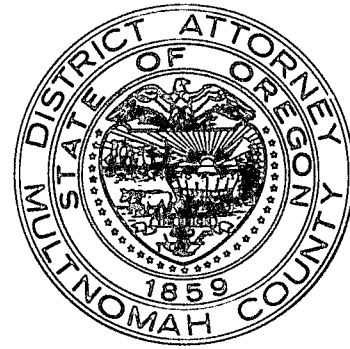


CONSUMER PROTECTION HANDBOOK

18839

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Dear Friend:

We all spend a great portion of our income buying goods and services from local and national merchants. Our economic system is successful only because a great majority of businessmen are honest and ethical. However, it is unfortunate that a small minority of deceptive sellers, feeding on society, injure honest businessmen and consumers alike.

The examples in this handbook do not indict the industries mentioned, but rather point out some of the deceitful practices used by a few dishonest persons to cheat you when you purchase goods or services. Only with your help and information, and the assistance of the legitimate business community, can my office and other consumer protection agencies bring action against deceptive trade practices.

It might be wise to keep this handbook by the telephone and take it with you when you shop. If our office can assist you in any way, we are open to serve you.

Sincerely,

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Section I. Legal Help

A. CONSUMER TIPS

1. Learn to say "No!"
2. Try to compare three brands and three stores before buying.
3. Try not to buy the first day you see it! (Not even if you have to pass up a supposed "bargain" or "sale.") Exception: If you have already (personally) checked prices and brands at three stores and you know it's a true discount, you can purchase on the first day.
4. When buying an unfamiliar seller's services for repairs, etc., never pay until you are completely satisfied (not even a small down payment for materials, etc.)
5. When having repair work or other service done, always ask for and check out three personal references. (Call people who have recently hired the repairman to see if they had any problems with him, especially low estimates).
6. Avoid long-term or "lifetime" contracts. ("Lifetime" means the lifetime of the business, not yours).
7. Never borrow money to make a down payment.
8. Never sign any contracts until you have read them thoroughly and understand all of the terms.
9. Never sign a contract that has any blanks.
10. Always keep a copy of the contract in a file.
11. To improve your warranties and guarantees, always write down the salesman's promises somewhere on the contract and get him to sign it.
12. Consult a lawyer on major or complex purchases or rentals (e.g., house remodeling, land purchases, purchasing distributorships, etc.).
13. Don't rely on a business' "advertised" reputation. Check the business out first. The bad ones advertise extensively, too.
14. Patronize businesses that have a good reputation "in fact."
15. Don't send your money away on a mail order without checking out the company.
16. Don't believe "bargains," "discounts" and "sales" unless you compare them extensively. Beware of false advertisement.
17. "Shop around" for the best sources of credit.

B. FREQUENTLY ASKED QUESTIONS

Q.: *What is a contract?*

A.: A contract is a binding agreement between two or more parties. Books have been written on the subject and it is impossible to give a short answer as to what will create a contract. If you are not sure whether an agreement is an enforceable contract, you should seek legal advice. A mere promise may be sufficient to create a contract. Also, many types of contracts do not need to be written.

Q.: *What does it mean when you sign a contract?*

A.: Every promise you expect a company to keep must be written in the contract, so here's how to turn a contract into something of benefit to you. Get out a pen and in your own handwriting write in all of the promises the salesman has made during the sale. Keep track of those promises by jotting them down during his sales pitch. Now, at first glance you might think it a terrible thing to do to a nice, neat contract. That neat printed contract was made up to protect the seller, not to protect the buyer. Don't be foolish enough to rely on the salesman's promise, "Oh, we'll take care of that," "Just bring it back in a few days," "We'll fix up all those little problems," or "Drive it for a week and make a list of those things and bring it back," etc., etc., etc. In fact, handwritten terms are easier to enforce than those printed on the contract, because it notes a definite thought, one which you took the trouble to write in. If they're afraid to sign written promises, then what do you think their spoken promises are worth? In writing, pin down (1) who will guarantee the product and (2) what exactly will they do? Give them some hypothetical situations — get them to tell you just what they will do if those things happen and then write it all down and have them initial it. You'll be glad that you did. Turn the contract into a friend, not an enemy.

