

2. Respondent Frank J. Bommarito is an officer of the corporate respondent. His principal office or place of business is the same as that of Frank Bommarito Oldsmobile, Inc.

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.

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Decision and Order

## ORDER

## DEFINITIONS

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

1. "*Clearly and conspicuously*" shall mean as follows:

a. In a television or video advertisement, the audio disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. The video disclosure shall be of a size and shade, and shall appear on the screen for a duration, sufficient for an ordinary consumer to read and comprehend it.

b. 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.

c. In a radio advertisement, the disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it.

Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement.

2. "*Equal prominence*" shall mean as follows:

a. In a television or video advertisement, the video disclosure shall be presented in the same or similar format, including but not necessarily limited to type size, shade, contrast, duration, and placement. The audio disclosure shall be delivered in the same or similar manner, including but not necessarily limited to volume, cadence, pace, and placement.

b. In a print advertisement, the disclosure shall be presented in the same or similar format, including but not necessarily limited to type size, shade, contrast, and placement.

c. In a radio advertisement, the disclosure shall be delivered in the same or similar manner, including but not necessarily limited to volume, cadence, pace, and placement.

Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement.

3. "*Total amount due at lease inception*" shall mean the total amount of any initial payments required to be paid by the lessee on

or before consummation of the lease or delivery of the vehicle, whichever is later.

4. "*Commerce*" shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. 44.

5. Unless otherwise specified, "*respondents*" shall mean Frank Bommarito Oldsmobile, Inc., a corporation, its successors and assigns and its officers; Frank J. Bommarito, individually and as an officer of the corporation; and each of the above's agents, representatives, and employees.

I.

*It is ordered*, That respondents, directly or through any corporation, subsidiary, division, or any other device, in connection with any advertisement to promote, directly or indirectly, any consumer lease in or affecting commerce, as "advertisement" and "consumer lease" are defined in Section 213.2 of Regulation M, 12 CFR 213.2, as amended, shall not, in any manner, expressly or by implication:

A. Misrepresent the costs of leasing a vehicle, including but not necessarily limited to the total amount due at lease inception.

B. State any amount due at lease inception (or that no such amount is required), except for the statement of a periodic payment, unless the advertisement also states with equal prominence the total amount due at lease inception.

C. State the amount of any payment, the number of required payments, or that any or no downpayment or other payment is required at consummation of the lease unless all of the following items are disclosed, clearly and conspicuously, as required by Regulation M, as amended:

- (1) That the transaction advertised is a lease;
- (2) The total amount of any payment such as a security deposit or capitalized cost reduction required at the consummation of the lease, or that no such payments are required;
- (3) The number, amounts, due dates or periods of scheduled payments, and the total of such payments under the lease;
- (4) A statement of whether or not the lessee has the option to purchase the leased property and at what price and time (the method

of determining the price may be substituted for disclosure of the price); and

(5) A statement of the amount or method of determining the amount of any liabilities the lease imposes upon the lessee at the end of the term and a statement that the lessee shall be liable for the difference, if any, between the estimated value of the leased property and its realized value at the end of the lease term, if the lessee has such liability.

For all lease advertisements, respondents may comply with the requirements of this subparagraph by utilizing Section 184(a) of the Consumer Leasing Act ("CLA"), 15 U.S.C. 1667c(a), as amended by Title II, Section 2605 of the Omnibus Consolidated Appropriations Act for Fiscal Year 1997, Pub. L. No. 104-208, 110 Stat. 3009, 3009-473 (Sept. 30, 1996) (to be codified at 15 U.S.C. 1667c(a))("Section 184(a) of the revised CLA"), as amended, or by utilizing Section 213.7(d) of revised Regulation M, 61 Fed. Reg. 52246, 52261 (October 7, 1996) and 62 Fed. Reg. 15364, 15368 (Apr. 1, 1997) (to be codified at 12 CFR 213.7(d)) ("revised Regulation M"), as amended. For radio lease advertisements, respondents may also comply with the requirements of this subparagraph by utilizing Section 184(b) of the CLA, 15 U.S.C. 1667c(b), as amended by Title II, Section 2605 of the Omnibus Consolidated Appropriations Act for Fiscal Year 1997, Pub. L. No. 104-208, 110 Stat. 3009, 3009-473 (Sept. 30, 1996)(to be codified at 15 U.S.C. 1667c(c))("Section 184(c) of the revised CLA"), as amended, or by utilizing Section 213.7(f) of revised Regulation M (to be codified at 12 CFR 213.7(f)), as amended. For television lease advertisements, respondents may also comply with the requirements of this subparagraph by utilizing Section 213.7(f) of revised Regulation M, as amended.

D. Fail to comply in any other respect with Regulation M, 12 CFR 213, as amended, and the CLA, 15 U.S.C. 1667-1667e, as amended. Respondents may comply with the requirements of this subparagraph regarding Regulation M by utilizing revised Regulation M, 61 Fed. Reg. 52246 (Oct. 7, 1996) and 62 Fed. Reg. 15364 (Apr. 1, 1997) (to be codified at 12 CFR 213), as amended.

## II.

*It is further ordered,* That respondents, directly or through any corporation, subsidiary, division, or any other device, in connection with any advertisement to promote, directly or indirectly, any extension of consumer credit in or affecting commerce, as "advertisement" and "consumer credit" are defined in Section 226.2 of Regulation Z, 12 CFR 226.2, as amended, shall not, in any manner, expressly or by implication:

A. Misrepresent the terms of financing a vehicle, including but not necessarily limited to the amount of any balloon payment.

B. State the amount of any payment or the amount or percentage of any downpayment or amount "down" in any advertisement unless respondents state the amount of any final balloon payment prominently and in close proximity to the most prominent of the above statements.

C. State the amount or percentage of any downpayment, the number of payments or period of repayment, the amount of any payment, or the amount of any finance charge, without disclosing clearly and conspicuously all of the terms required by Section 144 of the Truth in Lending Act ("TILA"), 15 U.S.C. 1664, as amended, and Section 226.24(c) of Regulation Z, 12 CFR 226.24(c), as amended, as more fully set out in Section 226.24(c) of the Federal Reserve Board's Official Staff Commentary to Regulation Z, 12 CFR 226.24(c), as amended, as follows:

1. The amount or percentage of the downpayment;
2. The terms of repayment, including but not necessarily limited to the amount of any balloon payment; and
3. The annual percentage rate, using that term or the abbreviation "APR." If the annual percentage rate may be increased after consummation of the credit transaction, that fact must also be disclosed.

D. Fail to comply in any other respect with Regulation Z, 12 CFR 226, as amended, and the TILA, 15 U.S.C. 1601-1667, as amended.

## III.

*It is further ordered,* That respondent Bommarito Oldsmobile, Inc., and its successors and assigns, and respondent Frank J. Bommarito 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 Federal Trade Commission for inspection and copying all records that will demonstrate compliance with the requirements of this order.

## IV.

*It is further ordered,* That respondent Bommarito Oldsmobile, Inc., and its successors and assigns, and respondent Frank J. Bommarito 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. Respondents shall deliver this order to such current personnel within thirty (30) days after the date of service of this order, and to such future personnel within thirty (30) days after the person assumes such position or responsibilities.

## V.

*It is further ordered,* That respondent Frank Bommarito Oldsmobile, Inc., and its successors and assigns, shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including but not necessarily 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 respondent learns less than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices

required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C.

#### VI.

*It is further ordered,* That respondent Frank J. Bommarito, for a period of ten (10) years after the date of issuance of this order, shall notify the Commission of the discontinuance of his current business or employment, or of his affiliation with any new business or employment involving the advertising and/or extension of a "consumer lease," as that term is defined in the CLA and its implementing Regulation M, or the advertising and/or extension of "consumer credit," as that term is defined in the TILA and its implementing Regulation Z. The notice shall include respondent's new business address and telephone number and a description of the nature of the business or employment and his duties and responsibilities. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C.

#### VII.

*It is further ordered,* That respondent Bommarito Oldsmobile, Inc., and its successors and assigns, and respondent Frank J. Bommarito shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

#### VIII.

This order will terminate on January 5, 2018, 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:

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## Decision and Order

- 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 the 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.

Commissioner Thompson and Commissioner Swindle not participating.

Complaint

125 F.T.C.

IN THE MATTER OF

ASHLAND, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF  
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

*Docket C-3775. Complaint, Jan. 5, 1998--Decision, Jan. 5, 1998*

This consent order prohibits, among other things, the Kentucky-based manufacturer and advertiser of the Valvoline Engine Treatment product from making unsubstantiated claims about the performance or attributes of any engine treatment in the future and from misrepresenting tests or studies used to support its claims.

*Appearances*

For the Commission: *Jonathan Cowen, Robert Frisby, Mary Engle and Elaine Kolish.*

For the respondent: *Alan J. Hruska, Cravath, Swaine & Moore, New York, N.Y.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Ashland, Inc., a corporation, has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent Ashland, Inc., is a Kentucky corporation, with its office and principal place of business located at 1000 Ashland Drive, Russell, KY.

PAR. 2. Respondent has manufactured, advertised, promoted, offered for sale, sold and distributed Valvoline TM8 Engine Treatment ("TM8"), an aftermarket motor oil additive or engine treatment containing various chemicals, including Teflon brand polytetrafluoroethylene ("Teflon"), blended in a fully formulated motor oil.

PAR. 3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

PAR. 4. Respondent has disseminated or has caused to be disseminated advertisements for TM8, including, but not necessarily

limited to, the attached Exhibits A-F. These advertisements contain the following statements and visual depictions:

A. A television advertisement for TM8:

Video: Visual depiction of TM8 coating internal engine parts.

Announcer: TM8 coats moving parts with eight friction-fighting ingredients including teflon. (Exhibit A)

B. A radio advertisement for TM8:

Over time, stop and go driving creates deposits that rob your engine of performance, and shorten its life. That's why there is TM8 with teflon, a new engine treatment from Valvoline. TM8 reduces engine wear by coating moving parts with eight friction fighting ingredients. (Exhibit B)

C. A magazine advertisement for TM8:

Engines don't die from old age. They wear out. And in terms of wear, the most grueling kind of driving is stop-and-go driving.... That's why there's TM8, a new engine treatment with Teflon from Valvoline. TM8's 8 friction-fighting ingredients chemically bond to moving parts, protecting your engine even at start-up. In fact, under high operating temperatures, motor oil treated with TM8 offers twice the protection. (Exhibit C)

D. A TM8 coupon leaflet:

[T]here is something you can do to reduce wear and tear on your engine: Add a quart of TM8 Engine Treatment during your next oil change.

CAMSHAFT BEARING WEAR

[Chart]

REDUCE WEAR BY UP TO 75%. TM8 helps protect your car's vital engine parts from the demands of "Stop and Go" driving, reducing camshaft bearing wear by as much as 75 percent compared to conventional oil.

MAIN BEARING WEAR WEIGHT LOSS (AVERAGE)

[Chart]

REDUCE WEAR BY UP TO 75%. TM8 protects engines during "Stop and Go" driving, reducing main bearing wear by as much as 75 percent compared to conventional oil. (Exhibit D)

E. Valvoline Web page on the Internet:

TM8 is a blend of eight scientifically formulated components - including DuPont's TEFLON fluoroadditive - that chemically bond to engine surfaces, reducing engine friction and wear....

"We've found scientific evidence in laboratory experiments and in a variety of engines that TM8 provides significant additional protection."

Main Bearing Wear Weight Loss (Average)

[Chart]

REDUCE WEAR BY UP TO 75%.

Camshaft Bearing Wear

[Chart]

REDUCE WEAR BY UP TO 75%....

We spent a great deal of time testing the existing products and experimenting with our own formulations to determine what worked and what didn't. Through extensive testing, we developed TM8. Our research shows that TM8:

\* protects the engine during "Stop and Go" driving

\* gives engine oil up to twice the protection in high temperature conditions

- \* improves fuel economy
  - \* protects engine at start-up, especially at low temperatures
- TM8 is designed to be used at least once every 50,000 miles. For optimum results, an engine may be re-treated with TM-8 once a year. (Exhibit E)

F. TM8 product packaging:

TM8 ENGINE TREATMENT WITH TEFLON® Fluoroadditive  
TREATS THE ENGINE, NOT THE OIL

- \* Protects engine during "Stop and Go" driving
- \* Gives engine oil up to twice the protection in high temperature conditions
- \* Improves fuel economy
- \* Protects engine at start-up, especially at low temperatures
- \* Compatible with all motor oils

A blend of eight scientifically formulated components that chemically bond to critical engine surfaces, reducing friction and engine wear.

