

Complaint

87 F.T.C.

IN THE MATTER OF
BUSCH'S JEWELRY CO., INC., ET AL.

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

Docket C-2802. Complaint, Mar. 8, 1976—Decision, Mar. 8, 1976

Consent order requiring a New York City seller and distributor of jewelry and home appliances, among other things where sales presentations have been made in whole or in part in Spanish, to cease failing to furnish buyers with Spanish language translations of contracts, agreements or other documents used in connection with retail credit sales. Further, respondents are required to prominently display in-store notices of customers' right to receive all necessary documents in both Spanish and English.

Appearances

For the Commission: *Sandra L. Bird.*

For the respondents: *Milton L. Lavine*, Forest Hills, N.Y.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and by virtue of the authority vested in it by said Act, the Federal Trade Commission having reason to believe that Busch's Jewelry Co., Inc., a corporation, Busch's Kredit Jewelry Co., Inc., a corporation, Busch's, Inc., a corporation and Busch Stores, Inc., a corporation, have violated Section 5 of said 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 Busch's Jewelry Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 35 West 14th St., New York, New York.

Respondent Busch's Kredit Jewelry Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 35 West 14th St., New York, New York.

Respondent Busch's, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 35 West 14th St., New York, New York.

Respondent Busch Stores, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New

York, with its office and principal place of business located at 35 West 14th St., New York, New York.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution to the public of articles of jewelry and home appliances.

PAR. 3. In the course and conduct of their business, respondents have engaged in and are now engaged in commerce or their practices affect commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended. Respondents purchase for resale jewelry and home appliances from suppliers located in various States of the United States. Respondents cause these products, when purchased by them, to be transported from the place of manufacture or purchase to their business establishments located in New York.

In addition, respondents have disseminated and have caused to be disseminated advertisements concerning said products in newspapers and radio broadcasts of interstate circulation. Said advertisements have been disseminated for the purpose of inducing the purchase of respondents' merchandise.

PAR. 4. In the course and conduct of their business as aforesaid, and for the purpose of inducing consumers who only speak, read, write or understand Spanish or whose predominant language is Spanish to purchase their products, respondents have disseminated and have caused to be disseminated, in commerce, advertisements in the Spanish language and have caused, in a substantial number of instances, their sales personnel to conduct oral sales presentations to such consumers in the Spanish language.

PAR. 5. In the further course and conduct of their business as aforesaid, and for the purpose of facilitating the purchase of their merchandise, respondents regularly extend credit or arrange for credit to be extended to retail purchasers.

In connection with said credit transactions, respondents utilize contracts, documents, notices, forms or other instruments which are printed only in the English language.

PAR. 6. In the further course and conduct of their business as aforesaid, respondents fail to provide customers who can only speak, read, write or understand Spanish or whose predominant language is Spanish, with a complete and accurate translation in Spanish of the documents executed by customers in connection with credit sales, or which are required by law to be provided to customers in connection with such sales at the time of the transaction.

PAR. 7. Respondents' failure to provide customers who only speak, read, write or understand Spanish or whose predominant language is Spanish, with a full and complete translation in Spanish of all the

documents described in Paragraph Six hereof, has had, and now has, the capacity and tendency to deprive a substantial number of Spanish-speaking consumers, many of whom have been induced to deal with respondents as a result of respondents' advertisements or sales presentations in Spanish, of the opportunity to receive full and adequate disclosure of the terms and conditions of any agreements they have entered into, of their rights and obligations under such agreements, and of other written information or notices required by law to be provided at the time of the transaction.

Therefore, the acts and practices of respondents, as set forth in Paragraphs Five and Six hereof, were and are unfair, misleading and deceptive.

PAR. 8. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been and are now, in substantial competition, in commerce, with corporations, firms and individuals in the sale of jewelry, home appliances and other products of the same general kind and nature as those sold by respondents.

PAR. 9. The aforesaid acts and practices of the respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted and now constitute unfair methods of competition in or affecting commerce and unfair and deceptive acts and practices in or affecting commerce, in violation of Section 5 of the Federal Trade Commission Act, as amended.

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 New York 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 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 sixty (60) days, and having duly considered the comments filed thereafter pursuant to Section 2.34 of its Rules, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Busch's Jewelry Co., Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 35 West 14th St., New York, New York.

Respondent Busch's Kredit Jewelry Co., Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 35 West 14th St., New York, New York.

Respondent Busch's, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 35 West 14th St., New York, New York.

Respondent Busch Stores, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 35 West 14th St., New York, New York.