Q.: *When should I sign a contract?*

A.: *Never, never, never* sign a contract without delaying at least *one* day. A contract should be taken home to look at, if only to see if the company will permit you to do so. Always have someone you trust look at the contract. If you have not learned that you should have your attorney look at all substantial contracts you sign, then at least have someone who has business experience look at it. Honest sellers have no fear of losing sales. In addition, they are quite willing to let you assure yourself that the contract is fair and what you bargained for. There are no deals today that will not be available tomorrow, no matter what the salesman tells you. (Except, perhaps, a raw deal.) Speed in getting you to sign a binding contract is important to the cheater — they'll say anything to get you to sign (sale, discount today only, etc.). Therefore, delay a day or two before signing any contract. Normally, they will also try to give you delivery of your purchase on the same day so that they have performed their promise and have bound you to perform yours. If you delay that one day, it lets you cool down and gets you away from the pressure. Then decide whether you want to buy from this company at this price with these conditions and guarantees.

Q.: *What does a blank space in a contract mean?*

A.: It means that the seller has the opportunity to fill in the space after you leave. This office has received numerous complaints of "reputable" businesses filling in blank spaces to their advantage. Therefore, never sign a contract with a blank space which can possibly be filled in to the advantage of the seller. There are a few cases where blank spaces are legitimate, such as filling in a serial number when the specific item to be delivered has not been determined.

Q.: *What is a bargain?*

A.: Compared to what? You will never know that something is a bargain without comparing it to something else. Comparative shopping is your best defense against the cheat. Never buy anything without comparing it to other brands and with at least two other sellers. This is especially true if you're dealing with an unfamiliar company or a salesman at your door. Never mind what the salesman tells you — don't let him do your comparative shopping. He'll tell you that his product is better than A, B, C brands and his prices are better than X, Y, Z stores. Comparative shopping means that YOU do the checking — you ask the questions of the different companies about different products. If you don't do that, you have no right to complain if you're overcharged. Remember, the salesman promises, promises, promises, but if all of those promises aren't in writing and backed up by a company with a good reputation, they're not worth anything.

Q.: *Why do I buy when I know I shouldn't?*

A.: There are a lot of answers to that question. Two of them are salesmanship and high pressure. You should never take more than an hour in any place of business. After that you will buy or sign anything as your good business sense wears down. If you will recall, police can't keep a criminal in an enclosed area and coerce him into a confession after one or two, or three or four hours of pressured questioning. They can't switch interrogators to confuse him, so why should you let yourself in for such coercion? You're not a criminal. And yet, the deceptive businessman uses these practices on you. Solution: You should always have a real appointment that you cannot miss when you go to purchase an item. That protects you from yourself since your social duty to the person you are going to meet will always be greater than your good nature in listening to the salesman as he goes on and on countering all your reasons for not wanting to buy. Once you are away from the store on your way to your appointment and have escaped from the high pressure salesmen (notice the plural — they may use the "team system" on you), then see if you really wanted the deal they proposed. Techniques that are used in the sale of new automobiles by the "systems method" or the sale of fire alarms should be noted in this book as types of pressure situations commonly used. Variations are used in many different businesses.

Q.: *What is "Comparative Shopping"?*

A.: It means you must either go to another store or phone another store to: (1) Check the price of the same item at each store, *and* (2) Check the comparative value of several different brands of the same item. You can't do it by taking the word of Salesman No. 1 about his product and other store prices and other brands. Don't trust anything but your own personal comparisons of products in stores. You can save a lot of money and a lot of grief if you stop being lazy and compare.

Q.: *What can I do to protect myself when I'm having repair work done?*

A.: First, never pay anything until you are completely satisfied. That means — don't pay for materials, or make any down payment, or pay any money. Before you hire anyone to do any repair work for you,

whether it be at your home or on your car or any appliance, do this: (1) Ask for references. Call two or three people who have recently hired the repairman and ask them whether they're satisfied or not. If the repairman won't give you references, don't hire him. (2) Always get the contract in writing, even if you write it yourself. Make sure that you put in the full price of labor and materials and the completion deadline of the repair work so that he doesn't stall and stall. And, (3) you should compare prices with two or three different repairmen.

Q.: *What one rule can help me the most?*

A.: Learn to say "No."

