

GEORGE B. EIPPER. DOING BUSINESS AS SEATTLE SIDING
COMPANY, ET AL.

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

Docket C-2169. Complaint, March 9, 1972—Decision, March 9, 1972

Consent order requiring a Seattle, Wash., seller and installer of residential siding to cease violating the Truth in Lending Act by failing to disclose the sum of the cash price and all charges included in the amount financed, using a form waiver of the right of rescission, and make 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

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by said Acts, the Federal Trade Commission, having reason to believe that George B. Eipper, an individual trading as Seattle Siding Company, and John M. Small, an individual, 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. Respondent George B. Eipper is an individual trading as Seattle Siding Company with his principal office and place of business located at 4000 Aurora Avenue North, Seattle, Washington.

Respondent John M. Small is an individual and manager of Seattle Siding Company and participates in the direction, formulation and control of the policies, acts and practices of Seattle Siding Company, including the acts and practices hereinafter set forth. His address is the same as that of respondent George B. Eipper.

PAR. 2. Respondents are now, and for some time last past have been engaged in the installation and sale of residential siding to the public and the advertising and promotion of same by various means.

PAR. 3. In the ordinary course of their business as aforesaid, respondents regularly extend 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, in the ordinary course of their business as aforesaid, and in connection with their credit sales, as "credit sale" is defined in Regulation Z, respondents have entered into and are entering into contracts for the sale of respondents' goods and services. On these contracts, hereinafter referred to as "the contract" respondents have provided certain consumer credit cost information, but have not provided their customers with certain other consumer credit cost disclosures. By and through use of the contract, respondents have failed to disclose the "deferred payment price" which is 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, as required by Section 226.8(c)(8)(ii) of Regulation Z.

PAR. 5. By and through use of the contract, as set forth in Paragraph four, respondents have retained or acquired a security interest in real property which was or was expected to be used as

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the principal residence of the customer. The customer thereby has the right to rescind the transaction, as provided in Section 226.9(a) of Regulation Z. Having consummated a rescindable credit transaction, respondents utilized a printed form waiver of the right of rescission in violation of Section 226.9(e)(3) 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 Seattle Regional Office 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 Truth in Lending Act.

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 Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed 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 B. Eipper is an individual trading as Seattle Siding Company with its principal offices and principal place of business located at 4000 Aurora Avenue North, Seattle, Washington.

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Respondent John M. Small is an individual and manager of Seattle Siding Company. He participates in the direction, formulation and control of the policies, acts and practices of Seattle Siding Company. His address is the same as that of respondent George B. Eipper.

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

ORDER

It is ordered, that respondents George B. Eipper, an individual trading as Seattle Siding Company, or under his own or any other name or names, and John M. Small, an individual, and respondents' agents, representatives, employees, successors and assigns, directly or through any corporate or other device, in connection with any consumer credit sale, as "consumer credit" and "credit sale" are defined in Regulation Z (12 CFR §226) of the Truth in Lending Act (Pub. L. 90-321, 15 U.S.C. 1601 *et seq.*), do forthwith cease and desist from:

1. Failing to disclose accurately 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) (ii) of Regulation Z.
2. Utilizing a printed form waiver of the right of rescission in violation of Section 226.9 (e) (3) of Regulation Z.
3. 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, 226.7, 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 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 the 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.

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IN THE MATTER OF

GROFF IMPORTERS, INC., ET AL.

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

Docket C-2170. Complaint, March 9, 1972—Decision, March 9, 1972

Consent order requiring a San Diego, Calif., seller of women's and misses' wearing apparel, including ladies' scarves, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Groff Importers, Inc., a corporation, and William F. Groff, 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 Flammable Fabrics Act, as amended, 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 Groff Importers, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California. Its office and principal place of business is located at 305 8th Avenue, San Diego, California.

Respondent William F. Groff is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth. His address is the same as the said corporate respondent.

Respondents are now, and for some time last past have been, engaged in the importation and sale of women's and misses' wearing apparel, including, but not limited to, ladies' scarves.

PAR. 2. Respondents are now and for some time last past have been engaged in the sale and offering for sale, in commerce and the importation into the United States, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, products as the terms "commerce" and "product" are defined in the Flammable Fabrics Act, as amended, which products fail to