

PUBLIC

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

COMMISSIONERS: **Lina M. Khan, Chair**
 Rebecca Kelly Slaughter
 Alvaro M. Bedoya
 Melissa Holyoak
 Andrew Ferguson

In the Matter of

**ASBURY AUTOMOTIVE GROUP, INC.,
a corporation,**

**ASBURY FT. WORTH FORD, LLC, a limited liability
company, also d/b/a DAVID MCDAVID FORD
FT. WORTH,**

**MCDAVID FRISCO – HON, LLC, a limited liability
company, also d/b/a DAVID MCDAVID HONDA OF
FRISCO,**

**MCDAVID IRVING – HON, LLC, a limited liability
company, also d/b/a as DAVID MCDAVID HONDA OF
IRVING, and**

**ALI BENLI, individually and as an officer of
ASBURY FT. WORTH FORD, LLC,
MCDAVID FRISCO – HON, LLC, and
MCDAVID IRVING – HON, LLC.**

DOCKET NO. D-9436

COMPLAINT

The Federal Trade Commission, having reason to believe that Asbury Automotive Group, Inc., Asbury Ft. Worth Ford, LLC, also d/b/a David McDavid Ford Ft. Worth, McDavid Frisco – Hon, LLC, also d/b/a David McDavid Honda of Frisco, McDavid Irving – Hon, LLC, also d/b/a David McDavid Honda of Irving, and Ali Benli, individually and as an officer of David McDavid Ford Ft. Worth, David McDavid Honda of Frisco, and David McDavid Honda of Irving (collectively, “Respondents”) have violated the provisions of the Federal Trade Commission Act and the Equal Credit Opportunity Act and its implementing Regulation B, and it appearing to the Commission that this proceeding is in the public interest, alleges:

PUBLIC

Summary of Case

1. Respondents sell cars and trucks at multiple dealerships in and around Dallas, Texas. In selling these vehicles, Respondents often charge consumers for additional items (“add-ons”), such as service contracts, maintenance contracts, or chemical coatings, on top of the price of the vehicle. But in many instances, Respondents add these charges without consumers’ consent or misrepresent that the charges are required. And Respondents charge Black and Latino consumers more than non-Latino White consumers for add-ons, discriminatorily imposing higher costs on Black and Latino consumers. These add-on charges can amount to several thousand dollars, substantially increasing the cost of a vehicle—and Respondents’ profits.

Respondents

2. Respondent Asbury Automotive Group, Inc. (“Asbury”), is a Delaware corporation with its principal place of business at 2905 Premiere Parkway, Suite 300, Duluth, GA 30097. The individuals working at Asbury’s dealership locations are all Asbury employees, paid through a separately created wholly owned subsidiary.

3. Respondent Asbury Ft. Worth Ford, LLC, also d/b/a David McDavid Ford Ft. Worth (“McDavid Ford Ft. Worth”), is a Delaware limited liability company with its principal place of business at 300 West Loop 820 South, Ft. Worth, Texas 76108. McDavid Ford Ft. Worth is a wholly owned subsidiary of Asbury, and the individuals working at McDavid Ford Ft. Worth are all Asbury employees. At all relevant times, Asbury has performed various functions on behalf of McDavid Ford Ft. Worth, or has overseen such business functions, including human resources, finance, compliance auditing, and information technology and security. Asbury established relevant policies of McDavid Ford Ft. Worth, employed the personnel who worked at McDavid Ford Ft. Worth, and had control over the acts and practices of McDavid Ford Ft. Worth that are at issue in this Complaint.

4. Respondent McDavid Frisco – Hon, LLC, also d/b/a David McDavid Honda of Frisco (“McDavid Honda Frisco”), is a Delaware limited liability company with its principal place of business at 1601 North Dallas Parkway (7200 State Highway 121), Frisco, Texas 75034. McDavid Honda Frisco is a wholly owned subsidiary of Asbury, and the individuals working at McDavid Honda Frisco are all Asbury employees. At all relevant times, Asbury has performed various functions on behalf of McDavid Honda Frisco, or has overseen such business functions, including human resources, finance, compliance auditing, and information technology and security. Asbury established relevant policies of McDavid Honda Frisco, employed the personnel who worked at McDavid Honda Frisco, and controlled the acts and practices of McDavid Honda Frisco that are at issue in this Complaint.

