

COMPLIANCE WITH FTC ADVERTISING REQUIREMENTS

What, if anything, has changed?



WHAT IS THE LAW

15 United States Code 45:

- (a) Declaration of unlawfulness; power to prohibit unfair practices; inapplicability to foreign trade
 - (1) Unfair methods of competition in or affecting commerce, and *unfair* or *deceptive* acts or practices in or affecting commerce, are hereby declared unlawful.
 - (2) The Commission is hereby empowered and directed to prevent persons, partnerships, or corporations . . . from using *unfair* methods of competition in or affecting commerce and *unfair* or *deceptive* acts or practices in or affecting commerce.

WHAT IS THE LAW

The statute does not define what is:

An unfair method of competition

An unfair act or practice

A deceptive act or practice.

WHAT IS THE LAW

“the Commission will find an act or practice deceptive if, first, there is a representation, omission, or practice that, second, is *likely to mislead consumers acting reasonably under the circumstances*, and third, the representation, omission, or practice is material. *Matter of Cliffdale Assocs., Inc.*, 103 F.T.C. 110 (1984).

In evaluating the tendency of language to deceive, the Commission should look not to the most sophisticated readers but *rather to the least*. *Exposition Press, Inc. v. F. T. C.*, 295 F.2d 869, 872 (2d Cir. 1961).

“Commission may require advertisements to be so carefully worded as to *protect the most ignorant and unsuspecting purchaser*. . .” *Progress Tailoring Co. v. Fed. Trade Comm’n*, 153 F.2d 103, 105 (7th Cir. 1946).

WHAT LED TO THE FTC LETTER?

March 2012

Action against 5 dealers

We will pay off your trade no matter what you owe!

WHAT LED TO THE FTC LETTER?

2014 – Operation Steer Clear



Price was \$17,995 after \$5,000 down

WHAT LED TO THE FTC LETTER?

OPERATION STEER CLEAR

Deceptive pricing. Real price above advertised price.

Deceptive teaser payments.

Undisclosed balloon payments.

False \$0 up-front leasing claims.

Undisclosed lease terms.

Hidden rates.

Bogus prize promotions.

Credit and leasing violations.

WHAT LED TO THE FTC LETTER?

2022 - Napleton Auto - “for sneaking illegal junk fees for unwanted “add-ons” onto customers’ bills”

2023 - Rhinelander Auto Center - “for deceiving consumers by tacking hundreds or even thousands of dollars in illegal junk fees onto car prices”

WHAT LED TO THE FTC LETTER?

SECURITY DEPOSIT REQUIRED. BASED ON BLACK BOOK AVERAGE VALUE.



NEW 2013 FORD
F-150

LEASE FOR **\$330** PER MONTH

OR **\$12,000 OFF MSRP!**

DEALER RETAINS FACTORY REBATES AND INCENTIVES. ALL OFFERS 24 MONTH LEASE, 10,000 MILES PER YEAR, \$3000 CASH OR TRADE, DUE AT SIGNING, WITH APPROVED CREDIT. PLUS TAX, TITLE, AND LICENSE. NO SECURITY DEPOSIT REQUIRED. BASED ON BLACK BOOK AVERAGE VALUE.

Advertised price available only on certain versions of the F-150

WHAT LED TO THE FTC LETTER?

July 2022 – FTC announced CARS Rule (Final Rule Published December 2023)

“The CARS Rule prohibits dealers from using bait-and-switch claims to lure vehicle buyers to the lot, including about the cost of a car or the terms of financing, the availability of any discounts or rebates, and the actual availability of the vehicles being advertised. It also tackles hidden junk fees – charges buried in lengthy contracts that consumers never agreed to pay. In some cases, these fees are for services or products that provide no benefit to consumers.”

Established “Offering Price”

“**No Bogus Add-Ons:** The rule prohibits dealers from charging for any add-on that does not provide a benefit to consumers. Examples of such add-ons include: warranty programs that duplicate a manufacturer’s warranty, service contracts for oil changes on an electric vehicle, GAP agreements that do not actually cover the car or neighborhood in which it is housed, or other parts of the deal, and software or audio subscription services on a vehicle that cannot support the software or subscription.”

WHAT LED TO THE FTC LETTER

October 2023 – FTC Proposed Junk Fee Rule

Excluded “Motor vehicle dealers that must comply with [CARS Rule] requiring motor vehicle dealers to disclose the full cash price for which a dealer will sell or finance the motor vehicle to any consumer, and prohibiting motor vehicle dealers from making misrepresentations, are exempted from the definition of “Business” for all purposes under this part.

