

Complaint

95 F.T.C.

IN THE MATTER OF

NOLAN'S R.V. CENTER, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF SEC.  
5 OF THE FEDERAL TRADE COMMISSION ACT AND THE MAGNUSON-  
MOSS WARRANTY ACT

*Docket C-3009. Complaint, Feb. 5, 1980—Decision, Feb. 5, 1980*

This consent order requires, among other things, a Denver, Colo. retailer of motor homes, campers, and travel trailers to cease failing to place inside each vehicle it offers for sale, all applicable written warranties; and a sign giving the location of such warranties, and stressing the importance of comparing warranty terms before making a purchase. The firm is required to instruct its employees as to their specific obligations and duties under federal law, and to institute a surveillance program designed to detect violators of the order.

#### *Appearances*

For the Commission: *F. Kelly Smith, Jr. and Brenda V. Johnson.*

For the respondent: *Pro se.*

#### COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as amended, and of the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act ("Warranty Act") and the implementing Rule Concerning the Pre-Sale Availability of Written Warranty Terms (16 CFR 702 (1979)) (effective January 1, 1977) ("Pre-Sale Rule") duly promulgated on December 31, 1975 pursuant to Title I, Section 109 of the Warranty Act (15 U.S.C. 2309 (1976)) (a copy of the Pre-Sale Rule is marked and attached as Appendix A\* and is incorporated herein by reference as if fully set forth verbatim), and by virtue of the Authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Nolan's R.V. Center, Inc., hereinafter sometimes referred to as respondent, has violated the provisions of said Acts and Pre-Sale Rule, 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 Nolan's R.V. Center, Inc. is a corporation organized, existing and doing business under and by virtue of the laws

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\* Not reproduced herein for reasons of economy.

of the State of Colorado. Its principal office and place of business is located at 6935 Federal Boulevard, Denver, Colorado.

PAR. 2. Respondent has been, and is now engaged in the advertising, offering for sale, and sale of motor homes, campers, recreational vehicles, and travel trailers to the public.

PAR. 3. In the course and conduct of its business, respondent offers for sale and sells to consumers, consumer products distributed in commerce as "consumer product", "consumer" and "commerce" are defined by Sections 101(1), 101(3), 101(13) and 101(14), respectively, of the Warranty Act.

PAR. 4. Subsequent to January 1, 1977, respondent, in the course and conduct of its business, has offered for sale and sold motor homes, campers, recreational vehicles, travel trailers and other consumer products costing the consumer in excess of \$15.00, many of which are warranted by the manufacturers. Respondent is therefore, a seller as "seller" is defined in Section 702.1(e) of the Pre-Sale Rule.

PAR. 5. In connection with the offering for sale and sale of motor homes, campers, recreational vehicles, travel trailers, and other consumer products, respondent has failed, as required by Section 702.3(a) of the Pre-Sale Rule, to make the text of the written warranties available for prospective buyers' review prior to sale through one or more of the following methods:

(a) Clearly and conspicuously displaying the text of the written warranty in close conjunction to each warranted product;

(b) Maintaining a warranty binder system which is readily available to the prospective buyers, along with conspicuous signs indicating the availability and identifying the location of binders when the binders are not prominently displayed;

(c) Displaying the package of the consumer product on which the text of the written warranty is disclosed in such a way that the warranty is clearly visible to prospective buyers at the point of sale; and

(d) Placing a sign which contains the text of the written warranty in close proximity to the product to which it applies.

PAR. 6. Respondent's failure to comply with the Pre-Sale Rule as described in Paragraph Five of this Complaint is a violation of the Warranty Act, and is therefore an unfair or deceptive act or practice 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 respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Denver Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act, as amended, the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act, and the Rule Concerning the Pre-Sale Availability of Written Warranty Terms promulgated under the Magnuson-Moss Warranty—Federal Trade Commission Improvement 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 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 sixty (60) days, 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 Nolan's R.V. Center, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Colorado, with its office and principal place of business located at 6935 Federal Boulevard, Denver, Colorado.

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

##### I. Definitions

For the purposes of this order the definitions of the terms "consumer product," "warrantor," and "written warranty" as defined in Section 101 of the Warranty Act (15 U.S.C. 2301 (1976)) shall apply. The definition of the term "binder" as defined in § 702.1(g) of the Pre-Sale Rule (16 CFR 702 (1979)) shall apply.

II.

*It is ordered,* That respondent Nolan's R.V. Center, 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, and sale of motor homes, campers, recreational vehicles, travel trailers or other consumer products, do forthwith cease and desist from:

1. Failing to make available in respondent's display area for prospective buyers' review prior to sale, the text of any written warranties offered or granted by the manufacturers of motor homes, campers, recreational vehicles, travel trailers and other consumer products sold by respondent.

With respect to motor homes, campers, recreational vehicles, and travel trailers "display area" means a prominent location inside each motor home, camper, recreational vehicle, and travel trailer.

2. Maintaining a binder or series of binders to satisfy the requirements of Paragraph 1, above, unless such binder or binders are located in each motor home, camper, recreational vehicle, and travel trailer being displayed for sale by respondent, and such binder or binders include at least one copy of each written warranty applicable to the motor home, camper, recreational vehicle, travel trailer and the consumer products contained in such motor home, camper, recreational vehicle, or travel trailer.