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 Busch's Jewelry Co., Inc., Busch's Kredit Jewelry Co., Inc., Busch's, Inc., Busch Stores, Inc., corporations, their successors and assigns and their officers, respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale, and distribution of articles of jewelry, home appliances or of any other products and services in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, do forthwith cease and desist, in connection with credit sales in which the sales presentation has been conducted in whole or in part in Spanish, from:

1. Failing to furnish consumers executing any contracts, agreements or other documents in connection with such sales, a complete and accurate translation in Spanish of such writing, prior to the execution of the same.

2. Failing to furnish consumers with complete and accurate translations in Spanish of any other documents, notices or disclosures normally provided at the time of the transaction to consumers in connection with, and as part of, such sales.

Provided, however, That nothing in this order shall be understood to apply to sales receipts or other documents which serve merely as a memorandum of sale and do not, in themselves, contain covenants, disclaimers or other provisions defining the rights and responsibilities of the parties.

Further provided, That respondents must comply with subparagraphs 1 and 2 of this order by providing consumers either with:

- a. bilingual documents containing all the provisions and disclosures in both English and Spanish, or
- b. separate documents containing complete and accurate translations in Spanish of each English language document, and which shall contain in a clear and conspicuous manner in the Spanish language, the following heading in boldface 10 point type:

READ THIS FIRST

THIS IS A TRANSLATION OF THE DOCUMENT YOU ARE ABOUT TO
SIGN OR RECEIVE.

It is further ordered, That respondents prominently display, in at least two different locations on their premises, one of them being the location where customers usually execute consumer credit instruments or other legally binding documents, the following notice, in Spanish:

NOTICE TO SPANISH SPEAKING CUSTOMERS

IF YOU ARE A SPANISH-SPEAKING CUSTOMER AND THE SALES
PRESENTATION WAS MADE, IN WHOLE OR IN PART IN SPANISH, YOU ARE
ENTITLED TO RECEIVE A SPANISH TRANSLATION OF THE CREDIT
CONTRACT. DO NOT SIGN ANY DOCUMENT UNTIL YOU HAVE RECEIVED
AND READ THE SPANISH TRANSLATION.

It is further ordered, With respect to each account in which translations in Spanish are provided, as required herein, that respondents shall maintain in their files, for a period of two years, statements signed by respondents' customers acknowledging receipt of such translations.

It is further ordered, That respondents deliver a copy of this order to cease and desist to all operating divisions and distribute a memorandum explaining the requirements of this order to all present and future personnel of respondents engaged in making sales presentations and in the consummation of any consumer credit transactions.

It is further ordered, That respondents notify the Commission at

least thirty (30) days prior to any proposed change in the respondents such as dissolution, assignment or sale resulting 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 this order.

It is further ordered, That no provision of this order shall be construed in any way to annul, invalidate, repeal, terminate, modify or exempt respondents from complying with agreements, orders or directives of any kind obtained by any other agency, or act as a defense to actions instituted by municipal or State regulatory agencies. No provision of this order shall be construed to imply that any past or future conduct of respondents complies with the rules and regulations of, or the statutes administered by the Federal Trade Commission.

It is further ordered, That the respondents herein 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 this order.

Complaint

87 F.T.C.

IN THE MATTER OF
ALMACENES HERNANDEZ CORPORATION, ET AL.

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

Docket C-2808. Complaint, Mar. 8, 1976—Decision, Mar. 8, 1976

Consent order requiring a New York City seller and distributor of furniture and home appliances, among other things where sales presentations have been made in whole or in part in Spanish, to cease failing to furnish buyers with Spanish language translations of contracts, agreements or other documents used in connection with retail credit sales. Further, respondents are required to prominently display in-store notices of customers' right to receive all necessary documents in both Spanish and English.

Appearances

For the Commission: *Sandra L. Bird.*

For the respondents: *Samuel Weiner*, New York City.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and by virtue of the authority vested in it by said Act, the Federal Trade Commission having reason to believe that Almacenes Hernandez Corporation, a corporation, and Luis Cuevas, individually and as an officer of said corporation, have violated Section 5 of said 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 Almacenes Hernandez Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 2136 Third Ave., New York, New York.

Respondent Luis Cuevas is an officer of said corporate respondent. He formulates, directs and controls the policies, acts and practices of the corporate respondent, including those hereinafter set forth. His business 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 advertising, offering for sale, sale and distribution to the public of furniture and home appliances.

PAR. 3. In the course and conduct of their business as aforesaid, respondents have engaged in and are now engaged in commerce, or their practices affect commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended. Respondents purchase for