4. Treat your engine with TM-8 Engine Treatment at least every 50,000 miles. For optimal results, re-treat your engine with TM-8 Engine Treatment once a year. (Exhibit F)

PAR. 5. Through the use of the statements and visual depictions contained in the advertisements and promotional materials referred to in paragraph four, including, but not necessarily limited to, the advertisements and promotional materials attached as Exhibits A-F, respondent has represented, directly or by implication, that:

- A. TM8 bonds Teflon to engine parts.
- B. Compared to motor oil alone, TM8:
  1. Reduces engine wear
  2. Reduces camshaft bearing wear by up to 75%.
  3. Reduces main bearing wear by up to 75%.
  4. Under high temperature conditions experienced by engines, provides twice as much wear protection.
  5. Extends the duration of engine life.
  6. Improves fuel economy.
- C. One treatment of TM8 lasts for 50,000 miles.

PAR. 6. Through the use of the statements and depictions contained in the advertisements and promotional materials referred to in paragraph four, including, but not necessarily limited to, the advertisements and promotional materials attached as Exhibits A-F, respondent has represented, directly or by implication, that at the time it made the representations set forth in paragraph five, respondent possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 7. In truth and in fact, at the time it made the representations set forth in paragraphs five, respondent did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph six was, and is, false and misleading.

PAR. 8. Through the use of the statements and visual depictions contained in the advertisements and promotional materials referred to in paragraph four, including, but not necessarily limited to, the advertisement attached as Exhibit E, respondent has represented, directly or by implication, that tests prove that, compared to motor oil alone, TM8:

- A. Reduces camshaft bearing wear by up to 75%.
- B. Reduces main bearing wear by up to 75%.
- C. Under high temperature conditions experienced by engines, provides twice as much wear protection.
- D. Improves fuel economy.

PAR. 9. In truth and in fact, tests do not prove that, compared to motor oil alone, TM8:

- A. Reduces camshaft bearing wear by up to 75%.
- B. Reduces main bearing wear by up to 75%.
- C. Under high temperature conditions experienced by engines, provides twice as much wear protection.
- D. Improves fuel economy.

Therefore, the representations set forth in paragraph eight were, and are, false and misleading.

PAR. 10. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

Commissioner Thompson and Commissioner Swindle not participating.

Complaint

125 F.T.C.

EXHIBIT A



"END OF THE ROAD" :30



(MUSIC UNDER)



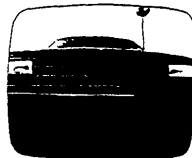
ANNCR: Your car's engine was made for the open road.



But that's not where it is day in and day out.



Stop and go driving



can kill an engine



by creating deposits



and wear



that rob performance and shorten engine life.



That's why you need the added protection of TM8.



a new engine treatment from Valvoline.



TM8 coats moving parts with eight friction-fighting ingredients including teflon.



So no matter where you are.



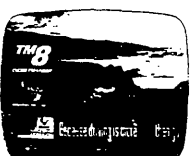
Your engine will run



just like it's on the open road.



TM8 from Valvoline.



Because driving is more stop than go.

By 12/1/88

Valvoline Engine Treatment is a registered trademark of Valvoline Inc.

Complaint

EXHIBIT B

Radio Copy

Bozell Worldwide, Inc.  
Advertising  
40 West 23rd Street  
New York, New York 10010-5201  
212-727-5000

Date **September 7, 1995** Client **Valvoline** Job number

Title & length **TM8 "Traffic Report" :50/:10** Product

Commercial number As produced date

Its, Its, moving like molasses out there...

Rubbernecking is heavy around the parkway...

There's an accident right where 295 meets the tunnel...

There's a good reason so many cars today have cellular phones, stereos that can play 12 CD's and even fax machines. People are spending more and more time stuck in traffic, and while stop and go driving is hard on you, it's even harder on your engine. Over time, stop and go driving creates deposits that rob your engine of performance, and shorten its life. That's why there is TM8 with teflon, a new engine treatment from Valvoline. TM8 reduces engine wear by coating moving parts with eight friction fighting ingredients. Eventually you'll be able to put moments like this behind you. With TM8, your engine can too.

