supra note 47, this respondent has tried to tip-toe on the edge of illegality. However, we are willing to see whether the necessary changes can be made in Statesman's veterans insurance program without the compulsion of an order by this Commission.

Therefore, rather than remanding the case, we shall vacate the examiner's order and strike everything in his initial decision that is inconsistent with this opinion. From time to time, the Commission, through its staff, will seek to review Statesman's promotional material so that a determination might be made as to whether further action is necessary.

An appropriate order will issue.

Commissioner Elman concurs in the result. Chairman Dixon approves the findings and conclusions contained in the foregoing opinion but would have preferred the issuance of an order to cease and desist. Commissioner MacIntyre does not concur.

ORDER TERMINATING PROCEEDING

Upon consideration of the appeal of respondent from the initial decision filed on December 8, 1967, and for the reasons stated in the opinion accompanying this order,

It is ordered, That the order to cease and desist issued by the hearing examiner be, and it hereby is, stricken, and that the proceeding be, and it hereby is, terminated.

Commissioner Elman concurs in the result. Chairman Dixon approves the findings and conclusions contained in the opinion but would have preferred the issuance of an order to cease and desist. Commissioner MacIntyre does not concur.

IN THE MATTER OF

LEON A. TASHOF TRADING AS NEW YORK JEWELRY COMPANY

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

Docket 8714. Complaint, Sept. 29, 1966—Decision, Dec. 2, 1968

Order requiring a Washington, D.C., retailer of eyeglasses, watches, jewelry and other merchandise to cease using bait and switch tactics, falsely advertising its eyeglasses at "bargain" prices, failing to disclose all details of financing and credit charges, and misusing "easy credit" solicitation of customers.

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 Leon A. Tashof, trading as New York Jewelry Company, hereinafter 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 Leon A. Tashof is the sole proprietor of a retail store located at 719 Seventh Street, NW., in the city of Washington, District of Columbia. Respondent does business under the name New York Jewelry Company.

Respondent formulates, directs and controls the acts and practices of the New York Jewelry Company as hereinafter set forth.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of various kinds of goods, including, but not limited to, watches, radios, rings, furniture, cookware, eyeglasses, television sets and other electrical appliances to the public. Respondent's customers are principally of the low income group and the preponderance of respondent's sales to such customers are on credit.

PAR. 3. In the course and conduct of his business, respondent now causes, and for some time last past has caused said merchandise, when sold, to be transported from his place of business in the District of Columbia to purchasers thereof in the District of Columbia, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of his aforesaid business, and for the purpose of inducing the purchase of his merchandise by the consuming public, the respondent has made numerous statements in advertisements inserted in newspapers and by other means with respect to the sale of eyeglasses, and other merchandise as aforesaid.

Typical and illustrative of the aforesaid statements are the following:

DISCOUNT EYE GLASSES MADE WHILE YOU WAIT
Price includes lenses, frames and case—from $7.50 complete

PAR. 5. By and through the use of the aforesaid advertisement, and others of similar import not specifically set forth herein, the respondent has represented directly or by implication that the offer of eyeglasses for $7.50 is a bona fide offer and that respondent is selling eyeglasses at discount prices substantially below the prices charged by other establishments for similar corrective eyeglasses.

PAR. 6. In truth and in fact respondent's offer of eyeglasses at a price of $7.50 is not a bona fide offer. It is made for the purpose of inducing prospective purchasers of eyeglasses to enter respondent's place of business whereupon the quality of the $7.50 eyeglasses is disparaged and their purchase otherwise discouraged and an attempt is made, frequently with success, to sell eyeglasses costing substantially more. Furthermore, respondent's prices for eyeglasses are not discount prices nor are they substantially below the prices charged by other establishments for similar corrective eyeglasses.

Therefore, the representations set forth in Paragraphs Four and Five, hereof were and are false, misleading and deceptive.

