



The State of South Carolina  
Department of Consumer Affairs

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April 3, 2008

*Celebrating Over 30 Years of Public Service*

Billy Mills  
General Manager  
Joe Gibson Mitsubishi-Suzuki  
489 West Main Street  
Spartanburg, SC 29301

Re: Automobile Advertising Standards and Guidelines

Dear Mr. Mills:

The South Carolina Department of Consumer Affairs works with South Carolina auto dealers to obtain voluntary compliance with reasonable and lawful standards in automobile advertising.

Under section 37-2-304 of the *Code of Laws of South Carolina*, a seller may not advertise terms or conditions of credit that are false, misleading or deceptive. Some of your recent advertising is not in compliance with this requirement. In fact, after reviewing some of your advertising and the disclosures provided, as well as consumer complaints and your responses and the enclosures, it appears that you are using a particular type of false, misleading or deceptive advertising – what the Federal Trade Commission calls bait advertising.

Some examples are representations that the customer can get a new car for little or no money down and pay only a small payment per month. (Some of the ads I have seen have \$37, \$44, \$47, and \$99). The ad states that the rest of the payment for one year, after which the customer can bring the car back and trade it in for a similar deal. The ad says “never make a car payment again,” implying that this program could continue indefinitely. The ad also says that the dealer will make the payments from special factory incentives. Another ad promotes free gasoline as “standard equipment” on the new cars bought from the dealership.

Some of the disclosures attempt to take away the offer that appears to be made. For example, the offer that the dealer will pay one year is directly contradicted by the disclosure that says the dealer will only pay for three months and then the consumer is responsible for the regular car payments for the remaining balance.

Another deceptive practice is found in the ads that say the dealership has “special factory incentives” and is the “only test market” for this program. This implies that this dealership has a special relation with the factory that none of the other dealerships have. The antitrust laws would prevent such a relationship. Another deceptive practice is advertising a special price and special

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CONSUMER ADVOCACY  
734-4200  
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(2) FAX: 734-4286

INVESTIGATORS  
734-4236  
ENFORCEMENT  
734-4236

CONSUMER COMPLAINTS  
734-4200  
WATS 1-800-922-1594  
VOICE/TT - 1-800-735-2905

TELETIPS (803) 734-4215 OR 1 (888) 734-4215 (TOLL FREE IN S.C.)

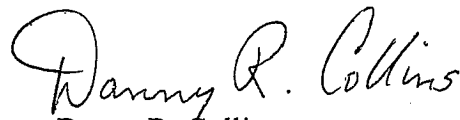
deal and then raising the price of the vehicle when making the actual deal. This is clearly a bait tactic and violates the law.

From some of the responses to the complaints, it would appear that you may claim that the correct information was fully disclosed before the deal was closed. You need to be aware that the later disclosure does not provide a defense for a deceptive advertising claim.

In almost twenty years of reviewing auto advertising, this office has never received so many complaints about advertising against one business. I also understand that there are numerous complaints about the advertising with the Better Business Bureau and that the dealership has had its membership revoked.

Normally, we would ask a dealership to assure us of its understanding of and voluntary compliance with the advertising standards and guidelines. However, due to the number and nature of the violations in this case, we will need more than just an assurance of voluntary compliance. In addition to such an assurance, we also want each of the complaints addressed and probably some compensation. Please let me know how you intend to resolve these complaints and advertising violations within ten days. If I do not hear from you, I intend to take further action.

Sincerely,



Danny R. Collins  
Deputy for Regulatory Enforcement

DRC  
Enclosure

cc: Brandolyn T. Pinkston, Administrator

Kathy Barrett  
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408 North Church Street, Suite C  
Greenville, SC 29601-2164