

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

existing and doing business under and by virtue of the laws of the Federal Republic of Germany, with its principal office and place of business located at Turnplatz 2, Pforzheim, West Germany.

Respondent Bernhard H. Mayer is an officer of the corporate respondents. He formulates, directs and controls the acts and practices of the corporate respondents, including the acts and practices hereinafter set forth. His business address is the same as that of the corporate respondent, B.H. Mayer's Kunstprageanstalt.

PAR. 2. Respondents are now and for some time in the past have been engaged in the manufacture, importation, sale and distribution of various items of merchandise, including imitation numismatic items, to dealers and others for resale to the public.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause and for some time in the past have caused imitation numismatic items to be imported into the United States and shipped from their place of business in the State of New York to retailers and others located in various other states in the United States. Respondents therefore maintain, and at all times mentioned herein have maintained, a substantial course of trade in said items in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents, subsequent to November 29, 1973, have imported into the United States for distribution in commerce copies of privately minted five (5), ten (10), and twenty (20) German Reichmark gold coins, privately minted fifty (50) Mexican Peso gold coins, privately minted one hundred (100) Austrian Corona gold coins, and other privately minted gold coins. The aforesaid coins are imitation numismatic items as defined in Section 7 of the Hobby Protection Act. Said coins were not marked "copy" as required by Section 2(b) of said Act.

PAR. 5. Respondents' aforesaid acts and practices, as alleged in Paragraph Four hereof, were and are in violation of the Hobby Protection Act. Such violation is, pursuant to Section 2(b) of the Hobby Protection Act, an unfair and deceptive act or practice in or affecting commerce under the Federal Trade Commission Act. Pursuant to Section 4(b) of the Hobby Protection Act, the aforesaid acts and practices of respondents constituted and now constitute a violation of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore issued its complaint charging the respondents named in the caption hereto with violation of the Hobby Protection Act and the Federal Trade Commission Act, as

amended, and the respondents having been served with a copy of that complaint, together with a proposed form of order; and

The respondents B.H. Mayer's Kunstprageanstalt, a corporation, and Bernhard H. Mayer, individually, and as an officer of said corporation, 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 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 withdrawn the matter from adjudication in accordance with Section 3.25 of its Rules; and

The Commission having considered the matter and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure described in Section 3.25 of its Rules, the Commission hereby makes the following jurisdictional findings, and enters the following order:

1. Respondent B.H. Mayer's Kunstprageanstalt is a corporation organized, existing and doing business under and by virtue of the laws of the Federal Republic of Germany with its principal office and place of business located at Turnplatz 2, Pforzheim, West Germany.

Respondent Bernhard H. Mayer is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation.

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 B.H. Mayer's Kunstprageanstalt, a corporation, its successors and assigns, and its officers, and Bernhard H. Mayer, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacture, importation or distribution in or affecting commerce of any imitation numismatic item, as "imitation numismatic item" is defined in the Hobby Protection Act (Pub. Law 93-167, 15 U.S.C. 2101, *et seq.*), do forthwith cease and desist from:

Importing, manufacturing or distributing any imitation numismatic item that is not plainly and permanently marked "copy" as required by Section 2(b) of the

Hobby Protection Act and the regulations promulgated thereunder. The word "copy" shall appear in conformance with 16 C.F.R. 304.6, *i.e.*, in capital letters in the English language, incused in sans-serif letters having a vertical dimension of not less than two millimeters (2.0 mm) and a minimum depth of three-tenths of one millimeter (0.3) or to one-half (1/2) the thickness of the reproduction, whichever is the lesser. The minimum total horizontal dimension of the word "copy" shall be six millimeters (6.0 mm).

It is further ordered, That respondent corporation shall forthwith distribute a copy of this order to each of its corporate affiliates in the United States.

It is further ordered, That respondents notify the Commission at least 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 creation or dissolution of subsidiaries in the United States, or any other change in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That the individual 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 doing business in the United States. In addition, for a period of ten years from the effective date of this order, the respondent shall promptly notify the Commission of each affiliation with a new business or employment whose activities include the manufacture in the United States, or the importation into the United States, of numismatic items, or of his affiliation with a new business or employment in which his own duties and responsibilities require him to reside in the United States or to be present in the United States on a regular basis. Such notice shall include the respondent's new business address and a statement of the nature of the business or employment. The expiration of the notice provision of this paragraph shall not affect any other obligation arising under this order.

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
CITY STORES COMPANY

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

Docket C-2910. Complaint, Nov. 1, 1977 — Decision, Nov. 1, 1977

This consent order, among other things, requires a New York City retail department store chain to cease imposing unauthorized collection fees on delinquent charge accounts and to provide such disclosures and refunds as are set forth in the order.

Appearances

For the Commission: *Richard H. Gateley and Russell A. Benghiat*,
Consumer Protection Specialist.

For the respondent: *Stuart M. Rosen, Weil, Gotshal & Manges*,
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 City Stores Company, a corporation, hereinafter sometimes referred to as respondent, has violated the provisions 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 City Stores Company is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 500 Fifth Ave., New York, New York. Respondent, through its divisions and wholly-owned subsidiaries, operates approximately one hundred forty-nine (149) department, specialty, and home furnishing stores, as well as certain collection agencies.

PAR. 2. Respondent City Stores Company is responsible for the formulation, control, and direction of the policies and practices of its divisions and subsidiaries, including the acts and practices hereinafter set forth.

PAR. 3. Respondent City Stores Company sells and distributes merchandise in commerce by operating and controlling retail department, specialty and home furnishing stores in a number of states, and by causing merchandise to be shipped from its warehouses and retail department stores for distribution to, and purchase by,