PAR. 7. In the further course and conduct of his business as aforesaid, and for the purpose of inducing the purchase of his said merchandise, the respondent has engaged in the following acts and practices:

1. He detains passers-by on the street around and about his place of business and after determining that they have a job where a garnishment can be obtained against their wages he presents them with a "Free Gift" card (example attached hereto as Exhibit "A" and made a part hereof), and invites them to enter his store to receive a "free gift" or a "free" eye examination without the need to buy anything and without other obligation. When the recipients of such "free gift" cards enter respondent's store they are given an inexpensive item such as a small pocket comb or a ball point pen. While in respondent's store they are informed that their credit is good and that therefore they can purchase any item in the store including eyeglasses on easy credit terms with no money down. At the urging of respondent or his employees many persons who have entered respondent's store to receive "free" eye examinations or "free" gifts have purchased eyeglasses or other merchandise on the so-called "easy credit terms."

2. Respondent affixes tickets to his merchandise bearing the retail prices thereof, thereby representing, directly or by impli-

cation, that such prices are competitive and reflect the reasonable or fair market value of such merchandise. Without determining his customers' financial ability to pay or their credit rating respondent sells merchandise to them on "easy credit terms" at unconscionably high prices that greatly exceed the prices charged for like or similar merchandise by other retail establishments in the same trade area whether sold on credit or for cash. (For example: transistor radios costing respondent $3.45 bear a retail price of, and are sold by respondent for $59.50.) In making sales on credit respondent fails to adequately and fully inform his customers of the credit charges or financing fees imposed upon them by respondent and in many instances respondent fails to disclose on conditional sales contracts or other credit instruments, the total price to be paid pursuant to the credit contract.

PAR. 8. By and through the use of the aforesaid acts and practices, and others similar thereto not specifically set forth herein, the respondent takes an unfair advantage of the unimformed and low income members of the consuming public:

1. By luring them into his store to receive a "free gift" or a "free" eye examination where they are urged, encouraged and induced to purchase merchandise on credit terms that, contrary to respondent's representations, are not easy because of the fact that the prices charged by respondent for such merchandise are unconscionably high and greatly in excess of the reasonable or fair market value of such merchandise. Respondent extends credit to such customers without determining their credit rating or their financial ability to meet their payments. As a result many of such customers are unable to make their credit payments whereupon respondent seeks, and often with success, to obtain garnishments against their wages.

2. By including in the prices affixed to and charged for his merchandise undisclosed charges for making purchases on credit, therefore such prices are not competitive nor do they reflect the reasonable or fair market value of such merchandise because they are unconscionably high and greatly in excess of the prices charged for like or similar merchandise by other retail establishments in the same trade area whether sold on credit or for cash.

3. By failing to fully and adequately inform his credit customers of all the credit charges or financing fees imposed upon them by listing them separately, and by failing in many instances to disclose on conditional sales contracts or other credit instruments, the total price to be paid pursuant to the credit contract.

Therefore, the acts and practices of respondent as set forth in

Paragraph Seven hereof are contrary to public policy and are false, misleading, deceptive or unfair.

PAR. 9. The use by respondent of the aforesaid false, misleading and deceptive representations and unfair and deceptive practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said representations were and are true and into the purchase of substantial quantities of respondent's merchandise by reason of said erroneous and mistaken belief or lack of knowledge as the result of respondent's failure to disclose pertinent information to said members of the purchasing public, and because of respondent's unfair and deceptive acts and practices.

PAR. 10. The aforesaid acts and practices of respondent, as herein alleged, were and are all to the prejudice and injury of that portion of the public respondent normally deals with and constituted, and now constitute, unfair or deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

Mr. Howard S. Epstein and *Mr. Walter C. Gross* for the Commission.

McKean & Whitehead, Washington, D.C., by *Mr. David J. McKean* for the respondent.

INITIAL DECISION BY RAYMOND J. LYNCH, HEARING EXAMINER

JUNE 26, 1967

STATEMENT OF PROCEEDINGS

The Federal Trade Commission issued its complaint against the above-named respondent on September 29, 1966, charging the respondent with the use of false, misleading, unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act by the use of false and misleading advertising representations and practices in the sale of merchandise to the consuming public. A copy of the complaint was served upon the respondent on October 1, 1966. Respondent filed an answer to the complaint admitting and denying certain of the allegations contained therein. The respondent denied having engaged in any alleged acts or practices violative of Section 5 of the Federal Trade Commission Act.