WHAT LED TO THE FTC LETTER

January 2024 – FTC paused the CARS Rule pending court action

January 2025, Fifth Circuit Court of Appeals vacated the CARS Rule due to the FTC's failure to follow required procedure. The FTC had failed to issue an Advance Notice of Proposed Rulemaking

Nothing prevented the FTC from then restarting the process by issuing a Notice.

THE FTC LETTERS

Advertising a price that does not reflect all required fees

Advertising a price that reflects rebates or discounts not available to all consumers

Advertising a price that fails to take into account the amount of an additional required down payment

Conditioning the advertised price on consumers using dealer financing

Requiring consumers to buy additional items not reflected in the advertised price

Advertising unavailable or nonexistent vehicles

“This letter is not intended to be a comprehensive statement of concerns that may exist about your dealership or dealership group.”

NON-COMPLIANT ADS

Issues –

Dealer Trade Assistance requires a trade

Dealer Finance Assistance requires financing through the dealership

2026 Ford Maverick XL

Pricing	Info
MSRP ¹	\$30,275
Speedway Discount	-\$1,362
Administrative Fee	\$799
Dealer Trade Assistance Details	-\$1,000
Dealer Finance Assistance Details	-\$1,000
Speedway Price	\$27,712

NON-COMPLIANT ADS

2026 Ford F-150 STX Truck SuperCrew Cab V-6 cyl

Pricing

Info

Total Before Savings	\$50,410
Package Savings	-\$3,000
MSRP ¹	\$47,410
Savings	-\$4,297
\$1,000 on select Ford models	-\$1,000

[Details](#)

Price

\$42,113

Issues – \$1,000 Discount only on select models


NON-COMPLIANT ADS

Issues

Trigger term of payment amount and down payment

Must also show the terms of repayment

(monthly for how many months) and APR using that term



Recent

2022 Toyota Camry

LE · 12k miles

\$25,990

\$411/mo estimated ⓘ

\$0 cash down

Free shipping · Get it tomorrow

NON-COMPLIANT ADS

2026 Jeep Wrangler 2-DOOR SPORT

Pricing	Info
MSRP	\$39,655
Herb Chambers Discount	-\$1,000
Total Price w/ \$499 Documentary Preparation	\$38,655
2026 National Retail Bonus Cash Details	-\$1,000
2026 National Bonus Cash Details	-\$500
Sale Price	\$37,155
2026 National 2026 Military Bonus Cash Details	-\$500
Driveability / Automobility Program Details	-\$1,000

Net price is not the most prominent
Is prominent "SALE PRICE" enough

NON-COMPLIANT ADS

UNBELIEVABLE DEAL!!!

20% OFF MSRP

NEW 2026 RAM 1500 BIG HORN
CREW CAB 4X4 57' BOX
STOCK #: D60301, MSRP: \$64,965



SAVE
\$12,616
OFF MSRP

MAKE THIS
THE SUMMER
EVENT

SHOP & SAVE NOW

★ AMERICA'S BEST FULL-SIZE TRUCK ★
POWERTRAIN LIMITED WARRANTY

10^{YR} / 100,000^{MI}

*Plus tax, title, license fee. Savings from MSRP. MSRP may not be the price at which the vehicle is sold in the trade area. See dealer for details. Expires 7/6/2026.

The only price listed is MSRP – Is listing a high price a violation?

NON-COMPLIANT ADS

Issues

Dealership price is not the most prominent price

Must present copy of this ad to receive the advertised price

(Maybe not compliant)

**NEW 2026
NISSAN ARMADA
PLATINUM WITH
NAVIGATION**

Stock: T9320806

VIN: JN8AY3ED0T9320806

Details

MSRP	\$75,470
Dealer Discounts	-\$5,215
Nissan Customer Cash	-\$1,500
Dealership Price	\$68,755

Customer must present copy of this advertisement to Dealer in order to receive the advertised price.

NON-COMPLIANT ADS

Disclaimer:

No-Hassle quotes includes all manufacturer and dealer incentives. Must finance with NMAC at standard rates to receive displayed price. Cash price may vary depending on NMAC and Dealer incentives. Not everyone qualifies for NMAC financing. Price in lieu of any special APR incentives cannot be combined with other offers unless specifically disclosed by the dealer. However, our price quotes do not include rebates that only a few select qualify, such as VPP discounts, college grad rebates, military rebates, owner loyalty rebates. We mention this as courtesy to help with your price quotes since some competitors include these rebates and incentives in their quote. Also, unlike some competitors, we do not have any added charges such as as destination, delivery, prep charge/fees. Prices do not include tax, tag, title or Georgia Lemon Law fees. Displayed prices include dealer doc fee of \$899 and \$149 electronic filing fee.

