

IN THE MATTER OF
THE GEORGE L. BING FURNITURE COMPANY, ET AL.

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

Docket C-2078. Complaint, Nov. 3, 1971—Decision, Nov. 3, 1971

Consent order requiring a Euclid, Ohio, seller of furniture, television sets and stereos to cease violating the Truth in Lending Act by failing to make consumer cost disclosures, failing to accurately disclose the annual percentage rate, and failing to make all other credit disclosures required by Regulation Z of said Act; if credit is involved the contract should contain a "NOTICE" that the debit may have to be paid before the contract is fulfilled.

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 The George L. Bing Furniture Company, a corporation and George L. Bing, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and 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 The George L. Bing Furniture Company, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 22300 Lakeshore Boulevard, Euclid, Ohio. The George L. Bing Furniture Company owns and operates two retail furniture stores known as Bing's Suburbia, located at 22300 Lakeshore Boulevard, Euclid, Ohio, and 6339 York Road, Parma Heights, Ohio. Respondent George L. Bing is the president-treasurer 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 sale of furniture, television sets, and stereos to the public.

PAR. 3. In the ordinary course and conduct of their business, as aforesaid, respondents regularly extend and arrange for the extension of consumer credit, as "consumer credit" is defined in Regula-

tion Z, the implementing regulation of the Truth in Lending Act, duly promulgated by the Board of Governors of the Federal Reserve System.

PAR. 4. Respondents, many times, in the ordinary course of their business negotiates to third parties installment sales contracts or other instruments of indebtedness executed in connection with credit purchases.

PAR. 5. Subsequent to July 1, 1969, respondents, in the ordinary course of their business, as aforesaid, and in connection with their credit sales, as "credit sale" is defined in Regulation Z, have caused and are causing customers to execute retail installment contracts, hereinafter referred to as "the contract." By and through the use of the contract respondents:

1. Failed to make the consumer credit cost disclosures and furnish the customer a duplicate copy of those disclosures prior to consummation of the transaction, in accordance with Section 226.8(a) of Regulation Z;

2. Failed in some instances to disclose the "annual percentage rate" accurately to the nearest quarter of one percent, in accordance with Section 226.5(b)(1) of Regulation Z.

PAR. 6. Pursuant to Section 103(q) 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 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 Truth in Lending Act and the regulations promulgated thereunder and 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 The George L. Bing Furniture Company, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 22300 Lakeshore Boulevard, Euclid, Ohio.

The George L. Bing Furniture Company owns and operates two retail furniture stores known as Bing's Suburbia located at 22300 Lakeshore Boulevard, Euclid, Ohio, and 6339 York Road, Parma Heights, Ohio.

Respondent George L. Bing is the president-treasurer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation and 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 The George L. Bing Furniture Company, a corporation, and George L. Bing, 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 or arrangement for the 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 § 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 consumer credit cost disclosures required by Regulation Z and furnish the customer a duplicate copy of those disclosures prior to consummation of the transactions, in accordance with Section 226.8(a) of the regulation.

2. Failing to disclose the "annual percentage rate" accurately to the nearest quarter of one percent, in accordance with Section 226.5(b)(1) of Regulation Z.

3. Failing, in any consumer credit transaction or advertisement, to make all disclosures required by Sections 226.4, 226.5, 226.6, 226.7, 226.8, and 226.10 of Regulation Z, in the manner, form and amount prescribed therein.

It is further ordered, That respondent cease and desist from:

Failing to incorporate the following statement on the face of all sales contracts, all notes or other instruments of indebtedness executed by or on behalf of respondent's customers with such conspicuousness and clarity as is likely to be read and understood by the purchaser:

NOTICE

If you are obtaining credit in connection with this purchase, you will be required to sign a promissory note, a sales contract or other instrument of indebtedness which may be purchased from the seller by a bank, finance company or any other third party. If such is the case, you will be required to make your payments to someone other than the seller. You should be aware that if this happens you may have to pay the note, contract or other instrument of indebtedness in full to its new owner even if your purchase contract is not fulfilled.

It is further ordered, That respondent 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 of consumer credit or in any aspect of preparation, creation, or placing of advertising, and that respondent secure a signed statement acknowledging receipt of said order from each such person.

It is further ordered, That respondents, for purposes of notification only, notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent, such as dissolution, assignment, or sale, resultant 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 respondents 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.

Complaint

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IN THE MATTER OF

TENNESSEE VALLEY ENTERPRISES, INC., DOING BUSINESS
AS BAR-KNIT HOSIERY MILLS, ETC., 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-2079. Complaint, Nov. 11, 1971—Decision, Nov. 11, 1971*

Consent order requiring a Philadelphia, Tenn., hosiery manufacturer to cease misbranding and falsely guaranteeing its textile fiber products, and implying that its hosiery will aid in controlling athlete's foot.

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 Tennessee Valley Enterprises, Inc., a corporation, doing business as Bar-Knight Hosiery Mills, and Bar-Knit Hosiery, Inc., and J. Earl Barger, individually and as an officer of said corporation, 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 now appearing to the Commission that a proceeding by it in respect thereto would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Tennessee Valley Enterprises, Inc., doing business as Bar-Knit Hosiery Mills and Bar-Knit Hosiery, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Tennessee. The respondent corporation maintains its main offices and principal place of business in Philadelphia, Tennessee.

Respondent J. Earl Barger is an officer of said corporation. He formulates, directs and controls the practices of the corporate respondent.

Respondents are engaged in the business of manufacturing textile fiber products, namely men's, boys' and girls' hosiery.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile