

Complaint

90 F.T.C.

IN THE MATTER OF
GRAND SPAULDING DODGE, INC.

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

Docket C-2914. Complaint, Oct. 25, 1977 — Decision, Oct. 25, 1977

This consent order, among other things, requires a Chicago, Ill. automobile dealer to cease failing to furnish in a timely manner Spanish-speaking customers with relevant bilingual disclosures and documents. Additionally, the firm is required to display notices in Spanish as set forth in the order, and to maintain prescribed records for a period of two years.

Appearances

For the Commission: *Robert C. Goldberg.*

For the respondent: *Howard Alterman, Spivack & Lasky, Chicago, Ill.*

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 Grand Spaulding Dodge, Inc., a corporation, 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 Grand Spaulding Dodge, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 3300 W. Grand Ave., Chicago, Illinois.

PAR. 2. Respondent is now, and for some time last past has been engaged in the advertising, offering for sale, sale and distribution to the public of new and used automobiles.

PAR. 3. In the course and conduct of its business, as aforesaid, respondent has engaged in and is now engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act. Respondent purchases for resale new automobiles from Chrysler Corporation located in Detroit, Michigan and used automobiles from individuals and others. Respondent causes these products, when purchased by them, to be transported from the place of manufacture or purchase to their business establishment located in Illinois.

In addition, respondent has disseminated and has caused to be

disseminated advertisements concerning said products in newspapers and radio broadcasts of interstate circulation.

Said advertisements, presented in both the English and Spanish language, have been disseminated for the purpose of inducing the purchase of respondent's merchandise by the general public.

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

PAR. 5. In the further course and conduct of its business as aforesaid, and for the purpose of facilitating the purchase of its merchandise, respondent regularly arranges for credit to be extended to retail purchasers.

In connection with said credit transactions, respondent utilizes contracts, documents, notices, forms or other legal instruments which are printed predominately in the English language.

PAR. 6. In the further course and conduct of its business as aforesaid, respondent fails to provide customers who only speak, read, write or understand Spanish, or whose predominant language is Spanish, with a complete and accurate translation in Spanish of all the documents normally executed and provided to 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. Respondent's 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, deprives a substantial number of Spanish-speaking consumers, many of whom have been induced to deal with respondent as a result of respondent's 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 normally provided to consumers at the time of the transaction.

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

PAR. 8. In the course and conduct of its aforesaid business, and at

all times mentioned herein, respondent has been, and is now, in substantial competition in commerce, with corporations, firms and individuals in the sale of new and used automobiles of the same general kind as those sold by respondent.

PAR. 9. The aforesaid acts and practices of the respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's 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.

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 Chicago 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 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 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 the Commission Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Grand Spaulding Dodge, Inc. is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Illinois with its office and principal place of business located at 3300 West Grand Ave., Chicago, Illinois.

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 Grand Spaulding Dodge, Inc., a corporation, 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 the advertising, offering for sale, sale, and distribution of new and used automobiles in or affecting commerce as "commerce" is defined in the Federal Trade Commission Act, 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 with complete and accurate translations in Spanish of any documents, notices or disclosures normally provided to consumers in connection with respondent's credit sales at the time of the transaction.

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

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 sales and do not, in themselves, contain covenants, disclaimers or other provisions defining the rights and responsibilities of the parties.

Further provided, that respondent 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 OR DOCUMENTS YOU
HAVE RECEIVED OR ARE ABOUT TO SIGN.

It is further ordered, That respondent shall display, in at least two different locations on its premises, one of them being the location

where consumers 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 CONSUMER 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 AND OF THE OTHER DOCUMENTS RELATED TO THE FINANCING OF YOUR PURCHASE BEFORE YOU SIGN ANYTHING. DO NOT SIGN ANY DOCUMENTS UNTIL YOU HAVE RECEIVED AND READ THE SPANISH TRANSLATIONS.

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

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

It is further ordered, That respondent notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the operation 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 respondent 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 respondent 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.

IN THE MATTER OF
GOLD BULLION INTERNATIONAL, LTD., ET AL.

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

Docket 9094. Complaint, Jan. 17, 1977 — Decision, Nov. 1, 1977.

This consent order, among other things, requires B.H. Mayer's Kunstprageanstalt of Pforzheim, West Germany, a manufacturer of imitation numismatic items, to cease manufacturing, distributing or importing into the United States imitation numismatic items which are not conspicuously and permanently marked "copy", as required by federal regulations.

Appearances

For the Commission: *Justin Dingfelder* and *Ronald G. Isaac*.

For the respondents: *William H. Bogart*, *Bogart & Andrews*, Syracuse, N.Y. and *Michael A. Stachowski*, Buffalo, N.Y.

COMPLAINT

Pursuant to the provisions of the Hobby Protection Act (15 U.S.C. 2101, *et seq.*), and the Federal Trade Commission Act (15 U.S.C. 41, *et seq.*), and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Gold Bullion International, Ltd., a corporation, and H. Kenneth Costello, Walter N. Thompson and William H. Bogart, individually and as officers of said corporation, and B.H. Mayer's Kunstprageanstalt, a corporation, and Bernhard H. Mayer, individually and as an officer of said corporations, hereinafter sometimes referred to as respondents, have 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 Gold Bullion International, Ltd. 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 216 State Tower Building, Syracuse, N.Y.

Respondent H. Kenneth Costello, Walter N. Thompson and William H. Bogart are officers of the corporate respondent Gold Bullion International, Ltd. They formulate, direct and control the acts and practices of said corporate respondent. Their business address is the same as that of said corporate respondent.

Respondent B.H. Mayer's Kunstprageanstalt is a corporation