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It is further ordered, That respondent herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

SIEGEL'S HOME EQUIPMENT COMPANY, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE TRUTH
IN LENDING AND THE FEDERAL TRADE COMMISSION ACTS

Docket C-1916. Complaint, May 10, 1971—Decision, May 10, 1971

Consent order requiring a Richmond, Va., distributor and seller of furniture, appliances and other merchandise to cease violating the Truth in Lending Act by failing to disclose the amount of the downpayment in property, failing to disclose the difference between the cash price and the total downpayment, failing to disclose accurately the unpaid balance, the amount financed, the finance charge, the deferred payment price, and failing to make other disclosures required by Regulation Z of said Act.

COMPLAINT

Pursuant to the provisions of the Truth in Lending Act and the implementing regulation promulgated thereunder, and the Federal Trade Commission Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Siegel's Home Equipment Company, Inc., a corporation, and Henry Shapiro, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and implementing regulation, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Siegel's Home Equipment Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Virginia with its principal office and place of business located at 7 West Broad Street, Richmond, Virginia.

Respondent Henry Shapiro is an officer of the corporate respondent. He formulates, directs and controls the policies, acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now and for some time last past have been engaged in the advertising for sale, offering for sale, and sale and distribution of furniture, appliances and other merchandise to the general public through its retail store located at 7 West Broad Street in Richmond, Virginia.

PAR. 3. Since July 1, 1969, in the ordinary course and conduct of their business as aforesaid, respondents regularly extend, and for some time last past have regularly extended, consumer credit as "consumer credit" is defined in Regulation Z, the implementing regulation of the Truth in Lending Act, duly promulgated by the Board of Governors of the Federal Reserve System.

PAR. 4. Subsequent to July 1, 1969, respondents in the ordinary course and conduct of their business and in connection with their credit sales, as "credit sale" is defined in Regulation Z, have caused and are causing their customers to execute personal loan notes, installment loan contracts, or retail installment contracts, each hereinafter referred to as "the contract." By and through the use of the contract, respondents:

1. Failed to make all disclosures required to be made by Regulation Z clearly, conspicuously and in a meaningful sequence, as required by Section 226.6(a) of Regulation Z.
2. Failed to disclose the amount of the downpayment in property and to describe that amount as the "trade-in," and failed to disclose the sum of the "cash downpayment" and the "trade-in" and to describe that sum as the "total downpayment," as required by Section 226.8(c) (2) of Regulation Z.
3. Failed to disclose accurately the "unpaid balance of cash price" as the difference between the "cash price" and the "total downpayment," as required by Section 226.8(c) (3) of Regulation Z.
4. Failed to disclose all other charges, individually itemized, which are part of the amount financed but which are not part of the finance charge, as required by Section 226.8(c) (4) of Regulation Z.
5. Failed to disclose the amount of the "unpaid balance" accurately as the sum of the "unpaid balance of cash price" and all other charges which are part of the "amount financed" but are not part of the "finance charge," as required by Section 226.8(c) (5) of Regulation Z.
6. Failed to disclose accurately the "amount financed," and failed to describe that amount as the "amount financed," as required by Section 226.8(c) (7) of Regulation Z.

7. Failed in some instances to disclose accurately and to describe individually the amounts of all charges required by Section 226.4 of Regulation Z to be included in the finance charge, and failed in some instances to include all such amounts in the amount of the finance charge, as required by Section 226.8(c) (8) (i) of Regulation Z.

8. Failed in some instances to disclose the annual percentage rate, and failed in some instances to disclose the annual percentage rate accurately to the nearest quarter of one percent as computed in accordance with Section 226.5 of Regulation Z, as required by Section 226.8(b) (2) of Regulation Z.

9. Failed to print the terms "finance charge" and "annual percentage rate," where required to be used, more conspicuously than the other required terminology, as required by Section 226.6(a) of Regulation Z.

10. Failed to disclose the "deferred payment price" accurately as the sum of the cash price, all other charges which are part of the amount financed but are not part of the finance charge, and the finance charge, as required by Section 226.8(c) (8) (ii) of Regulation Z.