TM8 from Valvoline. Because driving is more stop than go.

Complaint

125 F.T.C.

EXHIBIT C




*They can drive your engine  
to an early grave.*



Engines don't die from old age. They wear out. And in terms of wear, the most grueling kind of driving is stop-and-go driving. • It's so severe it creates deposits inside your engine that can cause wear and friction, robbing your engine of performance and shortening its life. • That's why there's TMB, a new engine treatment with Teflon from Valvoline. TMB's 8 friction-fighting ingredients chemically bond to moving parts, protecting your engine even at start-up. In fact, under high operating temperatures, motor oil treated with TMB offers twice the protection. • And that's about as far as you can get from an early grave.



*Because driving is more stop than go.*

 Another high-performance product from The Valvoline Company  
A Division of Ashland Inc. © 1995



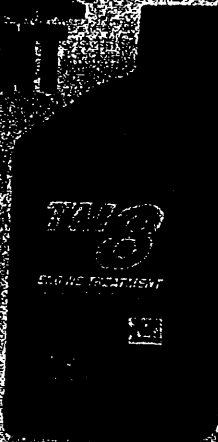
*Ex C*

TMS Insert / Coupon 2/27/96 4:04 PM Page 1

PROTECTING ENGINES

*Is Our Business*

ON YOUR NEXT  
PURCHASE OF  
TMS ENGINE  
TREATMENT  
SAVE  
\$3.00



**\$3.00 OFF**

SAVE \$3.00 ON YOUR NEXT PURCHASE OF TMS™ ENGINE TREATMENT




THIS OFFER ENDS AT 11:59 PM  
NOT VALID ON PURCHASES BEFORE  
JUNE 1, 1996 OR AFTER AUGUST 31, 1996

EXHIBIT D

TM8 Insert / Coupon 2/27/96 4:04 PM Page 2

Protecting Engines Is Our Business

"Stop and Go" driving takes a toll on more than your patience; it can rob your car's engine of performance and shorten its life. Although you can't do much about the kind of driving you do every day, there is something you can do to reduce wear and tear on your engine: Add a quart of TM8™ Engine Treatment during your next oil change.

TM8 Engine Treatment from Valvoline is a blend of eight high-tech, scientifically formulated components that chemically bond to critical engine surfaces, reducing friction and engine wear. Using TM8 Engine Treatment can help reduce the engine wear associated with "Stop and Go" driving.

While it's protecting your engine, TM8 can also improve your vehicle's fuel economy. Laboratory tests show that TM8 in conventional motor oil offered improved fuel economy, exceeding the American Petroleum Institute's ECI (Energy Conserving II) standards.

CAMSHAFT BEARING WEAR



CONVENTIONAL OIL CONVENTIONAL OIL AND TM8

TM8™ helps protect your car's vital engine parts from the demands of "Stop and Go" driving, reducing camshaft bearing wear by as much as 75 percent compared to conventional oil.

MAIN BEARING WEAR WEIGHT LOSS (AFTERMILE)



CONVENTIONAL OIL CONVENTIONAL OIL AND TM8

TM8 protects engines during "Stop and Go" driving, reducing main bearing wear by as much as 75 percent compared to conventional oil.

This offer expires August 31, 1996

To receive your \$3.00 rebate by mail:

1. Buy 1 quart of TM8™ Engine Treatment.
2. Mail this required original certificate, UPC code from TM8 Engine Treatment package, and original dated store identified sales receipt indicating purchase of TM8 between June 1, 1996 and August 31, 1996 to:
  - \$3.00 TM8 Rebate
  - P.O. Box 4058
  - Young America, MN 55558-4058

3. And receive a \$3.00 check by mail. Rebate requests must be received by September 15, 1996. Limit of one rebate per household, address or organization. Rebate requests must be made on this special order form and may not mechanically reproduced. Trading of proof-of-purchase is strictly prohibited. Requests from P.O. Boxes will not be honored. Use of fictitious names, multiple addresses, or P.O. Boxes to obtain additional rebates is fraud and is in violation of Federal law, and may result in prosecution and a term of imprisonment, fine, or both. Offer void where prohibited.

taxed or otherwise restricted by law. Please allow eight weeks for shipment of your rebate check.

