



Minnesota Automotive Dealer Advertising Program

Overview and FAQ

November 2024

MADA and GMADA have partnered with the prominent law firm, Lathrop GPM LLP, to rebuild and relaunch the Minnesota Automobile Dealer Advertising Review Program. Lathrop lawyers and staff will take on day to day operation of the Program – accepting and addressing dealer advertising complaints, pre-approving dealer ads and if required issuing strike letters as provided in the 3-Strikes enforcement progression.

The Advertising Steering Committee – which is a volunteer group of interested dealers - continues to oversee the Program. The Steering Committee is charged with creating and changing the Minnesota Dealer Advertising Standards as necessary to respond to new advertising challenges. The Committee can also meet to consider an ongoing enforcement action and offer member dealers an opportunity to defend their ad before any final action is taken under the 3-Strikes progression.

The Steering Committee believes that Lathrop GPM is in a strong position with the staff and resources to replace the Better Business Bureau at the center of the Program. The Program continues to rely in part on Basic Principles of Advertising published in the BBB Code of Advertising.

Another change with the new Program is that Lathrop will respond to alleged violations of the Advertising Standards only when a competitor initiates a complaint. When the Program was young, the Better Business Bureau would scour the major newspapers, TV and radio stations looking for suspected violations. The BBB would then contact the advertiser to have an offending ad fixed or pulled. With the disruption and fragmentation of a handful of media outlets to thousands of websites, cable, broadcast, and streaming services, the BBB had increasingly relied on dealer complaints. Continuing this trend, Lathrop will not seek out potential violations on its own. Challenging violations will be entirely complaint driven.

Preapproval continues to be an important feature of the new Program. Rather than risking violating the Standards, dealers have taken advantage of this popular feature. Many of the Standards require or allow very specific disclosures for particular types of advertising. These disclosures can be complicated both in terms of the words to be disclosed and the manner in which the disclosure must be made. Lathrop GPM will work with dealers to preapprove ads under the new Program.

Frequently Asked Questions

- Q: Where do I find the details about the Program?
- A: The landing page for the Program resides on the MADA website with links to the Advertising Standards, 3-Strikes progression, complaint form, and contact information for Lathrop GPM. It's here: <https://www.mada.org/legal-resources/standards>
- Q: Who is the primary contact at Lathrop GPM?
- A: Kiralyn Locke is the lead person. Other Lathrop lawyers and support staff may also be involved. Kiralyn expects all communications involving the Program to be conducted via email. Her email: kiralyn.locke@lathropgpm.com
- Q: What role will MADA staff have in the day to day operation of the Program.
- A: MADA staff will have no direct role. However, Lathrop may communicate with the association regarding particular complaints or try and better understand a given advertising practice and its context within the Standards.
- Q: My competitor's website doesn't properly disclose vehicle prices. I downloaded the information for a complaint from the landing page. A complaint requires my dealership name and my contact information. Can I make an anonymous complaint?
- A: No. The Program requires all complaints to be validated. However, Lathrop will treat your identity as confidential and will not disclose it to the dealer you're complaining about.
- Q: If I make a complaint, will Lathrop contact me with the results?
- A: Yes, Lathrop will advise you when the complaint is resolved. However, Lathrop will not share details about its investigation or its communications with the subject of the complaint.
- Q: When can I expect my complaint to be acted upon?
- A: It depends. There is a simplified flow chart of the complaint process that can be accessed from the landing page. In general, Lathrop will strive to act on complaints withing 2 business days of receipt and expect prompt replies from subject dealers. However, additional time will be necessary if the nature of challenge requires communication with the subject dealer to substantiate a business practice or Lathrop otherwise seeks input about the practice.

If Lathrop determines that a violation has occurred, the dealer will be asked to discontinue or modify the ad according to the following schedule adopted by the Steering Committee:

Medium	Days if Discontinuing	Days if Modifying
Print	2	3
Web Banner Ads	2	3
Electronic Signage	2	3
Radio / TV	2	3
Website Formatting / Inventory Listings	2	3
Poster Billboards	5	10
Electronic Billboards	2	3

Q: Our dealership is the subject of a complaint. Are the Standards law? What authority does Lathrop have for challenging one of my ads?

A: The Standards are “voluntary” but are all rooted in state and federal law. For example, the credit and lease disclosure Standards mirror the requirements of Truth-In-Lending, Federal Regulation Z and Truth-In-Leasing, Federal Regulation M. Other Standards are grounded in Federal and Minnesota laws which prohibit “deceptive and misleading” advertising.

Aggressive advertising is fair, right, pro-competitive and good for the industry and for consumers. Unlawful ads are wrong and anti-competitive. They’re bad for consumers and for the dealer community as a whole. In some markets around the country deceptive and misleading ads are prevalent making it difficult for honest dealers to compete effectively. Unlawful advertising can become a “race to the bottom.” The goal of the Program and the Standards is to draw that fuzzy line between lawful and unlawful ads. It’s Lathrop’s job to educate dealers and hold them accountable.

And yes, you’re right. Lathrop can’t make you do anything. However, if you’re the subject of a complaint, you might consider whether it’s better to hear from Lathrop rather than the Minnesota Attorney General or the Federal Trade Commission. You might also review the 3-Strikes Progression which can be accessed from the landing page.

Q: I don’t agree with one of the Standards. Can Lathrop remove or modify them?

A: No. That’s not Lathrop’s role. Instead that role belongs to the Steering Committee. If you think a Standard or the Program should be changed, please share your concerns with MADA staff who can bring them to the attention of the Steering Committee.

Q: Our dealership is the subject of a complaint about a buy-down interest rate on certain used vehicles we have on for sale. The Standard permits buy-down interest ads if “none of the cost of the buy-down is passed along to the buyer in any way.” Our ad is bona fide. We’re not giving with one hand and taking back with the other. Lathrop is requesting documentation from us demonstrating the integrity of our pricing. We can do that. Will Lathrop retain that information in strict confidence?

A: Yes

Q: Tell me more about the preapproval process.

A: If you’re unsure that your ad complies with the Standards, Lathrop will look at it in advance. This is particularly helpful with credit and lease disclosures that can be very technical.

To take advantage of preapproval, email Lathrop the fully proposed version of the ad. That might be an attachment or perhaps a link to web content.

Lathrop will respond as soon as possible. Their goal is to approve or disapprove within 2 business days.

Q: How much of the BBB Code of Advertising is included in the Standards?

A: The Code of Advertising is a very strong document with broad guidance for all business ads. The Program only specifically adopts the General Principle of the Code. Lathrop may look to other sections for guidance, but the Program focuses on the Minnesota Standards.