
IN THE MATTER OF
HOWARD FURNITURE & CARPET COMPANY, INC. TRADING
AS HOWARD FURNITURE COMPANY

CONSENT ORDER IN REGARD TO THE ALLEGED VIOLATIONS OF THE FEDERAL
TRADE COMMISSION AND THE TRUTH IN LENDING ACTS

Docket C-2438. Complaint, Sept. 11, 1973—Decision, Sept. 11, 1973.

Consent order requiring a Baltimore, Maryland, retailer of furniture and appliances, among other things to cease violating the Truth in Lending Act by failing to disclose to consumers, in connection with the extension of consumer credit, such information as required by Regulation Z of the said Act.

Appearances

For the Commission: *Bernard Rowitz.*

For the respondents: *J. Michael Herr, of Smith & Schnacke, Dayton, Ohio.*

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 Howard Furniture and Carpet Company, Inc., a corporation, trading and doing business as Howard Furniture Company, 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 charges in that respect as follows:

PARAGRAPH 1. Respondent Howard Furniture & Carpet Company, Inc., is a corporation, trading and doing business as Howard Furniture Company, organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its principal office and place of business located at 109 N. Howard Street, Baltimore, Maryland.

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

PAR. 3. In the ordinary course and conduct of its 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 its credit sales, as "credit sale" is defined in Regulation Z, has caused and is causing customers purchasing furniture and appliances to execute conditional sales contracts. Respondent does not provide these customers with any other credit cost disclosures.

By and through the use of this conditional sales contract, respondent:

1. Fails to disclose, on the instrument evidencing the obligation on the same side of the page and above or adjacent to the place for the customer's signature or on a separate statement which identifies the transaction as required by Section 226.8(a) of Regulation Z the following:

- a. The amount, or method of computing the amount, of any default, delinquency, or similar charges payable in the event of late payments, in accordance with Section 226.8(b) (4) of Regulation Z.

- b. A description or identification of the type of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit, in accordance with Section 226.8(b) (5) of Regulation Z.

2. Fails in some instances to disclose the annual percentage rate with an accuracy of one-fourth of one percent computed in accordance with Section 226.5(b) of Regulation Z, as required by Section 226.8(b) (2) of Regulation Z.

3. Fails in some instances to disclose the due date of payments scheduled to repay the indebtedness, as required by Section 226.8(b) (3) of Regulation Z.

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4. 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.

5. Fails in some instances to accurately disclose the amount financed, as required by Section 226.8(c)(7) of Regulation Z.

6. Fails in some instances to accurately disclose the deferred payment price, as required by Section 226.8(c)(8)(ii) of Regulation Z.

PAR. 5. Pursuant to Section 103(q) of the Truth in Lending Act, respondent's aforesaid failure to comply with the provisions of 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 Washington, D.C. Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge the respondent with violation of the Truth in Lending Act and the regulations promulgated thereunder and 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 the 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 Howard Furniture & Carpet Company, Inc., is a corporation, trading and doing business as Howard Furniture Com-

pany, organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its office and principal place of business located at 109 North Howard Street, Baltimore, Maryland.

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 Howard Furniture & Carpet Company, Inc., a corporation, trading and doing business as Howard Furniture Company, or under any other name or names, its successors and assigns, and its officers, 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, on the instrument evidencing the obligation on the same side of the page and above or adjacent to the place for the customer's signature or on a separate statement which identifies the transaction as required by Section 226.8(a) of Regulation Z the following:

(a) The amount, or method of computing the amount, of any default, delinquency, or similar charges payable in the event of late payments, in accordance with Section 226.8(b) (4) of Regulation Z.

(b) A description or identification of the type of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit, in accordance with Section 226.8(b) (5) of Regulation Z.

2. Failing to disclose the annual percentage rate with an accuracy of one fourth of one percent computed in accordance with Section 226.5(b) of Regulation Z, as required by Section 226.8(b) (2) of Regulation Z.

3. Failing to disclose the due dates of payments scheduled to repay the indebtedness, as required by Section 226.8(b) (3) of Regulation Z.

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4. Failing 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.

5. Failing to accurately disclose the amount financed, as required by Section 226.8(c) (7) of Regulation Z.

6. Failing to accurately disclose the deferred payment price, as required by Section 226.8(c) (8) (ii) of Regulation Z.

7. Failing in any consumer credit transaction or advertising to make all disclosures determined in accordance with Sections 226.4 and 226.5 of Regulation Z at the time and in the manner, form, and amount required by Sections 226.6, 226.7, 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 or in any aspect of the 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 the respondent herein shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with this order.

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

IN THE MATTER OF

OVERSEAS-ALASKA PERSONNEL ASSOCIATION, ET AL.

CONSENT ORDER IN REGARD TO THE ALLEGED VIOLATIONS OF THE FEDERAL
TRADE COMMISSION AND THE TRUTH IN LENDING ACTS

Docket C-2439. Complaint, Sept. 11, 1973—Decision, Sept. 11, 1973.

Consent order requiring two Seattle, Washington, sellers of job search services, materials or articles related thereto, among other things to cease misrepresenting job availability; the nature or extent of available jobs; misrepresenting