C. WHAT ARE UNLAWFUL TRADE PRACTICES?

- (a) Passes off real estate, goods or services as those of another; for example, selling a cheap brand of goods as an expensive brand.
- (b) Causes likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of real estate, goods or services.
- (c) Causes likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by, another.
- (d) Uses deceptive representations or designations of geographic origin in connection with real estate, goods or services.
- (e) Represents that real estate, goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or qualities that they do not have or that a person has a sponsorship, approval, status, qualification, affiliation or connection that he does not have. This section covers a multitude of unfair situations. Basically, any false representation about a good or a service is made illegal.
- (f) Represents that real estate or goods are original or new if they are deteriorated, altered, reconditioned, reclaimed, used or second-hand. For example, it would be illegal to sell a demo automobile as a new car.
- (g) Represents that real estate, goods or services are of a particular standard, quality or grade, or that real estate or goods are of a particular style or model, if they are of another.
- (h) Disparages the real estate, goods, services, property or business of the buyer or another by false or misleading representations of fact. For example, a seller may disparage a homeowner's furnace in an attempt to sell a new one by telling a buyer that his furnace is dangerous and about to explode.
- (i) Advertises real estate, goods and services with intent not to sell them as advertised or with intent not to supply reasonably expectable public demand, unless the advertisement discloses a limitation of quantity. This is the bait and switch statute.
- (j) Makes false or misleading representations of fact concerning the reasons for, existence of, or amount of price reductions. This is the fake sales statute; it prohibits representations that an article is on sale if it doesn't have a lower than normal price.
- (k) Makes false or misleading representations concerning the availability of credit or the nature of the transaction or obligation incurred. This

section applies to cases where a seller misrepresents a contract to a customer, for example, by telling him that a health spa contract can be cancelled when the wording on the contract says it can't.

- (l) Makes false or misleading representations relating to commissions or other compensation to be paid in exchange for permitting property to be used for model or demonstration purposes or in exchange for submitting names of other purchasers to the seller.
- (m) Performs service on or dismantles any household furnishings, appliance or fixture or any machinery, mechanical device or vehicle at a residence when not authorized by the owner or apparent owner. This prohibits servicemen working in the customer's home from doing any work without the customer's okay.
- (n) Solicits by telephone or door-to-door as a seller unless the seller, within 30 seconds after beginning the conversation, identifies himself, whom he represents and the purpose of his call.
- (o) In sale of real estate, goods or services, gives or offers to give a rebate or discount or otherwise pays or offers to pay value to the buyer in consideration of the buyer giving to the seller the names of prospective purchasers, lessees, or borrowers, or otherwise aiding the seller in making a sale, lease or loan to another person, if the earning of the rebate, discount or other value is contingent upon the occurrence of an event subsequent to the time the buyer enters into the transaction. This prohibits referral sales or chain letter type transactions such as an offer by a vacuum cleaner salesman to pay a purchaser \$15 for every name of other potential customers he submits to the salesman.
- (p) Makes any false or misleading statement about a prize, contest or promotion used to publicize a product, business or service.
- (q) Promises to deliver real estate, goods or services within a certain period of time with intent not to deliver them as promised.
- (r) Organizes or induces or attempts to induce membership in a pyramid club.
- (s) Engages in any other unfair or deceptive conduct in trade or commerce.

A representation under any of the above may be any manifestation of any assertion by words or conduct, including, but not limited to, a failure to disclose a material fact. This means that failure to tell a car purchaser that the engine needs an overhaul could be a violation.

D. DEBT ADJUSTMENT

Be very careful when considering the promises made by finance companies or debt adjusters. They may promise you that by consolidating all your bills into one monthly payment you can save money. Remember such a business is making you a loan and is charging you for the use of their money. Your payments may be smaller, but they may also be longer.

As an alternative, talk to your banker or family attorney. Additionally, Consumer Credit Counseling is a nonprofit organization which has been of great service to many persons.

E. SMALL CLAIMS COURT

The Oregon State Bar Association, 808 S.W. 15th Avenue, Portland, Oregon 97205, has a booklet, "Small Claims Courts in Oregon," which is available upon request and can be very useful to you. You should also consider hiring an attorney for a lawsuit based upon deceptive trade practices. You may be able to get attorney fees, actual damages, and punitive damages if you have been the victim of a wilful use of an unlawful trade practice.