5. Respondent McDavid Irving – Hon, LLC, also d/b/a David McDavid Honda of Irving (“McDavid Honda Irving”), is a Delaware limited liability company with its principal place of business at 3700 West Airport Freeway, Irving, Texas 75062. McDavid Honda Irving is a wholly owned subsidiary of Asbury, and individuals working at McDavid Honda Irving are all Asbury employees. At all relevant times, Asbury has performed various functions on behalf of

PUBLIC

McDavid Honda Irving, or has overseen such business functions, including payroll, human resources, finance, compliance auditing, and information technology and security. Asbury established relevant policies of McDavid Honda Irving, employed the personnel who worked at McDavid Honda Irving, and controlled the acts and practices of McDavid Honda Irving that are at issue in this Complaint.

6. Respondent Ali Benli (“Benli”) is the General Manager of McDavid Ford Ft. Worth and an employee of Asbury, and was the General Manager of McDavid Honda Irving and the General Manager of McDavid Honda Frisco. At all times relevant to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of McDavid Ford Ft. Worth, McDavid Honda Frisco, and McDavid Honda Irving, including the acts and practices set forth in this Complaint. As general manager, Respondent Benli has had control and responsibility over day-to-day operations of McDavid Ford Ft. Worth, McDavid Honda Frisco, and McDavid Honda Irving, including the implementation of financing and sales policies and the sale of add-on products and services. Respondent Benli has had knowledge of Respondents’ unlawful practices, including through actively participating in handling complaints and internal deal audits undertaken by Asbury. His principal office or place of business is the same as that of McDavid Ford Ft. Worth.

7. Respondents Asbury, McDavid Ford Ft. Worth, McDavid Honda Frisco, and McDavid Honda Irving (collectively, “Corporate Respondents”) have operated as a common enterprise while engaging in the unlawful acts and practices alleged below. Corporate Respondents have conducted the business practices described below through an interrelated network of companies that have common ownership, officers, directors, business functions, employees, advertising, policies, and practices. Because Corporate Respondents have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below.

8. At all times relevant to this Complaint, acting alone or in concert with others, Respondents have advertised, marketed, distributed, or offered vehicles to consumers for sale, and have regularly arranged for the extension of credit.

9. 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.

Respondents’ Business Activities

10. Asbury owns and operates a network of motor vehicle dealerships. It is the parent company and owner of the three dealership respondents—McDavid Ford Ft. Worth, McDavid Honda Frisco, and McDavid Honda Irving—and it employs the individuals who work at these dealerships. In many instances, Respondents have charged consumers for add-ons they did not agree to, misled consumers into believing add-ons were required, and charged Black and Latino consumers more than non-Latino White consumers for the same products, including add-ons.

PUBLIC

Respondents' Unauthorized and Deceptive Add-On Charges

11. Respondents charge consumers for an array of add-ons that are tacked on to the purchase of a vehicle, such as extended warranties, maintenance plans, chemical coatings, and dent protection. Under the policies set by Asbury, employees receive additional compensation for add-on charges, including bonuses that managers earn when a certain percentage of the dealer's sales include an add-on. Add-ons commonly cost consumers hundreds or thousands of dollars per transaction.

Unauthorized Charges

12. In numerous instances, Respondents have added unwanted charges to vehicle sales contracts. One tactic Respondents use is getting a consumer to agree to a monthly payment that exceeds what they need to pay under the contract to purchase a vehicle, and then "packing" the sales contract with add-on charges to make up the difference. For example, a salesperson might represent that a consumer qualifies for financing with a monthly payment of \$400, when the monthly payment for the vehicle under the contract is actually \$350. The salesperson then includes, or "packs," the contract with add-ons to make up some or all of the difference between the two monthly payments, so that it appears the consumer is receiving a similar or smaller monthly payment.