**Please Note: We turn our inventory daily, please check with the dealer to confirm vehicle availability. *Online price is calculated with discounts from MSRP that might not reflect dealer added options. Please verify with dealer, may not represent actual vehicle if you see stock pictures. (Options, colors, trim and body style may vary)*

Issues

At bottom of web page far removed from text

Requires financing with NMAC to receive the displayed price

Cash price may vary

NON-COMPLIANT ADS

**2026
NISSAN MURANO SV**

STK# TC124990



\$289/MO + TAX

24 MONTHS | 5K MILES/YEAR

SELLING PRICE \$41,005

DISCLAIMER: STK# TC124990. \$289+TAX FOR 24 MONTHS 5K MILES PER YEAR.. DUE AT INCEPTION 1ST, DEALER FEE, ELECTRONIC FILING FEE, TAX, TAG, REGISTRATION, LEASE ACQUISITION FEE..SELLING PRICE \$41005. EXPIRES 5/31/26.

- Issues – Not advertised as a lease – Actually lists “Selling Price”
- Amount due at signing not listed
 - No statement about security deposit

NON-COMPLIANT ADS

LOOKS GOOD BUT . . .

NEW 2026	
NISSAN KICKS SV	
Stock: PM89079	
VIN: 3N8AP6CE2TL416296	
Pricing	Details
<hr/>	
Details	
MSRP	\$26,495
Special Discount*	-\$4,459
Price	\$22,036
Nissan Customer Cash	-\$1,000
Discounted Price	\$21,036
Dealer Fee	+\$1,299
Electronic Fee	+\$899
HGreg Price	\$23,234
Instant Price	LOCKED

NON-COMPLIANT ADS

Disclaimer:

**Although every reasonable effort has been made to ensure the accuracy of the information contained on this site, absolute accuracy cannot be guaranteed. Dealer is not responsible for errors and omissions. All vehicles are subject to prior sale. Price does not include applicable state sales tax, title, license plate, destination charge (not required by law), pre-delivery service charge of \$1,299.00 (This charge represents costs and profit to the dealer for items such as inspecting, cleaning, and adjusting vehicles, and preparing documents related to the sale), electronic registration filing fee of \$899.00 (This charge represents costs and profit to the dealer for items such as inspecting, cleaning, and adjusting vehicles, and preparing documents related to the sale).*

Issues – Price does not include “destination charge (not required by law) pre-delivery service charge of \$1,299.00 . . . Electronic registration filing fee of \$899.00”

Pre-delivery Service Charge and Electronic Registration Filing Fee have exact same description – “This charge represents costs and profit to the dealer for items such as inspecting, cleaning, and adjusting vehicles, and preparing documents related to the sale”

NON-COMPLIANT ADS – 3RD PARTY

New 2026 Toyota Sienna Platinum

\$63,463

Leesburg not included in advertised price: \$995 for Prius, Corolla Hybrid and, 86, Supra, Corolla gas, Camry, Avalon, CHR \$1,175 for Sienna and Tacoma, RAV4, Highlander, 4Runner \$1,365 for Sequoia and Land Cruiser \$1,595 for Tundra

Issues – does include new vehicle freight charge

NON-COMPLIANT ADS - FACEBOOK

NOTHING OBVIOUSLY WRONG OTHER
THAN PRICE NOT PROMINENT BUT-

All Photos Reels Events Mentions

Turbocharged three-cylinder in a Rogue. Not a typo — that's the new math.

<https://www.nissansouthmorrow.com/inventory/New-2026-Nissan-Rogue-S-5N1BT3AA9TC842696/>

The 2026 Rogue S squeezes 29 city, 36 highway EPA-estimated out of a 1.5-liter turbo I-3, which is the kind of fuel number that actually moves the needle on a Hartsfield commute. Super Black over Charcoal cloth, aluminum wheels, splash guards already on it, cargo protector in the back for whatever the week throws at you.

Sticker reads \$31,760 — yours at \$26,747.

Come slide behind the wheel off Jonesboro Road and see how the little turbo pulls. We're open Sunday 12:30 to 6:30 if the weekday schedule doesn't cooperate.