F. TRUTH IN LENDING

The Truth in Lending Act went into effect July 1, 1969, and its purpose is to let customers know exactly what the charges will be when they buy on credit and help them make comparisons more easily. To do that, there is a uniform way in which credit must be stated. The two basic items are the FINANCE CHARGE and the ANNUAL PERCENTAGE RATE. They must both be prominently displayed on the forms and statement used by creditors. Take this example: You borrow \$100 for an entire year with a finance charge of \$6. If you repay the \$106 in twelve monthly installments, you don't have the use of all the money for the entire year. You will use only about half of the \$100 for the full year. So, the \$6 charge for credit turns out to be an ANNUAL PERCENTAGE RATE of about 11%. Additionally, a creditor may charge you service or carrying charges or other charges instead of interest. However, they must add such charges to the interest and all of these items must be totalled and the sum called the "Finance Charge," regardless of how they arrive at it. So again, if you look at the FINANCE CHARGE and the ANNUAL PERCENTAGE RATE, you can pretty well determine what it costs you to borrow money for a period of time.

G. FINANCING YOUR PURCHASE

If you buy goods or services and do not pay for them immediately or within an allowed grace period such as 30 days, you will normally be required to pay finance charges in addition to the cash price. You must determine whether the right to pay on time is worth the additional cost. Unless you cannot possibly get along without making the purchase, you should consider delaying the purchase so that you can save enough money to pay cash. In addition to avoiding finance charges, you can earn interest on your money while saving for the purchase. Even if you cannot delay the purchase until you can pay cash for it, saving for a short time will enable you to make a larger down payment. A larger down payment will reduce the finance charge you will pay and may also allow you to get a lower financing rate.

Federal and state laws require that the amount of the finance charge and the total price to be paid must be disclosed in writing to the buyer. Since the cash price must also be disclosed at the same time, it is very easy for the careful shopper to determine how much he is paying for the privilege of buying on time.

The annual percentage rate of the finance charge must also be disclosed. Many people find it hard to understand what an annual percentage rate is. However, it is not necessary to understand what it means before you can use it. Because the law requires all sellers and lenders to determine the annual percentage rate in the same way, you can "shop" for the lowest rate even though you may not fully understand what the figures themselves mean. However, in comparing rates it is vital to compare the same rates. Always compare the annual percentage rates. Whenever a finance rate is given, it is required to be an annual percentage rate. However, because some sellers and lenders have in the past used different methods of figuring and quoting finance rates, it is wise to make certain that any quoted finance rate is actually an annual percentage rate.

A "discount" rate will generally be much lower than the corresponding annual percentage rate; therefore, always ask whether the finance mentioned by the seller is the annual percentage rate or is some other rate. The annual percentage rate will be disclosed on the final contract or note, but you need to know that rate before that time if you are to get the best rate available.

It is highly important to "shop" for credit. The benefit of a low cash price may be more than lost if you pay higher finance charges than are necessary. If you must buy on time, always consider financing with a party other than the seller such as a bank or credit union. Sellers frequently charge higher rates. Also, consider arranging financing before you buy. Financing a purchase prior to negotiating with the seller has many advantages, a few of which are: (1) you can determine how much the financing will cost before you are legally bound or psychologically hooked to a particular item; (2) the availability of credit for the purchase will help you to determine whether it is a sound buy, and (3) you can concentrate on getting a good cash price from the seller without being confused or misled by the credit terms.

In many people's minds, the most important figure in determining whether they can "afford" to buy an item is the amount of the periodic payments. They feel that if the payment schedule will fit into their budget, they can afford it. If you are only concerned with how large the monthly payments are, you may not realize how much the total price will be or how much the finance charges will be. You must always consider all of the important figures. If you do not consider all of the relevant figures, a dishonest seller can change some of the figures to his advantage.

There is no maximum amount or rate which a seller can add for finance charges on a time sale with the exception of automobiles. The maximum rate which can be charged by an automobile seller varies from around 15% on a new car to almost 24% on a used car which is at least two years old. Those maximum rates on automobiles are high enough so that unless you are a very bad credit risk, the maximum legal rates will not protect you.

The important point to remember is that normally sellers can legally charge very high finance rates. Therefore, the buyer must be very alert and must protect himself by understanding the costs involved in financing a purchase.

Use this simple comparison. Get from your dealer, and from your bank, and from your credit union the three figures below. *Exclude* car insurance, but *include* credit life insurance on the debt.