13. Many consumers have reported that Respondents, using this type of payment packing or other methods, charged them for add-ons the consumers never agreed to buy. For example, one consumer reported that McDavid Ford Ft. Worth charged him over \$2,800 for products he never agreed to, including \$1,200 for guaranteed asset protection ("GAP") agreement; \$1,024 for ResistAll, a supposed microscopic chemical coating that claims to prevent damage to the vehicle's interior and exterior; and \$584 for a key replacement service. Likewise, a David McDavid Honda Frisco consumer discovered that Respondents had charged her on multiple occasions for add-ons that she did not know about and never would have agreed to purchase, including \$3,000 for a service contract and over \$4,700 for a life insurance policy, a disability insurance policy, a maintenance plan, and a service contract.

14. Consumers have reported that Respondents sometimes did not mention the add-on items at all. For instance, one consumer who discovered more than three thousand dollars in unexpected charges after financing a car at McDavid Honda Frisco reported, "at no point did you mention the \$3,000.00 warranty cost or the \$466.00 ResistAll cost." And another consumer reported that he "clearly said NO to GAP" and that he "never discussed anything about Resist-ALL," but that both were added to the transaction "without [his] knowledge." The consumer further reported that the finance manager "asked [him] to sign many documents saying they are for loan process" and "deliberately made sure that [he was] not aware of the complete sale details." Mr. Benli received both complaints.

15. Other consumers reported that they specifically declined add-on items only to discover that Respondents charged them anyway. For example, a consumer reported that after she and her husband agreed to purchase a vehicle at McDavid Ford Ft. Worth, the couple

PUBLIC

“specifically said we did not want an extended warranty and a key fob replacement warranty” but that “both of those were snuck into our paper work.” Another consumer similarly reported that, in the “huge pile of papers” she received, she was charged for add-ons she declined “many times”; after inquiring about the charges, the finance manager “lied to” her and told her the products were free. Mr. Benli received the complaint.

16. Consumers have reported that Respondents made it difficult for them to understand the terms of the transaction. One consumer described how a financing representative had the paperwork for the sale on his computer, but the screen was pointed in the direction of the representative so the consumer could not see it. She reported that the representative briefly described the document, and then asked her to sign on an electronic signature pad without viewing the document itself. And, not knowing that she had been charged for both a maintenance plan and service contract, she and her daughter paid for maintenance and repairs out of pocket. Similarly, a McDavid Honda Irving consumer signed his sales contract on a portable electronic device and was only shown the spots where he needed to sign and not the entire contract. Three weeks later, he discovered that the finance manager had added a \$1,750 maintenance package and \$609 key replacement package without permission.

17. Many consumers may not discover that Respondents have charged them without consent until after the vehicle transaction is complete, if ever. For example, after buying a car, a McDavid Ford Ft. Worth consumer discovered that the dealer had extended what he thought was a 72-month financing agreement to 84 months without his consent so that the lower monthly payment under the longer term masked the increase from the hidden charges for unwanted add-ons. Another consumer likewise discovered that his loan had been changed from a 72-month to an 84-month term without his consent, masking not only hidden charges for unwanted add-ons, but also a vehicle price increase of more than a thousand dollars.

18. Asbury has received directly many complaints from consumers reporting that they were charged for add-on products without consent. For example, in 2021, a McDavid Honda Frisco consumer complained that “he did not want ANY products at all, but after he signed there was HondaCare, Resistall, Key and Windshield.” Asbury’s Regional Finance and Insurance Director called the complaint “pretty concerning.” Other complaints Asbury has received include:

- “[T]he financial person [] overcharged us for other things that we didn’t want with the car and he added it on anyway.”
- “A \$2200 service contract fee [] was never mentioned or even explained to us.”
- “I told you I didn’t want an extended warranty but I noticed you put it in the finance agreement anyway.”

PUBLIC

- “I was grossly misle[]d about what additional costs I was consenting to, which was a \$3000 warranty, and a separate \$899 ResistAll”; “I had no idea what [ResistAll] was as a product.”
- “We are cancelling all coverages due to misrepresentation by the Finance Manager at the time of signing” (noting \$6,682 in unauthorized charges).
- “They will mess with the numbers on your papers and lie to you about the price of the car to sneak in a warranty they tell you nothing about.”
- “Had an agreement with the salesman for the price of the car. . . . Paperwork also added service contract without asking if I wanted it.”
- “The finance guy added extended warranty without asking me and when I asked him about it he straight up lied to me.”