NON-COMPLIANT ADS – 3RD PARTY

BUT SEE WEBSITE

While every reasonable effort is made to ensure the accuracy of this information, we are not responsible for any errors or omissions contained on these pages. New, Certified and Certified Select vehicle internet pricing may already include applicable manufacturer incentives which may expire at any time and are subject to incentive qualification criteria and requirements, and which may be contingent upon manufacturer finance company approval. The presented vehicle MPG/MPGe figures are official EPA estimates. These estimates may vary. On pre-owned electric vehicles, Internet Price or Today's Best Price reflects up to \$4,000 tax savings in accordance with the IRS Used Clean Vehicle Credit Program. Customer must meet IRS Used Clean Vehicle Credit requirements for income in order to receive tax savings. Must present printed copy to salesperson before negotiations. Offers cannot be combined unless otherwise stated. Price applies to in-stock units only. Price includes \$998.50 doc fees, dealer fees and electronic filing fees. Price excludes tax, title, & gov. fees. See dealer to verify any information in question.

OFFER INCLUDES \$4,000 IN CONTINGENT SAVINGS ON IRS CLEAN VEHICLE REQUIREMENTS

WHAT CAN YOU DO?

Pre-Owned 2021 Toyota Land Cruiser Base SUV

34,428 miles

Pricing

Info

Asking Price

\$91,925

SHOW ME THE
CARFAX
OWNER

WHAT CAN YOU DO

New 2026 Toyota Prius Plug-in Hybrid XSE Premium Front-Wheel Drive

Featured

Plug-In Hybrid

Pricing

Info

Total SRP* ⓘ	\$45,716
Discount	-\$2,091
Dealer Installed Equipment ⓘ	\$595
Dealer Fees	\$995
Excl. taxes, gov. fees	\$45,215

WHAT CAN YOU DO?

Possible issue with "Select"

Is there a Doc fee?

Limited offers are not included in the most prominent price

2026 Nissan Sentra S Sedan

Pricing	Info
MSRP	\$24,385
Savings	-\$1,198
Customer Cash/Rebate Offer: \$500 cash back on select 2026 Nissan Sentra Details	-\$500
Final Price	\$22,687
Military Offer: \$500 cash back on select 2026 Nissan Sentra Details	-\$500
Dealer Installed Optional Accessories ⓘ	\$3,790

WHAT CAN YOU DO?

IN STOCK

2026 Camry LE FWD

Stock: TU747878

VIN: 4T1DAACK7TU747878

Details

TSRP	\$30,934
Window Tint	+\$499
Doc Fee	+\$999
EFT	+\$198
Sale Price	\$32,630

Conditional Offers Below Based on Eligibility

Southeast Toyota Camry	\$1,000
Conquest Bonus Cash	
SETF College Grad Program - Southeast	\$500
SETF Military Program	\$500

WHAT CAN YOU DO?

Total Suggested Retail Price ⓘ	\$32,047
Albrecht Savings	-\$3,205
Doc Fee	\$549
<hr/>	
Sale Price	\$29,391

Total Suggested Retail Price

Total Suggested Retail Price (TSRP), per the Subaru window sticker, includes any manufacturer or distributor installed options, as well as destination and delivery fees. TSRP is subject to change at any time. Taxes, title, license, and retailer installed options, fees, and charges are not included. Actual retailer pricing will vary.

HOW DO YOU AVOID PROBLEMS

- Identify and review all ad streams (websites, 3rd parties, social media, print, mail, email, text)
- Use reputable advertising firms
- Negotiate with advertisers for defense and indemnity agreements
- Have a social media policy and train your employees
- Train an employee on advertising compliance and have them review ads
- Have ads reviewed by compliance companies or dealership lawyers

WHAT IF YOU DO NOT COMPLY?

- ❑ FTC Enforcement Action
 - ❑ Compliance Injunction
 - ❑ Violation after notice - \$53,088 per violation
- ❑ State Attorney General Actions
 - ❑ Injunctive Relief (Alabama, Mississippi, Tennessee)
 - ❑ Civil Penalty
 - ❑ \$1,000 per violation (Tennessee)
 - ❑ Knowing/willful per violation - \$2,000 (Alabama), \$10,000 (Mississippi)
 - ❑ Violation of injunction - \$25,000 per violation (Alabama). \$10,000 per violation (Mississippi), \$2,000 per violation (Tennessee)
 - ❑ Second violation of injunction – dissolution or suspension (Alabama, Tennessee)

COMPLIANCE WITH FTC ADVERTISING REQUIREMENTS

Jeffrey L. Ingram

Ingram, Kalupa & Butler, P.C.

203 Kenimer Avenue

Suite 100

Trussville, Alabama 35173

(205) 870-0663

Jeff@ikblawyers.com