In utilizing any such binder or binders respondent shall:

- (a) provide prospective buyers with ready access thereto; and
- (b) (1) display such binder(s) in a manner reasonably calculated to elicit the prospective buyers' attention; or
- (2) (i) make such binder(s) available to prospective buyers' on request; and
- (ii) place signs reasonably calculated to elicit the prospective buyers' attention in prominent locations within each motor home, camper, recreational vehicle or travel trailer, advising such prospective buyers of the availability of the binder(s), including instructions for obtaining access; and
- (c) index such binder(s) according to product or warrantor; and
- (d) clearly entitle such binder(s) as "Warranties" or other similar title.

III.

*It is further ordered,* That respondent shall post, in a prominent location in each motor home, camper, recreational vehicle and tra

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trailer being displayed for sale, a sign, eleven inches (length) by seventeen inches (width), reasonably calculated to elicit prospective buyers' attention, which contains a verbatim reproduction of the following language:

**IMPORTANT!**

**NOT ALL WARRANTIES ARE THE SAME**

We provide warranties for you to compare before you buy

Please ask to see them

Check:      Full or limited?  
                 What costs are covered?  
                 What do you have to do?

Are all parts covered?  
How long does the warranty last?

Such sign shall be posted for a period of not less than three years from the effective date of this order. The language in such sign shall be unencumbered by other written or visual matter, shall be indented and punctuated as indicated in the paragraph above, and shall be printed in black against a solid white background, as follows:

- a. The word "Important" shall serve as the title of the notice and shall be printed in capital letters in 60 point boldface type followed by an exclamation point.
- b. The next phrase shall be printed on a separate line in capital letters and in 42 point boldface type.
- c. The next two phrases shall be printed on separate lines and in 36 point medium face type.
- d. Each succeeding phrase shall be printed on a separate line and in 24 point medium face type.

IV.

1. *It is further ordered*, That respondent shall deliver a copy of this order to cease and desist to all present and future employees, salespersons, agents, independent contractors, and other representatives of respondent engaged in the sale of motor homes, campers, recreational vehicles, travel trailers, or other consumer products on behalf of respondent, and secure a signed statement acknowledging receipt of the order from each such person.

*It is further ordered*, That respondent shall instruct all present and future employees, salespersons, agents, independent contractors, and other representatives of respondent, engaged in the sale of motor

homes, campers, recreational vehicles, travel trailers or other consumer products on behalf of respondent, as to their specific obligations and duties under the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act (Pub. Law 93-637, 15 U.S.C. 2301, *et seq.*), all present and future implementing Rules promulgated under the Act, and this order.

3. *It is further ordered*, That respondent shall institute a program of continuing surveillance to reveal whether respondent's employees, salespersons, agents, independent contractors, or other representatives are engaged in practices which violate this order.

4. *It is further ordered*, That respondent shall maintain complete records for a period of not less than three (3) years from the date of the incident, of any written or oral information received which indicates the possibility of a violation of this order by any of respondent's employees, salespersons, agents, independent contractors, or other representatives. Any oral information received indicating the possibility of a violation of this order shall be reduced to writing, and shall include the name, address and telephone number of the informant, the name and address of the individual involved, the date of the communication and a brief summary of the information received. Such records shall be available upon request to representatives of the Federal Trade Commission during normal business hours upon reasonable advance notice.

5. *It is further ordered*, That respondent shall maintain, for a period of not less than three (3) years from the effective date of this order, complete business records to be furnished upon request to the staff of the Federal Trade Commission, relating to the manner and form of its continuing compliance with all the terms and provisions of this order.

6. *It is further ordered*, That respondent notify the Commission at least thirty (30) days prior to any proposed change 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 obligations arising out of this order.

7. *It is further ordered*, That respondent 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.

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IN THE MATTER OF  
TEXAS ASSOCIATION OF PROFESSIONAL  
SURETIES, ET AL.

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

*Docket C-3010. Complaint, Feb. 13, 1980—Decision, Feb. 13, 1980*

This consent order requires, among other things, an Odessa, Tex. unincorporated trade association of bail bondsmen and its Houston, Tex. affiliate to cease establishing, fixing or maintaining uniform non-competitive prices for the sale of bail bonds; requiring adherence to such prices through coercion or otherwise; and attempting by any means to eliminate competition between or among bail bondsmen. The associations are prohibited from discussing prices and recalcitrant members at meetings; and required to timely amend any rule, by-law or code of ethics so as to conform with the terms of the order. Additionally, respondents are required to terminate the membership of any member who fails to comply with those terms.

*Appearances*

For the Commission: *Steven E. Weart* and *Joel Winston*.

For the respondents: *Joseph J. Rey, Jr.* El Paso, Tex., and *Michael Ramsey*, Houston, Tex.

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 Texas Association of Professional Sureties and Association of Professional Sureties of Houston, hereinafter sometimes referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the interest of the public, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Texas Association of Professional Sureties (TAPS) is a non-profit, unincorporated trade association whose members are engaged in business for profit. It was organized in 1965 and currently maintains its offices at 318 North Texas St., Odessa, Texas. Respondent TAPS is composed of approximately fifty bail bondsmen located within the State of Texas, comprising approximately one-sixth of all persons engaged in the business of writing bail bonds in the State of Texas. Its affairs are managed by its officers, who are