
IN THE MATTER OF
GARY R. GREEN TRADING AS GREEN'S JEWELERS
CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION AND THE TRUTH IN LENDING
ACTS

Docket C-2405. Complaint, May 25, 1973—Decision, May 25, 1973.

Consent order requiring a Cleveland, Ohio, seller and distributor of jewelry, household furnishings and other merchandise, among other things to cease violating the Truth in Lending Act by failing to disclose to consumers, credit, such information as required by Regulation Z of the said Act.

COMPLAINT

Pursuant to the provision 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 Gary R. Green, an individual trading and doing business as Green's Jewelers, hereinafter sometimes referred to as respondent, has violated the provisions of said Acts, and the implementing regulation promulgated under the Truth in Lending 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. Respondent Gary R. Green is an individual trading and doing business as Green's Jewelers, with his principal office and place of business located at 726 Euclid Avenue, in the city of Cleveland, State of Ohio.

PAR. 2. Respondent is now, and for sometime in the past has been, engaged in the advertising, offering for sale, sale and distribution of jewelry, home furnishings and other types of merchandise to the public.

PAR. 3. In the ordinary course and conduct of his business as aforesaid, respondent arranges for the extension of consumer credit or offers 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, respondent, in the ordinary course of his business as aforesaid, and in connection with his credit sales, as "credit sale" is defined in Regulation Z, has caused, and is causing, customers to execute a binding retail installment contract and security agreement, hereinafter referred to as the "Contract."

By and through the use of the Contract, respondent:

(1) Fails to disclose the annual percentage rate, computed in accordance with Section 226.5 of Regulation Z, as prescribed by Section 226.8(b)(2) of Regulation Z;

(2) Fails to disclose the number, amount, and due dates or periods of payments scheduled to repay the indebtedness, as prescribed by Section 226.8(b)(3) of Regulation Z;

(3) Fails to disclose the cash price of the property or service

purchased and to describe that amount as the "cash price," as defined in Section 226.2(i) of Regulation Z, as prescribed by Section 226.8(c)(1) of Regulation Z;

(4) Fails to disclose the downpayment in money made in connection with the credit sale, and to describe that amount as the "cash downpayment," as prescribed by Section 226.8(c)(2) of Regulation Z;

(5) Fails to disclose the downpayment in property made in connection with the credit sale, and to describe that amount as the "trade-in," as prescribed by Section 226.8(c)(2) of Regulation Z;

(6) Fails to disclose the sum of the "cash downpayment" and "trade-in," and to describe that sum as the "total downpayment," as prescribed by Section 226.8(c)(2) of Regulation Z;

(7) Fails to disclose the difference between the "cash price" and the "total downpayment," and to describe that amount as the "unpaid balance of cash price," as prescribed by Section 226.8(c)(3) of Regulation Z;

(8) Fails to disclose all charges which are not part of the "finance charge," but are included in the amount financed and to itemize each such charge individually, as prescribed by Section 226.8(c)(4) of Regulation Z;

(9) Fails to disclose the sum of the "unpaid balance of cash price" and all other amounts itemized individually which are part of the amount financed, but which are not included in the "finance charge" and to describe that amount as the "unpaid balance," as prescribed by Section 226.8(c)(5) of Regulation Z;

(10) Fails to disclose the amount of credit extended and to describe that amount as the "amount financed," as prescribed by Section 226.8(c)(7) of Regulation Z;

(11) Fails to disclose the sum of all charges required by Section 226.4 of Regulation Z to be included therein, and to describe that sum as the "finance charge," as prescribed by Section 226.8(c)(8)(i) of Regulation Z;

(12) 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 prescribed by Section 226.8(c)(8)(ii) of Regulation Z;

(13) Fails to make consumer credit cost disclosures when any existing extension of credit is refinanced, or two or more existing extensions of credit are consolidated, or an existing obligation is

increased, as prescribed by Section 226.8(j) of Regulation Z;

(14) Fails to make consumer credit cost disclosures clearly, conspicuously, and in meaningful sequence, as prescribed by Section 226.6(a) of Regulation Z;

(15) Fails to make consumer credit cost disclosures heretofore set forth in this paragraph before consummation of the transaction, and to furnish the customer with a duplicate of the instrument or a statement by which the disclosures required by Section 226.8 are made, as prescribed by Section 226.8(a) of Regulation Z.