Pursuant to order of the examiner prehearing conferences were held on November 7, November 22 and December 12, 1966. On December 14, 1966, counsel for respondent filed a motion with the

examiner requesting that the examiner certify to the Commission a consent agreement and order. The matter was certified to the Commission on December 19, 1966, and on February 6, 1967 [71 F.T.C. 1631], the Commission issued its Order remanding the matter to the examiner ordering "expeditious conclusion of adjudicatory proceedings." The matter was set for hearing on February 16, 1967, but complaint counsel was unable to proceed and the hearing was postponed until March 20, 1967. Hearings were held on March 20, 21, 22, 23 and 24, and proposed findings of fact, conclusions of law and proposed orders were filed by the parties on May 8, 1967.

This proceeding is before the hearing examiner for final consideration upon the complaint, answer, transcript, exhibits and proposed findings of fact and conclusions filed by the parties.

Consideration has been given to the proposed findings of fact, conclusions of law and arguments presented by the parties. All proposed findings of fact and conclusions of law not hereinafter specifically found or concluded are rejected. The hearing examiner having considered the entire record makes the following findings of fact, conclusions drawn therefrom and issues the following order.

FINDINGS OF FACT

1. Respondent Leon A. Tashof is the sole proprietor of a retail store located at 719 Seventh Street, NW., in the city of Washington, District of Columbia. Respondent does business under the name New York Jewelry Company. (Adm. in Ans.)

2. Respondent formulates, directs and controls the acts and practices of the New York Jewelry Company as hereinafter set forth. (Adm. in Ans.)

3. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of various kinds of goods, including, but not limited to, watches, radios, rings, furniture, cookware, eyeglasses, television sets and other electrical appliances to the public. Respondent's customers are principally of the low-income group and the preponderance of respondent's sales to such customers are on credit.

4. In the course and conduct of his business, respondent now causes, and for some time last past has caused said merchandise, when sold, to be transported from his place of business in the District of Columbia to purchasers thereof in the District of Columbia, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said merchandise in

commerce, as "commerce" is defined in the Federal Trade Commission Act.

5. Paragraphs 4, 5 and 6 of the complaint *allege* that the respondent in the course and conduct of his aforesaid business, and for the purpose of inducing the purchase of his merchandise by the consuming public has made numerous statements in advertisements inserted in newspapers and by other means with respect to the sale of eyeglasses, and other merchandise.

Typical and illustrative of the aforesaid statements is the following:

DISCOUNT EYE GLASSES MADE WHILE YOU WAIT
Price includes lenses, frames and case—from $7.50 complete

Complaint counsel contend that by and through the use of the aforesaid advertisement, and others of similar import not specifically set forth herein, the respondent has represented directly or by implication that the offer of eyeglasses for $7.50 is a bona fide offer and that respondent is selling eyeglasses at discount prices substantially below the prices charged by other establishments for similar corrective eyeglasses.

The complaint alleges that in truth and in fact respondent's offer of eyeglasses at a price of $7.50 is not a bona fide offer. It is made for the purpose of inducing prospective purchasers of eyeglasses to enter respondent's place of business whereupon the quality of the $7.50 eyeglasses is disparaged and their purchase otherwise discouraged and an attempt is made, frequently with success, to sell eyeglasses costing substantially more. Furthermore, respondent's prices for eyeglasses are not discount prices nor are they substantially below the prices charged by other establishments for similar corrective eyeglasses.

Complaint counsel conclude that the representations set forth in Paragraphs 4, 5 and 6 were and are false, misleading and deceptive.

The Commission has placed in evidence one sample advertisement which appeared in the Washington Daily News on January 29, 1965 (CX 114, Tr. 314). Testimony shows that this ad ran approximately once a week for the period of a year and a half. The date on which Commission Exhibit 114 appeared, January 29, 1965, was neither the beginning nor the end of this advertising campaign, but sometime during the middle of the campaign. (Tr. 355.) Therefore, this campaign began sometime during 1964 and was discontinued by the end of 1965. (Tr. 418, 420.)

