

IN THE MATTER OF
McCRORY CORPORATION, ET AL.

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

Docket C-2676. Order, June 18, 1975—Modifying order, May 18, 1976

Order modifying an earlier order dated June 18, 1975, 40 F.R. 30477, 85 F.T.C. 1106, by changing Paragraph 2 of the order to permit language on billing statements sent to respondents' charge account customers whose accounts reflect credit balance, that respondents' store at a specified address may be contacted for a cash refund, or respondents will send a check in six months or less.

Appearances

For the Commission: *Alan D. Reffkin, Justin Dingfelder, and Howard F. Daniel.*

For the respondents: *Max Wild, Rubin, Wachtel, Baum & Levin, New York City.*

ORDER MODIFYING ORDER TO CEASE AND DESIST

On March 23, 1976, respondent Lerner Stores Corporation (Lerner) by a paper entitled Motion to Modify an Order Dated June 18, 1975, which will be treated as a petition to reopen this proceeding, has requested that Paragraph 2 of the order be modified to permit language on billing statements sent to Lerner charge account customers whose accounts reflect a credit balance that a Lerner store at a specified address may be contacted for a cash refund, or Lerner will send a check in six (or a smaller number of) months. The Bureau of Consumer Protection has filed an answer wherein it advises that it does not oppose Lerner's request.

Since the requested language accurately describes Lerner's obligation under the order, the Commission has determined that the request should be granted.

It is ordered, That the proceeding be, and it hereby is, reopened.

It is further ordered, That the order to cease and desist be, and it hereby is, modified by substituting the following provision as the last full paragraph of Paragraph 2:

Such disclosure need not be made by any store in the event it is that store's policy to refund automatically and without request all credit balances regardless of amount. In such case, one of the following disclosures must be made:

Order

87 F.T.C.

For refund contact (our) (any) store or we will send check in 6 (or smaller number) months; or

For refund contact Lerner Shops at (address) or we will send a check in 6 (or smaller number) months or less.

IN THE MATTER OF

AMERICAN EXPRESS COMPANY

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND FAIR CREDIT REPORTING ACTS

Docket C-2821. Complaint, May 24, 1976—Decision, May 24, 1976

Consent order requiring a New York City credit card company, among other things to cease failing to disclose to those credit card applicants who are rejected because of information contained in consumer reports or obtained from a person other than a consumer reporting agency such information as required by the Fair Credit Reporting Act.

Appearances

For the Commission: *C. Lee Peeler and Hong S. Dea.*

For the respondent: *Arnold M. Lerman, Wilmer, Cutler & Pickering*, Washington, D.C.

COMPLAINT

Pursuant to the provisions of the Fair Credit Reporting Act 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 American Express Company, a corporation, hereinafter referred to as respondent, has violated the provisions of said Acts, 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 American Express Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 65 Broadway, New York, New York.

PAR. 2. Respondent, in the ordinary course and conduct of its business, through its credit card division, extends credit by issuing to persons credit cards, hereinafter referred to as "American Express Cards," which enable those persons to purchase property or services and defer payment therefor. In a substantial number of instances American Express Cards are issued to consumers, as "consumer" is defined in Section 603(c) of the Fair Credit Reporting Act (15 U.S.C. §§1681, 1681(a)(c) (1970)), who use the American Express cards for personal, family or household purposes.

PAR. 3. Respondent, in the ordinary course and conduct of its business, obtains "consumer reports" from "consumer reporting