



Jean Noonan quoted in *Automotive News* follow up article on Tate's Auto FTC settlement

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The Federal Trade Commission (FTC) completed its first case alleging income falsification by an auto dealership last month, closing the loop on a three-year legal battle that bankrupted the dealership group and set a new standard for the types of practices the federal agency believes it has jurisdiction to pursue. The owner of Tate's agreed to a \$450,000 settlement to resolve allegations the dealership group falsified consumers' income and down payment information on vehicle financing applications, and misrepresented financial terms in vehicle advertisements.

In an interview with *Automotive News*, Hudson Cook Partner [Jean Noonan](#) noted that the standout feature of the case is the confidence through which the FTC pursued the challenging scenario of income falsification. Instances of income misrepresentation are hard to prove, as both dealership employees and customers may claim the other party is at fault, she said. "The FTC seems to have caught and been able to prove — or at least claim that they would be able to prove — that it was the dealership that was falsifying information, not the consumers that were falsifying information," she said. "Not all creditors verify the income."

Despite the recent Supreme Court case with AMG Capital Management, in which the Court determined that the FTC lacks authority to go directly to federal court to seek monetary redress for consumer impacted by unfair acts or practices, the FTC secured nearly a half-million dollars to distribute among consumers or give to the U.S. Treasury, Jean added. That shows some hard bargaining on the part of the FTC staff and its persistence to obtain relief.

[Click here](#) to read the *Automotive News* article.

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