19. Mr. Benli has received direct notice of consumer complaints. In particular, he tracked public complaints and pressured consumers to take down negative reviews. (“Make sure he brings the review down,” Mr. Benli stated about one consumer complaining about unauthorized add-ons.) Among the complaints Mr. Benli received, in addition to those noted above:

- Consumer complaining he got “scammed by the finance person” regarding ResistAll.
- “You never see the detailed billing until you have signed everything. They tell you fabric protection is free, but the final bill showed \$850.”
- Warranty that consumer declined added to contract; consumer not given a copy of the agreement.
- “Honda of McDavid cheated during the signing”; Finance manager “added additional warranties [to] my payment plan even though I didn’t request or he didn’t explained to me any of them”; consumer spent 12 hours attempting to cancel.
- “I received a letter by Honda finance department and it states that I bought a protection which worth \$5500 for one year. The problem is nobody explained to me about protection and I haven’t had any idea until seeing [the] letter.”

Charges Misrepresented as Required

PUBLIC

20. In numerous other instances, Respondents falsely represent that consumers are required to purchase an optional add-on. These representations are false. Neither the finance companies nor the vehicle manufacturers require that the add-ons be sold.

21. Many consumers have been charged thousands of dollars for add-ons that Respondents falsely claimed were required. For example, a David McDavid Ford Ft. Worth representative told one consumer that to finance the purchase of a truck, he had to purchase a bundle of add-ons—including a maintenance plan, chemical protection and warranty, windshield, extended vehicle warranty, and key replacement service—that ended up being more than \$9,500. Asbury has received many complaints from consumers that they were falsely told that add-ons were required. For example:

- Consumer told that purchasing a warranty was required to receive a lower interest rate.
- “I was lied [to] by your Finance Department. . . . I was told . . . that I must have a Honda Care, a Car Maintenance and Resist All package in order to be able to finance. I was clear when I said I was not interested yet I was told I must have.”
- Consumers told they would receive lower rate if they purchased add-ons; itemized prices missing from contract documents.
- Consumer repeatedly stated that he did not want warranty but was told that “it was required.”
- “Finance guy . . . lies to his clients[.] He told me that I had to buy [\$]3,000 warranty.”
- Consumer told that GAP agreement was required by the bank “as the condition of approval.”
- Consumer told that “he has to pay for [various add-ons] because it came with the package deal.”

22. Many consumers do not catch the dealers’ misrepresentations before the paperwork is signed and the transaction is finalized. But even if consumers were to discover false representations or unauthorized charges mid-transaction, it is often unrealistic for consumers to walk away at that point. Buying a vehicle is a lengthy process involving complex, dense paperwork; it can take several hours or days to finalize, on top of the hours it can take to drive to and from a dealership. Consumers may need to take time off work or arrange childcare, and the immediate need for the vehicle for work, school, or other vital household reasons makes it infeasible to start the process anew at a different dealership.

PUBLIC*Respondents' Add-on Misconduct Is Widespread*

23. Respondents have added unwanted add-ons to vehicle sales without consumers' knowledge or consent, or misrepresented that an add-on was required, in numerous instances. According to a survey of consumers who Respondents charged for at least one add-on:

- a) At least 58% of consumers who purchased a vehicle at McDavid Ford Ft. Worth were charged for at least one add-on that they did not agree to buy or that was misrepresented as required.
- b) At least 75% of consumers who purchased a vehicle at McDavid Honda Frisco were charged for at least one add-on that they did not agree to buy or that was misrepresented as required.
- c) At least 73% of consumers who purchased a vehicle at McDavid Honda Irving were charged for at least one add-on that they did not agree to buy or that was misrepresented as required.

24. Asbury periodically audits its dealerships for misconduct. Asbury's audit process relies on what the dealerships document in writing; Asbury does not contact consumers during the audit process to ask what employees at the dealership told them or what consumers understood about add-ons.

25. Despite their limited nature, audits at each Respondent dealership have uncovered substantial evidence that consumers are charged for add-ons without consent: the dealerships have each failed multiple audits due to payment packing and other "Deceptive Practice[s]," as Respondents label them. For example, 2019 audits of McDavid Honda Frisco (managed by Mr. Benli) and McDavid Ford Ft. Worth found evidence of payment packing in 28% and 34% of deals, respectively. In total, the audits found "Deceptive Practice[s]" in over 50% of deals. Asbury's Investigations Manager called the audits—the second consecutive failed audits for each dealership—"the worse" (Ft. Worth) and "the ugly" (Frisco).

26. Multiple failed audits of McDavid Honda Irving also found extensive evidence of payment packing and other "Deceptive Practice[s]." For example, a 2020 audit (the store's second consecutive failed audit) found evidence of payment packing in 22% of deals. The audit also found "After-the-fact, Authenticity" issues in 26% of deals, which means documents were "created after the fact in order to falsify the deal in some way," in the words of Asbury's head of compliance. In total, the audit found "Deceptive Practice[s]" in nearly 75% of deals.

27. As a rule, Asbury does not contact consumers after the audits, even if they determine that consumers have been the victim of "Deceptive Practice[s]."

28. Additional Asbury internal documents confirm the widespread problems identified in the audits. For example, Asbury's Investigations Manager found that after customers of McDavid Honda Irving left the store, "all" sales and finance managers were doctoring customer applications, signing for the customer, and destroying the original

PUBLIC

applications.

29. Similarly, in 2019, an internal whistleblower at McDavid Ford Ft. Worth reported that, for more than a year, the finance director had instructed employees to change information on customer applications.

30. Also in 2019, Asbury's Investigations Manager found that Asbury employees were selling service plans for amounts that exceeded Asbury's policies, thereby "enhanc[ing] their pay at the expense of our customers." Of the 14 "most frequent offenders," six were employees at one of the three Respondent dealerships.

31. In 2021, Asbury's Investigations Manager concluded that an employee at McDavid Honda Frisco was "manipulating deals and menus to sell additional products"—for example, by failing to show consumers the true base payment without add-on products.

Respondents' Discriminatory Add-on Financing Practices

32. Respondents arrange financing through third-party financing entities for consumers to purchase motor vehicles and pay for these add-ons. In these credit transactions, Respondents mark up the price on add-ons for Black and Latino consumers and extract more in profit from them than from others, even though the cost to Respondents is the same. As detailed above, many consumers do not know that Respondents are charging them for add-ons, let alone that they are being charged more than consumers of a different race, color, or national origin.

33. Respondents routinely charge different consumers for the same add-ons at prices that are hundreds of dollars apart. In particular, McDavid Fort Worth charges Latino consumers, on average, approximately \$■■■■ more for the same add-ons than non-Latino White consumers. McDavid Honda Frisco charges Black consumers, on average, \$■■■■ more for the same add-ons, and charges Latino consumers, on average, \$■■■■ more for the same add-ons, than non-Latino White consumers. And McDavid Honda Irving charges Black consumers, on average, \$■■■■ more for the same add-ons, and charges Latino consumers, on average, \$■■■■ more for the same add-ons, than non-Latino White consumers. These disparities are statistically significant even when accounting for other factors that could affect the cost of add-ons.

34. Respondents treat Black and Latino consumers differently from non-Latino White consumers. Respondents target Black and Latino consumers with packed add-ons and higher-priced add-ons. For example, Respondents encourage employees to pack add-ons more often in contracts with Latino consumers and consumers who are non-native English speakers. No legitimate, nondiscriminatory reasons exist for the Respondents charging higher prices for the same or similar add-ons to Black and Latino consumers than to similarly situated non-Latino White consumers.

35. Moreover, Respondents' policy and practice is to give their employees free rein to charge different prices for the same or similar add-ons, leading to statistically significant disparities. This practice is not justified by a business necessity that could not be met by a less discriminatory alternative.

PUBLIC**VIOLATIONS OF THE FTC ACT**

36. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

37. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

38. Acts or practices are unfair under Section 5 of the FTC Act if they cause or are likely to cause substantial injury to consumers that consumers cannot reasonably avoid themselves and that is not outweighed by countervailing benefits to consumers or competition. 15 U.S.C. § 45(n).

Count I**Misrepresentations Regarding Charges**

39. In numerous instances, in connection with the offering for sale or financing, or sale and financing of vehicles, Respondents represent, directly or indirectly, expressly or by implication, that charges appearing on consumers’ sales contracts are authorized by consumers.