This coupon cannot be used in conjunction with any other Valvoline offer. Materials become the property of The Valvoline Company, a division of Ashland Inc.

(Please print, no address labels accepted)

Name \_\_\_\_\_

Address \_\_\_\_\_ Apt. # \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Complaint

EXHIBIT E

Featured Product: TM8

<http://www.valvoline.com/tube/tm8/>



**TM8 Engine Treatment**  
 Because driving is more stop and go.



There's good reason so many cars today have cellular phones, stereos that can play 12 CDs, and even fax machines. People are spending more and more time stuck in traffic.

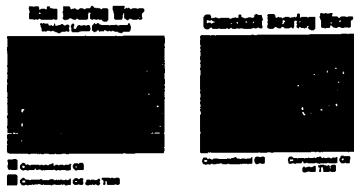
And while stop and go driving is hard on you, it's even harder on your engine. Over time, stop-and-go driving creates deposits that rob your engine of performance and dramatically shorten its life.



Each Year, *Lubricants World* presents its Outstanding Products Awards to recognize advancements that benefit not only the lubricants field but also society in general. Valvoline is proud to receive a 1996 Outstanding Products Award for its TM8 engine treatment.

That's why Valvoline developed TM8 engine treatment. TM8 is a blend of eight scientifically formulated components - including DuPont's TEFLON fluoroaditive - that chemically bond to critical engine surfaces, reducing engine friction and wear.

"TM8 is a product that works," said Fran Lockwood, Ph.D., Valvoline's vice president of technology and product development. "Our customers have requested that we produce an engine treatment for a long time, but we weren't convinced that they help engines perform better. We've found scientific evidence in laboratory experiments and in a variety of engines that TM8 provides significant additional protection. Our tests showed that when treated with TM8, conventional oil formed a thicker film between moving parts and worked at a broader range of temperatures, both hot and cold."



Recommended for use every 50,000 miles. TM8 protects engines during both stop-and-go and highway driving. Its patent-pending formulation delivers the following attributes:

Complaint

125 F.T.C.

## EXHIBIT E

Featured Product: TM8

<http://www.valvoline.com/tube/tm8/>

- Gives engine oil up to twice the protection in high temperature conditions
- Protects engines at start-up, especially at low temperatures
- Improves fuel economy
- Protects against thermal breakdown

Learn even more about TM8 by reading our special question and answer section.

---

**Get \$3.00 off on TM8**

Check out the following magazines for a special TM8 coupon offer:

Car & Driver	4 wheel & Off
Road & Track	Road
Car Craft	Field & Stream
Hot Rod	Popular
Sport Truck	Mechanics
	Sport

---

( [Home](#) | [Index](#) | [Toolbox](#) | [Feedback](#) )

## Complaint

## EXHIBIT E

TM8 Q&amp;A

[http://www.valvoline.com/tube/tm8/tm8\\_qa.html](http://www.valvoline.com/tube/tm8/tm8_qa.html)

## TM8 Q&amp;A

**Q. Why did Valvoline decide to become the first motor oil marketer to develop its own engine treatment?**

Valvoline customers have been asking us to manufacture an engine treatment product for years. They knew that because of Valvoline's reputation for developing superior motor oils, a Valvoline engine treatment product would be a big hit with consumers.

We took a very hard look at the category and determined that there was a need for a high-quality engine treatment product, one that works -- a product that has been fully tested in standard ASTM engine tests, as well as in more strenuous experimental engine tests. And that's why we developed TM8.

**Q. What was learned during Valvoline's testing of engine treatment products?**

We spent a great deal of time testing the existing products and experimenting with our own formulations to determine what worked and what didn't. Through extensive testing, we developed TM8. Our research shows that TM8:

- protects the engine during "Stop and Go" driving
- gives engine oil up to twice the protection in high temperature conditions
- improves fuel economy
- protects engine at startup, especially at low temperatures

**Q. Who should consider using TM8 Engine Treatment?**

All of our oils -- including Valvoline® All-Climate®, DuraBlend® and High Performance Synthetic -- are of the highest quality and do not require additives. However, TM8 is designed for motorists looking for the most protection possible.

