

form in which they have complied with this order.

IN THE MATTER OF

GEORGE W. PRINDLE DOING BUSINESS AS ALLAPATTAH
MOTORS

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

Docket C-2094. Complaint, Nov. 12, 1971—Decision, Nov. 12, 1971

Consent order requiring a Miami, Fla., seller and distributor of used automobiles to cease violating the Truth in Lending Act by failing to use the following terms in credit transactions, "cash price," "cash downpayment," "total downpayment," "unpaid balance of cash price," "deferred payment price," "annual percentage rate," "total of payments" and all 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 George W. Prindle, individually and doing business as Allapattah Motors, hereinafter referred to as respondent, has 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 charge in that respect as follows:

PARAGRAPH 1. Respondent George W. Prindle is an individual doing business as Allapattah Motors with his principal office and place of business located at 2025 Northwest 36th Street, Miami, Florida.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the offering for sale and retail sale and distribution of used cars to the public.

PAR. 3. In the ordinary course and conduct of his business as aforesaid, respondent regularly extends 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, respondent in the ordinary course of business as aforesaid, and in connection with his credit sales, as "credit sale" is defined in Regulation Z, respondent has caused and is causing certain customers to execute a Security Agreement—Retain Title Contract, hereinafter referred to as "contract." Respondent does not provide these customers with any other consumer credit disclosures.

By and through the use of the contract, in certain instances, respondent:

1. Fails to use the term "cash price" to describe the price at which respondent offers, in the regular course of business, to sell for cash the property or services which are the subject of the credit sale, as required by Section 226.8(c)(1) of Regulation Z.

2. Fails 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. Fails to use the term "unpaid balance of cash price" to describe the difference between the cash price and the total downpayment, as required by Section 226.8(c)(3) of Regulation Z.

4. Fails to use the term "amount financed" to describe the amount of credit extended, as required by Section 226.8(c)(7) of Regulation Z.

5. Fails to disclose the sum of the cash price, all charges which are included in the amount financed but which are not part of the finance charge, and the finance charge and to describe that sum as the "deferred payment price," as required by Section 226.8(c)(8)(ii) of Regulation Z.

6. Fails to use the term "annual percentage rate" to describe the rate of the finance charge, in accordance with Section 226.5 of Regulation Z, as required by Section 226.8(b)(2) of Regulation Z.

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

8. Fails to use the term "total of payments" to describe the sum of the payments scheduled to repay the indebtedness, as required by Section 226.8(b)(3) of Regulation Z.

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9. Fails to identify the method of computing any unearned portion of the finance charge in the event of prepayment of the obligation, and fails to state whether the "acquisition fee" which respondent will deduct before rebating the unearned portion of the finance charge will be deducted from the finance charge before or after computing the unearned portion thereof, as required by Section 226.8(b)(7) of Regulation Z.

PAR. 5. Pursuant to Section 103(q) of the Truth in Lending Act, respondent's aforesaid failures to comply with the provisions of Regulation Z constitute violations of that Act, and pursuant to Section 108 thereof, respondent has 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 respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Atlanta Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Truth in Lending Act and the implementing regulation promulgated thereunder, and the Federal Trade Commission Act; and

The respondent 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 respondent 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 respondent has 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:

1. Respondent George W. Prindle is an individual doing business as Allapattah Motors with his principal office and place of business located at 2025 North West 36th Street, Miami, Florida.

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

ORDER

It is ordered, That the respondent George W. Prindle, individually and trading as Allapattah Motors or under any other business name or trade style, and respondent's 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 § 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 use the term "cash price" to describe the price at which respondent, in the regular course of business, offers to sell for cash the property or services which are the subject of the credit sale, as required by Section 226.8(c) (1) of Regulation Z.

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

4. Failing to use the term "amount financed" to describe the amount of credit extended, as required by Section 226.8(c) (7) of Regulation Z.

5. Failing to disclose the sum of the cash price, all charges which are included in the amount financed but which are not part of the finance charge, and the finance charge and to describe that sum as the "deferred payment price," as required by Section 226.8(c) (8) (ii) of Regulation Z.

6. Failing to use the term "annual percentage rate" to describe the rate of the finance charge, in accordance with Section 226.5 of Regulation Z, as required by Section 226.8(b) (2) of Regulation Z.

7. Failing to print the term "finance charge" and "annual percentage rate" more conspicuously than the other required terminology, as required by Section 226.6(a) of Regulation Z.

8. Failing to use the term "total of payments" to describe the sum of payments scheduled to repay the indebtedness, as required by Section 226.8(b) (3) of Regulation Z.

9. Failing to identify the method of computing any unearned portion of the finance charge in the event of prepayment of the obligation and failing to state whether the acquisition fee which respondent

will deduct before rebating the unearned portion of the finance charge will be deducted from the finance charge before or after computing the unearned portion thereof, as required by Section 226.8(b)(7) of Regulation Z.

10. Failing, in any consumer credit transaction or advertisement, 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 Sections 226.6, 226.8 and 226.10 of Regulation Z.

It is further ordered, That respondent deliver a copy of this order to cease and desist to all present and future personnel of respondent engaged in the consummation of any extension of consumer credit and that respondent secure a signed statement acknowledging receipt of said order from each such person.

It is further ordered, That respondent notify the Commission at least thirty (30) days prior to any proposed change in respondent's business organization such as dissolution; assignment or sale resulting in the emergence of a successor business, corporate or otherwise; the creation of subsidiaries; any change of business name or trade style; or any change which may affect compliance obligations arising out of the order.

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

IN THE MATTER OF

SLACK MANUFACTURING CO., ET AL.

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

Docket C-2095. Complaint, Nov. 15, 1971—Decision, Nov. 15, 1971

Consent order requiring an importer of Chicago, Ill. to cease marketing danger-