40. In fact, in numerous instances in which Respondents make the representations set forth in Paragraph 39, the charges appearing on consumers’ sales contracts include charges not authorized by consumers.

41. Therefore, Respondents’ representations as set forth in Paragraph 39 are false or misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count II**Misrepresentations Regarding Add-On Charges**

42. In numerous instances, in connection with the offering for sale or financing, or sale and financing of vehicles, Respondents represent, directly or indirectly, expressly or by implication, that consumers are required to buy one or more add-ons.

43. In fact, in numerous instances in which Respondents make the representations set forth in Paragraph 42, consumers are not required to buy the add-ons.

44. Therefore, Respondents’ representations as set forth in Paragraph 42 are false or misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

PUBLIC

Count III
Unfair Practices Relating to Unauthorized Charges

45. In numerous instances, Respondents charge consumers without obtaining their express, informed consent.

46. Respondents' actions cause or are likely to cause substantial injury to consumers that consumers cannot reasonably avoid themselves and that is not outweighed by countervailing benefits to consumers or competition.

47. Therefore, Respondents' acts or practices as set forth in Paragraph 45 constitute unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a), (n).

VIOLATIONS OF THE EQUAL CREDIT OPPORTUNITY ACT AND REGULATION B

48. Section 701(a)(1) of the ECOA, 15 U.S.C. § 1691(a)(1), and Section 202.4(a) of Regulation B, 12 C.F.R. § 202.4(a), prohibit a creditor from discriminating against an applicant with respect to any aspect of a credit transaction on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act, 15 U.S.C. Ch. 41.

49. Corporate Respondents are creditors as defined in Section 702(e) of the ECOA, 15 U.S.C. § 1691a(e), and Section 202.2(l) of Regulation B, 12 C.F.R. § 202.2(l).

50. Section 704(c) of the ECOA, 15 U.S.C. § 1691c(c), specifically empowers the Commission to enforce the ECOA. Respondents' violations of the ECOA are deemed to be violations of the FTC Act and are enforceable as such by the Commission under that Act. Further, the Commission is authorized to use all of its functions and powers under the FTC Act to enforce compliance with the ECOA by any person, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests set by the FTC Act. This includes the power to enforce a Consumer Financial Protection Bureau regulation promulgated under the ECOA, such as Regulation B, in the same manner as if a violation of that regulation had been a violation of an FTC trade regulation rule.

Count IV
Discriminatory Financing Practices

51. In connection with motor vehicle credit transactions, on the basis of race, color, or national origin, Respondents impose higher costs on Black and Latino applicants on average than on similarly situated non-Latino White applicants.

52. Respondents' acts, policies, and practices as set forth in Paragraph 51 constitute discrimination against applicants with respect to any aspect of a credit transaction on the basis of

PUBLIC

race, color, or national origin in violation of Section 701(a)(1) of the ECOA, 15 U.S.C. § 1691(a)(1), and Section 202.4(a) of Regulation B, 12 C.F.R. § 202.4(a).

PUBLIC**NOTICE**

You are notified that on the sixteenth day of April, 2025, at 10:00 a.m., at the Federal Trade Commission offices, 600 Pennsylvania Avenue, NW, Room 532-H, Washington, DC 20580, an Administrative Law Judge of the Federal Trade Commission, will hold a hearing on the charges set forth in this Complaint. At that time and place, you will have the right under the Federal Trade Commission Act to appear and show cause why an order should not be entered requiring you to cease and desist from the violations of law charged in this Complaint.

You are notified that you are afforded the opportunity to file with the Federal Trade Commission (“Commission”) an answer to this Complaint on or before the 14th day after service of the Complaint upon you. An answer in which the allegations of the Complaint are contested must contain a concise statement of the facts constituting each ground of defense; and specific admission, denial, or explanation of each fact alleged in the Complaint or, if you are without knowledge thereof, a statement to that effect. Allegations of the Complaint not thus answered will be deemed to have been admitted.