11. Failed in some instances to disclose the number, amount, and due dates or periods of payments scheduled to repay the indebtedness, and failed in some instances to disclose that information accurately, as required by Section 226.8(b) (3) of Regulation Z.

12. Failed to make all the required disclosures in any one of the following three ways, as required by Section 226.8(a) of Regulation Z:

(a) Together on the contract evidencing the obligation on the same side of the page and above or adjacent to the place for the customer's signature;

(b) On one side of the separate statement which identifies the transaction; or

(c) On both sides of a single document containing on each side thereof the statement "NOTICE: See other side for important information," with the place for the customer's signature following the full content of the document.

PAR. 5. Subsequent to July 1, 1969, in the ordinary course and conduct of their business, respondents have caused to be published advertisements for their goods and services as "advertisement" is defined in Regulation Z, which advertisements aid, promote, or assist directly or indirectly extensions of consumer credit. Through these advertisements, respondents by stating "payments start in December," represent that no downpayment is required in connection with a con-

sumer credit transaction, without also stating all of the following terms, in terminology prescribed under Section 226.8 of Regulation Z, as required by Section 226.10(d) (2) thereof:

1. The cash price;
2. The number, amount, and due dates or period of payments scheduled to repay the indebtedness if the credit is extended;
3. The amount of the finance charge expressed as an annual percentage rate; and
4. The deferred payment price.

PAR. 6. Pursuant to Section 103(k) of the Truth in Lending Act, respondents' aforesaid failures to comply with the provisions of Regulation Z constitute violations of that Act and, pursuant to Section 108 thereof, respondents thereby violated the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act, the Truth in Lending Act and the implementing Regulation promulgated thereunder; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

Decision and Order

78 F.T.C.

1. Respondent Siegel's Home Equipment Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Virginia with its principal office and place of business located at 7 West Broad Street, Richmond, Virginia.

Respondent Henry Shapiro is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation, including the acts and practices hereinafter set forth. His address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Siegel's Home Equipment Company, Inc., a corporation, and its officers, and Henry Shapiro, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with any extension of consumer credit or any advertisement to aid, promote or assist directly or indirectly any extension of consumer credit as "consumer credit" and "advertisement" are defined in Regulation Z (12 CFR Part 226) of the Truth in Lending Act (Public Law 90-321, 15 U.S.C. 1601 *et. seq.*), do forthwith cease and desist from:

1. Failing to make all disclosures required to be made by Regulation Z clearly, conspicuously and in a meaningful sequence, as required by Section 226.8(a) of Regulation Z.

2. Failing to disclose the amount of any downpayment in property or to describe that amount as the "trade-in," or failing to disclose the sum of any "cash downpayment" and the "trade-in" and to describe that sum as the "total downpayment," as required by Section 226.8(c)(2) of Regulation Z.

3. Failing to disclose accurately the difference between the "cash price" and the "total downpayment," and failing to describe that difference as the "unpaid balance of cash price," as required by Section 226.8(c)(3) of Regulation Z.

4. Failing to disclose all other charges, individually itemized, which are part of the amount financed but are not part of the finance charge, as required by Section 226.8(c)(4) of Regulation Z.