The advertisement has not been quoted in its entirety in the

complaint. The actual text of the advertisement also contains the following language: "Oculists' prescription filled, or have your eyes examined by our registered optometrist. Moderate Examining Fee." (See CX 114.) Eyeglasses, at a price of $7.50, were thus offered to customers bringing with them a signed prescription from an ophthalmologist.[1] The stipulated evidence shows that less than ten pairs of eyeglasses were sold at the $7.50 price, under such circumstances, in each of the years 1964 and 1965. (Tr. 420.) This advertising campaign had been discontinued prior to the start of 1966, and no sales of eyeglasses were made at the $7.50 price during 1966 or subsequently.

While the number of eyeglasses sold during 1964 and 1965 at this price was only a small fraction of respondent's total sales of eyeglasses, there is no evidence to indicate that respondent did not honor the terms of the advertisement. The purchase of eyeglasses at $7.50 was not discouraged by disparaging their quality. (Tr. 382.) The Commission has offered into the record absolutely no evidence, either from store personnel, from customers, or from any other source, that sales of eyeglasses at $7.50 were discouraged, or that the quality of such eyeglasses was ever disparaged.

Paragraphs 4, 5 and 6 of the complaint have not been sustained by a preponderance of reliable substantial and probative evidence and therefore must be dismissed.

6. Paragraph 7 subparagraph 1 of the complaint alleges that the respondent engaged in the following acts and practices:

1. He detains passers-by on the street around and about his place of business and after determining that they have a job where a garnishment can be obtained against their wages he presents them with a "Free Gift" card (example attached hereto as Exhibit "A" and made a part hereof), and invites them to enter his store to receive a "free gift" or a "free" eye examination without the need to buy anything and without other obligation. When the recipients of such "free gift" cards enter respondent's store they are given an inexpensive item such as a small pocket comb or a ball point pen. While in respondent's store they are informed that their credit is good and that therefore they can purchase any item in the store including eyeglasses on easy credit terms with no money down. At the urging of respondent or his employees many persons who have entered respondent's store to receive "free" eye examinations or "free" gifts have purchased eyeglasses or other merchandise on the so-called "easy credit terms."

[1] Oculist and ophthalmologist are synonymous terms. (Tr. 421; see also Webster's New Collegiate Dictionary, 2d ed.) An ophthalmologist is a licensed doctor of medicine who specializes in the care and treatment of the eye and eye diseases, and who can and does prescribe corrective eyeglasses for vision defects caused by refractive errors in a patient's eyes.

As a result of engaging in the above conduct, complaint counsel allege that the respondent's acts and practices are contrary to public policy, and are false, misleading, deceptive or unfair. How the acts and practices set forth above violate Section 5 of the Federal Trade Commission Act has neither been pointed out by complaint counsel nor has any evidence been introduced in the record to sustain the charge that the acts and practices of the respondent violated any law.

7. Subparagraph 2 of Paragraph 7 charges that:

> 2. Respondent affixes tickets to his merchandise bearing the retail prices thereof, thereby representing, directly or by implication, that such prices are competitive and reflect the reasonable or fair market value of such merchandise. Without determining his customers' financial ability to pay or their credit rating respondent sells merchandise to them on "easy credit terms" at unconscionably high prices that greatly exceed the prices charged for like or similar merchandise by other retail establishments in the same trade area whether sold on credit or for cash. (For example: transistor radios costing respondent $3.45 bear a retail price of, and are sold by respondent for $59.50.) In making sales on credit respondent fails to adequately and fully inform his customers of the credit charges or financing fees imposed upon them by respondent and in many instances respondent fails to disclose on conditional sales contracts or other credit instruments, the total price to be paid pursuant to the credit contract.

Before discussing all of the allegations in this paragraph, it should be pointed out that although the complaint charges respondent with selling a transistor radio costing respondent $3.45 at a price of $59.50, there is *no* evidence in this record to substantiate this allegation. The record discloses that respondent purchased 72 transistor radios (Invoice 32793, CX 122) and that they were sold at prices ranging from $2.88 (plus tax) to $8.19 (including tax). The six-transistor radios were sold at $2.88, the eight-transistor radios at $3.88 and the ten-transistor radios at $4.88 with the exception of nine sales at prices from $1.03 up to $8.19.

8. The complaint charges that respondent sells merchandise to his customers "at unconscionably high prices that greatly exceed the prices charged for like or similar merchandise in other retail establishments in the same trade area * * *." (Complaint, Paragraph 7, subparagraph 2.)