PAR. 5. By the aforesaid failure to make disclosures, respondent has failed to comply with the requirements of Regulation Z, the implementing regulation of the Truth in Lending Act duly promulgated by the Board of Governors of the Federal Reserve System. Pursuant to Section 103(q) of the Truth in Lending Act, respondent's aforesaid failure to comply with Regulation Z constitutes 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 Cleveland 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 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 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 Gary R. Green is an individual trading and doing business as Green's Jewelers, with his principal office and place of business located at 726 Euclid Avenue, in the city of Cleveland, State of Ohio.

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

ORDER

It is ordered, That respondent, Gary R. Green, an individual trading and doing business as Green's Jewelers, or any other name or names, his successors and assigns, and respondent's agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with any extension of consumer credit or 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 C.F.R. § 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 the annual percentage rate, computed in accordance with Section 226.5 of Regulation Z, as prescribed by Section 226.8(b)(2) of Regulation Z;

(2) Failing to disclose the number, amount, and due dates or periods of payments scheduled to repay the indebtedness, as prescribed by Section 226.8(b)(3) of Regulation Z;

(3) Failing to disclose the cash price of the property or service purchased, and to describe that amount as the "cash price," as defined in Section 226.2(i) of Regulation Z, as prescribed by Section 226.8(c)(1) of Regulation Z;

(4) Failing to disclose the downpayment in money made in connection with the credit sale, and to describe that amount as the "cash downpayment," as prescribed by Section 226.8(c)(2) of Regulation Z;

(5) Failing to disclose the downpayment in property made in connection with the credit sale, and to describe that amount as the "trade-in," as prescribed by Section 226.8(c)(2) of Regulation Z;

(6) Failing to disclose the sum of the "cash downpayment"

and "trade-in," and to describe that sum as the "total downpayment," as prescribed by Section 226.8(c)(2) of Regulation Z;

(7) Failing to disclose the difference between the "cash price" and the "total downpayment," and to describe that amount as the "unpaid balance of cash price," as prescribed by Section 226.8(c)(3) of Regulation Z;

(8) Failing to disclose all charges which are not part of the "finance charge," but are included in the amount financed and to itemize each such charge individually, as prescribed by Section 226.8(c)(4) of Regulation Z;

(9) Failing to disclose the sum of the "unpaid balance of cash price" and all other amounts itemized individually which are part of the amount financed, but which are not included in the "finance charge" and to describe that amount as the "unpaid balance," as prescribed by Section 226.8(c)(5) of Regulation Z;

(10) Failing to disclose the amount of credit extended, and to describe that amount as the "amount financed," as prescribed by Section 226.8(c)(7) of Regulation Z;

(11) Failing to disclose the sum of all charges required by Section 226.4 of Regulation Z to be included therein, and to describe that sum as the "finance charge," as prescribed by Section 226.8(c)(8)(i) of Regulation Z;

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

(13) Failing to make consumer credit cost disclosures when any existing extension of credit is refinanced, or two or more existing extensions of credit are consolidated, or an existing obligation is increased, as prescribed by Section 226.8(j) of Regulation Z;

(14) Failing to make consumer credit cost disclosures clearly, conspicuously, and in meaningful sequence, as prescribed by Section 226.6(a) of Regulation Z;

(15) Failing to make consumer credit cost disclosures before consummation of the transaction, and to furnish the customer with a duplicate of the instrument or a statement by which the disclosures required by Section 226.8 are made, as prescribed by Section 226.8(a) of Regulation Z;

(16) 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, at the time and 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 respondent prominently display no less than two signs on the premises which will clearly and conspicuously state that a customer must receive a complete copy of the consumer credit cost disclosures, as required by the Truth in Lending Act, in any transaction which is financed, before the transaction is consummated.

It is further ordered, That respondent deliver a copy of this order to cease and desist to each operating division and 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 the respondent named herein promptly notify the Commission of the discontinuance of his present business or employment and of his affiliation with a new business or employment. Such notice shall include respondent's current business address and a statement as to the nature of the business or employment in which he is engaged, as well as a description of his duties and responsibilities.

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