5. Failing to disclose the amount of the "unpaid balance" accurately as the sum of the "unpaid balance of cash price" and all other charges which are part of the "amount financed" but are not part of the "finance charge," as required by Section 226.8(c)(5) of Regulation Z.
6. Failing to disclose accurately the "amount financed," and failing to describe that amount as the "amount financed," as required by Section 226.8(c)(7) of Regulation Z.
7. Failing to disclose accurately and to describe individually the amount of each charge required by Section 226.4 of Regulation Z to be included in the finance charge, and failing to include each such amount in the amount of the finance charge, as required by Section 226.8(c)(8)(i) of Regulation Z.
8. Failing to disclose the annual percentage rate, and failing to disclose that rate accurate to the nearest quarter of one percent, computed in accordance with Section 226.5 of Regulation Z, as required by Section 226.8(b)(2) of Regulation Z.
9. Failing to print the terms "finance charge" and "annual percentage rate," where required to be used, more conspicuously than the other required terminology, as required by Section 226.6(a) of Regulation Z.
10. Failing to disclose the "deferred payment price" accurately as the sum of the cash price, all other charges which are part of the amount financed but are not part of the finance charge, and the finance charge, as required by Section 226.8(c)(8)(ii) of Regulation Z.
11. Failing to disclose accurately the number, amount, and due dates of periods of payments scheduled to repay the indebtedness, as required by Section 226.8(b)(3) of Regulation Z.
12. Failing to make all the required disclosures in any one of the following three ways, as required by Section 226.8(a) of Regulation Z:
 - (a) Together on the contract evidencing the obligation on the same side of the page and above or adjacent to the place for the customer's signature; or
 - (b) On one side of the separate statement which identifies the transaction; or
 - (c) On both sides of a single document containing on each side thereof the statement "NOTICE: See other side

Decision and Order

78 F.T.C.

for important information," with the place for the customer's signature following the full content of the document.

13. Stating in any advertisement the amount of the downpayment required or that no downpayment is required, the amount of any installment payment, the dollar amount of any finance charge, the number of installments or the period of repayment, or that there is no charge for credit, unless they state all of the following items in terminology prescribed under Section 226.8 of Regulation Z, as required by Section 226.10(d)(2) of Regulation Z:

- (a) The cash price;
- (b) The amount of the downpayment required or that no downpayment is required, as applicable;
- (c) The number, amount, and due dates or period of payments scheduled to repay the indebtedness if the credit is extended;
- (d) The amount of the finance charge expressed as an annual percentage rate; and
- (e) The deferred payment price.

14. Failing, in any consumer credit transaction to make all disclosures, determined in accordance with Section 226.4 and Section 226.5 of Regulation Z, in the manner, form and amount required by Section 226.6, 226.7, 226.8, 226.9 and 226.10 of Regulation Z.

It is further ordered, That respondents deliver a copy of this order to cease and desist to all present and future personnel of respondents engaged in the offering for sale, or sale of any products or in the consummation of any extension of consumer credit or in any aspect of preparation, creation, or placing of advertising, and that respondents secure a signed statement acknowledging receipt of said order from each such person.

It is further ordered, That respondents shall forthwith distribute a copy of this order to each of their operating divisions.

It is further ordered, That respondents notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

Complaint

IN THE MATTER OF

GREEN BROOK CORPORATION, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION AND THE TEXTILE FIBER PRODUCTS
IDENTIFICATION ACTS

Docket C-1917. Complaint, May 10, 1971—Decision, May 10, 1971

Consent order requiring a Hialeah, Fla., manufacturer and seller of ladies' dresses and sportswear to cease misbranding and deceptively advertising its textile fiber products.

COMPLAINT

Pursuant to the Provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Green Brook Corporation and Jomar Realty, Inc., corporations, and Robert Solovei and Edward Solovei, individually and as officers of said corporations, and Fontaine Modes, Inc., a corporation, and Joseph Germano, individually and as an officer of Jomar Realty, Inc. and Fontaine Modes, Inc., hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondents Green Brook Corporation, Jomar Realty, Inc., and Fontaine Modes, Inc., are corporations, organized, existing and doing business under and by virtue of the laws of the State of Florida. Green Brook Corporation has its office and principal place of business located at 1085 East 14th Street, Hialeah, Florida. Jomar Realty, Inc., and Fontaine Modes, Inc., both have their office and principal place of business located at 1080 East 15th Street, Hialeah, Florida.

Respondents Robert Solovei and Edward Solovei are officers of Green Brook Corporation and Jomar Realty, Inc. They participate in the formulation, direction and control of the acts, practices and policies of the aforesaid corporations. Their address is the same as that of Green Brook Corporation. Proposed respondent Joseph Germano is an officer of Jomar Realty, Inc., and of Fontaine Modes, Inc., and he participates in the formulation, direction and control