9. The complaint also charges that "In making sales on credit respondent fails to adequately and fully inform his customers of the credit charges or financing fees imposed upon them by respondent and in many instances respondent fails to disclose on conditional sales contracts or other credit instruments, the total

price to be paid pursuant to the credit contract." (Complaint, Paragraph 7, subparagraph 2.)

10. These allegations, sales at unconscionably high prices and a failure to disclose credit charges, constitute the main thrust of the complaint. Before going into the question of whether, if proved, these allegations would be violative of Section 5 of the Federal Trade Commission Act, the examiner has reviewed the entire record and finds that the allegations have not been proved by a preponderance of the evidence. Table 4 of respondent's proposed findings, attached hereto and marked Appendix A, reflects the record evidence dealing with transactions resulting in the sale of 17 different items of merchandise by respondent. Column 1 of the table identifies the merchandise and purchaser, column 2 reflects the price obtained by respondent for such merchandise and column 3 shows the comparative price evidence of record.

11. There is nothing unusual about the retail price charged by respondent for any of these items of merchandise. And there is an almost complete lack of evidence in the record bearing on the question of the price charged for similar merchandise by other sellers. The record does contain testimony from Mr. Ullman reflecting the common or usual price range charged by other sellers for reconditioned used TV sets. (Tr. 378.) Aside from that, complaint counsel have seen fit to attempt to offer comparable price evidence in the case of only one item of merchandise. That one item of merchandise is a watch belonging to Mr. Roland Taylor (CX 9, 26A, B, C). Complaint counsel made no effort to check the history of the watch offered in evidence. Respondent's counsel, however, made a complete investigation and it was determined that the watch offered in evidence had not been sold by the respondent but that the watch had been purchased by Mr. Taylor's wife from Weinstein's Pawnbrokers, Washington, D.C.

Credit Charges

Table 2 of respondent's proposed findings (Appendix B) sets out 26 contracts entered into between respondent and certain purchasers of merchandise.

When the contracts are arranged in the order of their dates, the sequence reveals the approximate times at which respondent's policy regarding the method of computing these credit charges was changed. Such a tabulation provides information on the manner in which such carrying charges were disclosed, and also shows respondent's practice with regard to the disclosure of the

total purchase price for merchandise bought in such credit transactions.

In Table 2 the first column shows the date appearing on the contract, the second column shows the exhibit number of the contract, and the third column gives the name of the purchaser. Column 4 shows a code letter for each different form of contract employed, or for each different manner of computation used in connection with a given form of contract. Column 5 shows the cash price of the item or items purchased. (This is the same as the ticketed price at which the merchandise was offered for sale by New York Jewelry.) Column 6 shows the carrying charges, and column 7 the total purchase price, as reflected by each contract in question.

The first four entries and the sixth entry in the table relate to five contracts (CX 17, 19, 21, 37 and 38), all of which employ the same contract form. This form has been designated, in column 4, as contract form A. These five contracts reflect purchases from September through December of 1965, by James E. Freeman (CX 37, 38), Walter Whitfield (CX 19), Roland Taylor (CX 21) and Mary Daughtry (CX 17). A reference to Commission Exhibit 37, the first of these contracts, will show the form employed and the manner in which the information in question is disclosed or displayed. The other four contracts (CX 17, 19, 21, 38) are identical in form, and the comments made about this contract would apply to the transactions reflected by the other four contracts as well.

In contract form A, only the total price charged (including both the cash price and the carrying charges) is specifically revealed. In the case of this first contract (CX 37), that price is $71.50. The cash price of the merchandise does not appear in the body of the contract. In this instance we know from the stipulated testimony of Mr. Freeman that the price for this pair of glasses was $59.50. (CX 7.) We can also tell the cash price of the merchandise from an imprint made on the side of the contract by the cash register in the course of ringing up the transaction. This cash register imprint shows the figures "$59.50," which corresponds with Mr. Freeman's stipulated testimony about the cash price of the eyeglasses covered by this contract. The credit charge or financing fee in this case is obviously the difference between the cash price ($59.50) and the total price appearing on the face of the contract ($71.50). Since disclosure of the exact amount of the total price to be charged for the merchandise is made in dollars and cents on the face of the contract, the

purchaser would be made aware of the credit charge by noting the difference between the cash price at which the merchandise is ticketed, and the total price appearing on the face of the contract.