**Q. What's the difference between TM8 and Pyroil® Oil Treatment?**

TM8 treats the engine. It contains a synergistic combination of additives that form protective films over an unusually broad temperature range. This helps in start-up and stop-and-go (cold) conditions, as well as in highway (hot) conditions. More specifically, TM8 is a blend of eight scientifically formulated components that chemically bond to critical engine surfaces, reducing friction and engine wear.

Pyroil Oil Treatment is a formula of carefully blended viscosity index improvers designed to reduce oil thinning at high engine temperatures.

**Q. How often should TM8 be used?**

Complaint

125 F.T.C.

## EXHIBIT E

TM8 Q&amp;A

[http://www.valvoline.com/tube/tm8/tm8\\_qa.htm](http://www.valvoline.com/tube/tm8/tm8_qa.htm)

TM8 is designed to be used at least once every 30,000 miles. For optimum results, an engine may be re-treated with TM-8 once a year.

**Q. Can TM8 be used in diesel, marine, V8, V6 and V4 engines?**

TM8 may be used in V-8, V-6 and V-4 engines. TM-8 is not designed to be used in diesel or marine engines or in automatic transmissions, gear boxes or two-stroke engines.

**Q. Will using TM8 void a new car's warranty?**

TM8 will not void new car warranties and is safe for use in new or rebuilt engines during the break-in period.

**Q. How much TM8 should be used?**

In 4-quart capacity engines, substitute one quart of TM8 for one quart of motor oil. For larger or smaller engines, use mixtures of approximately 25 percent TM-8 and 75 percent motor oil.

**Q. Is TM8 compatible with motor oils other than Valvoline?**

Yes. TM8, with Valvoline® High Performance Synthetic as its carrier oil, gives optimum performance when added to Valvoline All-Climate, DuraBlend or High Performance Synthetic and has been shown to significantly enhance performance when added to other leading motor oils. TM8 is compatible with other motor oils and improves low-temperature performance of conventional motor oils.

**Q. Will any of TM8's scientifically formulated components be removed by the oil filter?**

No. None of TM8's components will be removed by the oil filter during normal engine operation.

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EXHIBIT F

**ENGINE TREATMENT**

**WITH TEFLON<sup>®</sup>**  
*Fluoroadditive*

**ENGINE TREATMENT**



**TREATS THE ENGINE, NOT THE OIL**

- Protects engine during "Stop and Go" driving
- Gives engine oil up to twice the protection in high temperature conditions
- Improves fuel economy
- Protects engine at startup, especially at low temperatures
- Compatible with all motor oils

*A blend of eight scientifically formulated components that chemically bond to critical engine surfaces, reducing friction and engine wear.*



**NET 32 FL. OZ. (1 QT) 946mL**

*Next Generation in Engine Treatments*

*Treats The Engine Not The Oil*

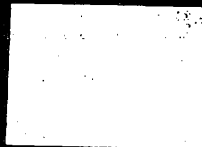
TM-8 Engine Treatment moves engine performance and protection a generation ahead with its patent pending blend of eight scientifically formulated components that chemically bond to critical engine surfaces, reducing friction and engine wear.

*Serious Results*

Just add one quart of TM-8, the next generation engine treatment, to an oil change of your favorite motor oil. TM-8 will:

- Protect engine during "Stop and Go" driving.
- Gives engine oil up to twice the protection in high temperature conditions.
- Improve fuel economy.
- Protect engine at startup, especially at low temperatures.
- Compatible with all motor oils.

TEFLON<sup>®</sup> is a registered trademark of DuPont



Valvoline Car Care Products  
Division of Ashland Inc.  
Lexington, KY 40509

Part No. TM8-32  
Made in USA ©1995

*2 x f-1*

EXHIBIT F

**ENGINE TREATMENT**

**WITH TEFLON<sup>®</sup>**  
*Fluoroadditive*

## ENGINE TREATMENT



**TREATS THE ENGINE, NOT THE OIL**

- Protects engine during "Stop and Go" driving
- Gives engine oil up to twice the protection in high temperature conditions
- Improves fuel economy
- Protects engine at startup, especially at low temperatures
- Compatible with all motor oils

*A blend of eight scientifically formulated components that chemically bond to critical engine surfaces, reducing friction and engine wear.*



**NET 32 FL. OZ. (1 QT) 946mL**

**DIRECTIONS**

1. Pour 1/2 pint (4.73 L) into the oil filler neck of the engine. Do not overfill. For best results, use Valvoline Engine Treatment with Valvoline motor oil. For best results, use Valvoline Engine Treatment with Valvoline motor oil. For best results, use Valvoline Engine Treatment with Valvoline motor oil.

2. Run the engine for 5 minutes at 1500 RPM. This will help the treatment bond to the engine surfaces.

3. Repeat the procedure in 1000 miles (1609 km) and thereafter every 5000 miles (8047 km). For best results, use Valvoline Engine Treatment with Valvoline motor oil.

**TEFLON-8 is compatible with all motor oils.**

TEFLON-8 will not void new car warranties and is safe for use in new or rebuilt engines during the break-in period.

**CAUTION:** DO NOT use in engines with aluminum pistons or rings. Do not use in engines with aluminum pistons or rings.

**DISPOSAL INFORMATION:** Do not pour down the drain or into the ground. Do not use in engines with aluminum pistons or rings.

**KEEP OUT OF THE REACH OF CHILDREN.**

**CONTAINS:** Do not use in engines with aluminum pistons or rings.

**AVOID EYES:** Do not use in engines with aluminum pistons or rings.

**SAFETY:** Do not use in engines with aluminum pistons or rings.

**IF SWALLOWED:** Do not use in engines with aluminum pistons or rings.

**24 HOUR EMERGENCY NUMBER: 1-800-274-5263**

TEFLON is a registered trademark of DuPont.

Valvoline Car Care Products  
Division of Ashland Inc.  
Lexington, KY 40509

Part No. TMS-12  
Made in USA 1993

Ex =

## DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true, 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 respondent has violated the said Act, 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 sixty (60) days, now in conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Ashland, Inc., is a Kentucky corporation, with its office and principal place of business located at 1000 Ashland Drive, Russell, KY.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

## ORDER

## DEFINITIONS

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

"*Engine treatment*" shall mean packaged chemical ingredients sold to consumers as a supplement to fully-formulated motor oil in a vehicle's engine and as having the capacity to affect the engine or the engine's performance even after a subsequent oil change.

"*Competent and reliable scientific evidence*" shall mean tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

### I.

*It is ordered*, That respondent Ashland, Inc., a corporation, its successors and assigns, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with the manufacturing, advertising, labeling, packaging, offering for sale, sale, or distribution of Valvoline TM8 Engine Treatment or any other engine treatment, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Making any representation, in any manner, directly or by implication:

1. That such product bonds polytetrafluoroethylene, Teflon, or any other substance to engine parts;
2. That, compared to motor oil alone, such product:
  - a) Reduces engine wear.
  - b) Reduces camshaft bearing wear by up to 75%, or by any other amount.
  - c) Reduces main bearing wear by up to 75%, or by any other amount.
  - d) Under high temperature conditions experienced by engines, provides twice as much, or any other incremental degree, of wear protection.
  - e) Extends the duration of engine life.
  - f) Improves fuel economy;
3. That one or any other number of treatments of such product lasts for 50,000 or any other number of miles; or

4. Regarding the performance or attributes of such product,

unless, at the time of making such representation, respondent possesses and relies upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation.

B. Misrepresenting, in any manner, directly or by implication, the existence, contents, validity, results, conclusions, or interpretations of any test or study.

II.

*It is further ordered*, That, for five (5) years after the last date of dissemination of any representation covered by this order, respondent, its successors and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All labeling, packaging, advertisements and promotional materials setting forth any representation covered by this order;

B. All materials that were relied upon to substantiate any representation covered by this order; and

C. All tests, reports, studies, surveys, demonstrations or other evidence in their possession or control that contradicts, qualifies, or calls into question such representation or the basis upon which respondent relied for such representation, including complaints from consumers or governmental entities.

III.

*It is further ordered*, That respondent, its successors and assigns, shall notify the Federal Trade Commission at least thirty (30) days prior to any proposed change in the respondent, such as dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries, or any other change in the corporation which may affect compliance obligations arising under this order.

IV.

*It is further ordered*, That respondent, its successors and assigns, shall forthwith distribute a copy of this order to each of its operating divisions and to each of its officers, agents, representatives, or

