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CAR DEALERSHIPS PAY \$100,000 TO SETTLE CHARGES OF DECEPTIVE AND MISLEADING ADS

Largest Agency Payment for Auto Ad Violations; DCA Continues Monitoring Citywide

The New York City Department of Consumer Affairs (DCA) today announced its latest agreement in which three Bronx auto dealerships with the same ownership - Bronx Automobile Group, Inc., (2 locations - 3305 and 3329 Boston Rd.) and H.B. Automotive Group, Inc. d/b/a Kia of the Bronx (3350 Boston Post Rd.) - must pay a total of \$100,000 to settle charges of deceptive and misleading advertisements. The agreement, which is the largest agency payment for auto advertising violations, is part of the DCA's ongoing efforts to crackdown on deceptive advertisements that lure consumers purchasing both new and used cars. Since last summer, the DCA cited 20 auto dealerships citywide and, to date, established agreements with 15 dealerships totaling more than \$250,000.

Additional agreements are pending.

"Dealerships citywide are fast realizing that we mean business," said DCA Commissioner Gretchen Dykstra. "An advertisement is often the first place shoppers will go to compare prices, and consumers need to be able to make decisions based on truthful information. We continue to keep a close eye on ads citywide and will continue to take appropriate action against dealers who don't follow the law."

These three Bronx dealers were charged with numerous violations of the City's Consumer Protection Law including: basing advertised prices on **required financing** through the dealer; **failing to disclose advertised cars were damaged** and not covered by the manufacturer's warranty; **misrepresenting prices and actual cost** (i.e. advertised costs were based on restricted rebates that very few qualify for); **misrepresenting credit claims** (i.e. advertising bold headlines such as "Bring \$19 And Be Prepared To Take Immediate Delivery..." and "NO APPLICATION DENIED!" or "0% APR FINANCING,") suggesting that all applicants will be approved while omitting the credit terms or criteria used to determine if qualified for a loan; and **classic bait and switch** (i.e. offering sales with reduced interest rates that did not apply to the advertised vehicles).

Other dealerships that have settled similar charges over the past seven months include Bronx Hyundai (4353 Bronx Blvd.), Star Nissan, Inc. (Bayside), Star Mitsubishi (Queens Village), Star Toyota of Bayside, Metro Chrysler Plymouth, Inc. (Queens Village), Cox Nissan, Inc. (2 locations: 1235 E. Tremont Ave. and 3700 Boston Rd., Bronx); Northern Boulevard Dodge Inc. (2 locations: 209-01 Northern Blvd. and 209-35 Northern Blvd., Bayside); Kia of Bayside (211-08 Northern Blvd., Bayside); Bayside Chrysler Plymouth / Jeep Eagle, Inc. (212-19 Northern Blvd., Bayside); and Hyundai of Manhattan (646 Eleventh Avenue, Manhattan).

DCA enforces the City's Consumer Protection Law and other related laws at thousands of businesses throughout New York City. Fostering a marketplace where consumers are protected and businesses can thrive, DCA licenses more than 60,000 businesses in 55 different categories citywide. Through free community seminars, licensing forums, and other informational materials, DCA educates consumers and businesses alike about their rights and responsibilities.

To file a complaint or for copies of the DCA's *Guide to Used Car Purchases* or DCA's *Advertising Guide*, call 311 or visit the Department of Consumer Affairs' web site at www.nyc.gov.

Tips:

- **Watch out for footnotes and asteriks ("**").** The fine print in an advertisement sometimes changes an offer made in the large print.
- **Beware advertised prices based on financing.** Many are so restrictive that most average consumers don't qualify.
- **Shop around for best financing option.** Consumers that wish to finance may be able to obtain better options from financial institutions besides the dealer they are purchasing from.
 - **Photos and illustrations should match the products being advertised.**
 - **Prices quoted in an ad must match the actual purchase price.**

- Beware of ads using phrases like “as low as,” “starting at,” or “...and up” next to the listed price.