The contract with Mary Daughtry (CX 17) has been signed in blank and neither the total price, nor by implication the credit charge, appear on this contract.

It is obvious that the use of contract form A was discontinued sometime during late December 1965, and that it was superseded by contract form B which first appears in the transaction of December 23 with Roland Taylor (CX 22).

The four contracts employing form B are dated from December 1965 through mid-January 1966 and reflect purchases by Roland Taylor (CX 22), Synithia G. Washington (CX 42, 43, 44), and Minnie A. Henry (CX 31).

Contract form B differs in format from contract form A. It shows, in the upper right-hand portion of the contract, the total cash price, the unpaid balance after trade-ins or allowances, the carrying charges expressed in an exact dollar amount, and the total price including carrying charges. The total price is described by the phrase "time price." This is followed by blanks for showing any existing balance on the account, the total indebtedness of the account, and the payment terms. Reference to Commission Exhibit 43 will show in the case of a simple transaction how this contract form discloses the information involved.

In contract form B complete disclosure is made, both of the carrying charge expressed as a dollar amount, and of the total price for the article including the carrying charge. This contract form does not disclose the rate of carrying charge, but an inspection of the four contracts involved (CX 22, 31, 42, 43, 44) reveals that the carrying charge percentage is approximately 18 percent. This is roughly equivalent, on an annualized basis, to the 1½ percent per month commonly charged by most retail establishments, since 1½ percent per month x 12 months equals 18 percent.

Mr. Ullman was questioned about two contracts executed on contract form B, and falling into this group. There were the two contracts executed on January 8 by Synithia Washington (CX 42, 43, 44). Mr. Ullman testified that, at that time, New York Jewelry figured a flat carrying charge (Tr. 201), and, after some confusion in the record, it was established that the flat carrying charge at this time was 18 percent (Tr. 201–204).

It is clear that sometime around January 1966, this method of

computation was discontinued. The next four contracts, bearing dates from mid-January to March 1966, reflect purchases by Charles Logan (CX 99), Etta Calloway (CX 105), James Crowder (CX 94) and Elly Freshley (CX 74). These contracts are all made on a form identical with contract form B discussed just previously, but it is apparent that a change in the method of carrying charge computation was made. These contracts are designated in Table 2 as form B–1.

In these contracts only the cash price is disclosed. The contracts do not on their face reveal either the amount or rate of the carrying charges. There is no evidence in the record which would indicate whether there were any carrying charges on these four contracts, or what the amount or method of computation of such carrying charges were, if such charges existed. Mr. Ullman was questioned about the contract with Charles H. Logan, dated January 18, 1966 (CX 99), and was not able to tell from that one contract why no carrying charges were reflected on its face.

At approximately the end of March 1966, New York Jewelry made another change in its method of computing carrying charges, and in the manner of disclosure of such charges and the total credit sales price. We refer now to the next group of nine contracts in chronological order, bearing dates from March 30, 1966, through May 1966. These contracts were entered into by Preston White (CX 1), Barbara Brown (CX 111), Elsie Hall (CX 112), Vernetta Henderson (CX 109), Arthur Pratt (CX 68), Rosa Wesly (CX 89), J. L. Dennard (CX 84), Alfreda Stubbs (CX 62) and John Edmunds (CX 121). These contracts still employed basic contract form B, but now in addition to the cash price, a definite dollar amount is shown as carrying charges, and a total price (being the sum of the cash price and the carrying charges) is also disclosed on the face of the contract. These contracts are designated in Table 2 as form B–2.

According to the testimony of Mr. Ullman, during this time period, New York Jewelry employed a pre-computed chart or table to determine carrying charges. This chart was based on the cash price involved, and the term, or length of the contract. As a result, the amount of carrying charges disclosed on the face of the contract would vary, depending both on the amount of the cash price, and on the time period over which payments were to be made. Obviously, a credit sales contract to be paid up in a short time would bear a smaller carrying charge (and hence the carrying charge would be a smaller percentage of the cash price) than would a contract with a longer term. (Tr.