	Dealer	Bank	C.U.
Amount Financed	\$ _____	\$ _____	\$ _____
Finance Charge	\$ _____	\$ _____	\$ _____
Annual % Rate	_____	_____	_____

Be SURE not to sign any contracts until you have all the facts and have made your comparisons.

H. NEW RIGHTS TO ATTORNEY FEES AND DAMAGES UNDER OREGON REVISED STATUTES 646,638:

- (1) Any person who purchases or leases goods or services and thereby suffers any ascertainable loss of money or property, real or personal, as a result of the willful use or employment by another person of an unlawful trade practice (see page 4), may bring an individual action in an appropriate court to recover actual damages or \$200, whichever is greater. The court or the jury, as the case may be, may award punitive damages and the court may provide such equitable relief as it deems necessary or proper.
- (2) In any action brought by a person under this section, the court may award, in addition to the relief provided in this section, reasonable attorney fees and costs.

Section II. About Your Home

A. HOME SELLING GENERALLY

A home sale is one where the salesman comes to your home either personally or by means of a telephone. Usually the product is one you would ordinarily not think of purchasing if you were in a store. One of the drawbacks of this method is that there must be an extremely high commission, sometimes as much as 500%, on each sale to pay for the time of the salesman individually calling in your home and the cost of legal and cancellation fees. This is one situation where you should follow certain rules so that you will not be cheated.

Never sign the contract on the day the person visits your home or while he's in your home for the first time. Make them come back the next day to close the sale. That gives you time to see if you really want the product and to check the contract over. It also gives you a chance to compare the product and the price at local stores to see if you are getting proper value for your money. Most important, it allows you to cool down to see if you really want the item. The salesman will frequently try some phony gimmick, such as a "gift" or "discount" to close the deal the first day. They will tell you that you cannot get the bargain price if you don't sign today. Don't believe it — it is seldom true. An additional problem you might have with this type of sale is getting service. Where do you go? Even if it's a national brand, it's difficult to get servicing when the servicing center is several hundred miles away. This is one reason for going to one of your many reputable local merchants.

The following are some of the gimmicks used in this type of selling:

- (1) The salesman tells you he's conducting a survey or a questionnaire.
- (2) The salesman wants to discuss home economics.
- (3) The salesman wants to use your home as a model.
- (4) The salesman wants to obtain names from you or other persons so that he can give you the product he sells at a very low price. This is against the law in most cases.
- (5) The salesman conducts a contest and you are to receive a gift or free sample.
- (6) The salesman solicits your business for an interview by phone or mail. Beware of the salesman who wants both the husband and the wife at home at the same time. They do that so that they can get both signatures on the contract.

In addition to the remedies which apply to all sales, the buyer may cancel a home solicitation sale until midnight of the third business day after the day he signs an agreement. The buyer may cancel for any reason including changing his mind. The three-day period does not begin to run until the buyer signs an agreement containing certain specific language. This language must be in the wording described by law in a certain size and form. If the agreement does not contain this information, the three days continue to run until the buyer gets the information in the proper form. If you cancel a home sale, you must do so by sending a written notification in the mail to the seller at his business address.

The notice must tell him you intend to cancel the obligation. If the seller fails to perform all the obligations placed upon him by the home solicitation sales laws, the buyer may keep possession of any goods delivered until the seller returns down payments or trade-in goods to which the buyer is entitled. The buyer must use reasonable care in order to protect the goods from damage. If the seller fails to pick up the goods from the buyer within 20 days of cancellation, they become the property of the buyer. This law does not apply to *cash* sales in an amount of \$50 or less.

B. REPAIRS OR HOME IMPROVEMENTS

One of the most important things you must do to protect yourself from fraud is wait until all the work is done to your satisfaction before paying any money at all. Never pay even a down payment for purchase of material and so on, because, if you do, you cannot count on the person ever coming back. If the contractor does not like this arrangement, don't hire him. There are a lot of people who take down payments and do just a little bit of work and never return.