If you elect not to contest the allegations of fact set forth in the Complaint, the answer should consist of a statement that you admit all of the material facts to be true. Such an answer will constitute a waiver of hearings as to the facts alleged in the Complaint and, together with the Complaint, will provide a record basis on which the Commission may issue a final decision containing appropriate findings and conclusions and a final order disposing of the proceeding. In such answer, you may, however, reserve the right to submit proposed findings of fact and conclusions of law under FTC Rule § 3.46.

Failure to answer timely will be deemed to constitute a waiver of your right to appear and contest the allegations of the Complaint. It will also authorize the Commission, without further notice to you, to find the facts to be as alleged in the Complaint and to enter a final decision containing appropriate findings and conclusions and a final order disposing of the proceeding.

The Administrative Law Judge will hold an initial prehearing scheduling conference to be held not later than 10 days after the answer is filed by the last answering Respondent. Unless otherwise directed by the Administrative Law Judge, the scheduling conference and further proceedings will take place at the Federal Trade Commission, 600 Pennsylvania Avenue, NW, Room 532-H, Washington, DC 20580. Rule 3.21(a) requires a meeting of the parties’ counsel as early as practicable before the prehearing scheduling conference, but in any event no later than 5 days after the answer is filed by the last answering Respondent. Rule 3.31(b) obligates counsel for each party, within 5 days of receiving a Respondent’s answer, to make certain initial disclosures without awaiting a formal discovery request.

Moreover, the Commission has reason to believe that, if the facts are found as alleged in the Complaint, it may be necessary and appropriate for the Commission to seek relief to redress injury to consumers. Such relief could be in the form of restitution for past, present, and future consumers and such other types of relief as are set forth in Section 19(b) of the Federal Trade

PUBLIC

Commission Act. The Commission will determine whether to apply to a court for such relief on the basis of the adjudicative proceedings in this matter and such other factors as are relevant to consider the necessity and appropriateness of such action.

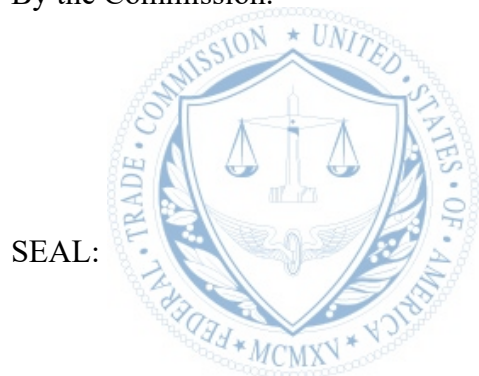
NOTICE OF CONTEMPLATED RELIEF

Should the Commission conclude from the record developed in any adjudicative proceedings in this matter that Respondents have violated or are violating Section 5 of the FTC Act, 15 U.S.C. § 45, or the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. § 1691-1691f, and its implementing Regulation B, 12 C.F.R. § 202, the Commission may order such relief against Respondents as is supported by the record and is necessary and appropriate, including but not limited to:

- a. Prohibiting misrepresentations in connection with motor vehicles.
- b. Requiring obtaining express, informed consent for all charges in connection with motor vehicles.
- c. Prohibiting charges for any add-on that does not provide a benefit to consumers.
- d. Prohibiting unlawful credit discrimination.
- e. Requiring a fair lending program that safeguards against discrimination against credit applicants.
- f. Requiring Respondents to obtain acknowledgments of the order.
- g. Requiring Respondents to file periodic compliance reports with the Commission.
- h. Requiring that Respondents create and retain certain records.
- i. Requiring that Respondents’ compliance with the order may be monitored for a term to be determined by the Commission.
- j. Any other relief appropriate to correct or remedy the effects of Respondents’ deceptive, unfair, or discriminatory practices or of any or all of the conduct alleged in the complaint.

THEREFORE, the Federal Trade Commission, this sixteenth day of August, 2024, has issued this Complaint against Respondents.

By the Commission.



April J. Tabor
Secretary

PUBLIC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on all counsel of record—Ed Burbach, Michael Lockerby, Robert Johnson, John Sepehri, Megan Chester, and Brandon Livengood—by email on this 8th day of October, 2024.

/s/ Sarah Abutaleb

Sarah Abutaleb
Federal Trade Commission
600 Pennsylvania Ave., NW
Mail Stop CC-10232
Washington, DC 20580

Complaint Counsel