

Consent order requiring a Buffalo, N.Y., dealer in new and used automobiles to cease violating the Truth in Lending Act by failing to make the consumer credit cost disclosures required by Regulation Z and failing to make other disclosures.

COMPLAINT

Pursuant to the provisions of the Truth in Lending Act and the implementing regulations 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 Don Davis Pontiac, Inc., a corporation, and Donald L. Davis, individu-

ally, and as president of said corporation, hereinafter referred to as respondents have violated the provisions of said Acts and implementing regulations, 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. The respondent Don Davis Pontiac, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 2845 Bailey Avenue, Buffalo, New York.

Respondent Donald L. Davis is the president of the corporate respondent. He formulates, directs and controls the 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 offering for sale and the sale and service of new and used automobiles to the public at retail.

PAR. 3. In the ordinary course and conduct of their business, as aforesaid, respondents arrange for the extension of consumer credit or offer to extend or arrange for the extension of such 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, many times have caused and are causing its customers to execute a Purchase Agreement for the purchase of either a new or used automobile on credit, as "credit" is defined by Regulation Z. Subsequently, at the time of delivery, after the credit transaction is consummated for either the new or used car, proposed respondents usually have its customers execute a Retail Installment Contract. Only the Retail Installment Contract contains the consumer credit cost disclosures required by Regulation Z.

Therefore, respondents have failed to make the consumer credit cost disclosures required by Regulation Z, before the transaction is consummated, as required by Section 226.8(a) of the Regulation.

PAR. 5. Pursuant to Section 103(q) of the Truth in Lending Act, respondents aforesaid failure to comply with Regulation Z constitutes a violation of that Act, and pursuant to Section 108 thereof, respondents have 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 Commission staff 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, and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents 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 Act, 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:

1. Respondent, Don Davis Pontiac, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 2845 Bailey Avenue, Buffalo, New York. Respondent, Donald L. Davis, is the president of the corporate respondent. He formulates, directs and controls the policies, acts and practices 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, Don Davis Pontiac, Inc., a corporation, and Donald L. Davis, individually and as president of said corporation, and respondents' agents, representatives, and employees, directly, or through any corporate or other device in connection with any extension or offer to extend or arrange for the extension of con-

sumer credit as "consumer credit" is 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 the consumer credit cost disclosures required by Regulation Z before the transaction is consummated as required by Section 226.8(a) of the Regulation.
2. Failing in any consumer credit transaction or advertisement to make all disclosures determined in accordance with Sections 226.4 and 226.5 of Regulation Z in the manner, form and amount required by Sections 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 consummation of any extension or arrangement for the extension of consumer credit or in any aspect or 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 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, or any other change in the corporation which may effect compliance obligations arising out of the order.

It is further ordered, That 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 the order to cease and desist contained herein.

IN THE MATTER OF

AMERICAN AUTO SUPPLY CO., INC., DOING
BUSINESS AS RUBENS FURNITURE CO., ET AL

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

Docket C-1989. Complaint, July 26, 1971—Decision, July 26, 1971

Consent order requiring a Rochester, N.Y., furniture and electrical appliance retail store to cease violating the Truth in Lending Act by failing to disclose on its installment contracts the terms annual percentage rate, total of payments, cash price, unpaid balance of cash price, amount financed, finance charge, deferred payment price, and other terms required by Regu-