To protect yourself when hiring someone to make repairs or improvements follow these steps:

1. Ask for three persons who have recently hired the "contractor" and call them about the quality of his work.
2. Get three competitive bids so you can figure out the fair value of the work to be performed.
3. Make out a small written contract which specifies
 - a. Labor costs
 - b. Material costs
 - c. Exact quality of materials
 - d. Completion date (with a penalty clause for the contractor's failure to finish on time).
4. Get the contractor's bank (commercial account) references and permission to talk to his banker. (It is nice to know where his assets are located if he later cheats you or damages your property). (It is also nice to know if his account has been garnished in the last year).
5. Finally, make no payment (not even a small down payment) until the work is completed to your satisfaction. (If you get a notice of a materialman's lien during the work phase, make your check out to the contractor and materialman and get a receipt from both before you give them your check.
6. Be particularly careful of aluminum siding sales techniques. The first is the illegal "Use your home as a model" technique. You are told that they will use your home as a model to look at and thereby you are allowed siding, supposedly for a greatly reduced price. It really turns out to be a lot more than you would pay for a good siding job from a reputable dealer. Remember that siding is subject to varying values. You must know exactly what brands and what grades or models are used to know if you are getting a bargain. Again, in these cases, never have any work done on your home without checking references, checking with your local consumer protection agencies and consulting

with your attorney. Work done on your home can affect the ownership of your home by way of a lien.

The second technique to watch for is the "lowball" and the lien. After the siding has been put on your home, the final cost may be several times the "lowball" estimate. Then you are told if you don't pay for it there will be a lien put on your home and foreclosure on it. Then your house will be sold to pay for the siding. Anytime you are threatened by anyone in this way, you should call your local district attorney immediately.

C. CHARITY DONATIONS

The charity donations scheme is well-used by many fast-stepping crooks. Everything is used from under-privileged children to research for major diseases to religions, etc. Many times they play on your desire not to be prejudiced against racial or religious minorities. Any small gifts or donations you may wish to make should be looked into in detail. Always check with your local consumer protection agency, Better Business Bureau and United Good Neighbors and City License Department to determine whether it is a bona fide charity.

D. CORRESPONDENCE SCHOOLS

Besides the problems mentioned in this handbook under Trade Schools, the most important thing to remember regarding correspondence schools is that you send your money away to a distant state. It may then become impossible to sue that school if the course is not what they lead you to believe or they did not complete their part of the contract. Therefore, you should talk to someone locally who has had satisfaction with that school and check out every school you plan on attending through the Oregon State Department of Higher Education Licensing Section. They will tell you whether the school is licensed and whether it is reputable. One of the best safeguards is to ask for and check local references of satisfied students. Remember also that the course may not qualify you for employment as their advertisements promise. Therefore, check with local companies to see if they will accept graduates of that particular school. And, finally, call your district attorney's office.

E. ENCYCLOPEDIAS

There have been many problems in the sale of encyclopedias by the door-to-door vendor. Use comparative shopping to make sure the set of encyclopedias is comparable in value to those on sale in your local stores. Don't be fooled by any sort of phony research or surveys or advertising programs or free gifts, etc., used in connection with this kind of sale. The basic approach is to make you feel that unless you have the set of encyclopedias you are depriving your children of necessary educational tools. Your emotions will take care of the rest. Remember that to make a sale, the seller must make it look as if it is going to cost you a very small amount of money. It never turns out to be a small amount of money, because somewhere in there is a hidden gimmick to pay for the entire set of encyclopedias plus a large salesman's commission.

F. EXTERMINATORS

Deceptive trade practices in this field are conducted with a phony inspector and have been prosecuted successfully in Oregon as obtaining money by false pretenses, a felony. Carefully check the credentials of any person who states he is a city, county, state or fire department inspector. If there is any doubt, always check by calling the alleged inspector's office, and look the number up yourself since he may give you a phony number to one of his confederates.

G. FLOATING PHOTOGRAPHERS

It is important to seek a company that is reputable. The floating, or fly-by-night, photographers are usually in a position where they can be disreputable but fly before they're caught. Some of the gimmicks are to:

- (1) Get your name on a contract you later find is more expensive, or
- (2) Greatly misrepresent the contract, or
- (3) Prey upon your feelings and desires to have pictures of your children over a period of years, or
- (4) Use various psychological approaches, like shaming you into getting photographs of your children for their grandparents. Before you hire anyone for photographic work, get references from satisfied customers. Then compare the cost.

H. FAKE SALES

State law prohibits fake and fraudulent sales. It is against the law to advertise something as a sale item when in fact the price has not been reduced for the sale. It is also against the law to make a transaction appear to be a sale when in fact the item is purchased by someone representing the company.

I. FIRE ALARMS

Fire alarms might save someone's life. They are on sale at several stores and door-to-door. Before you purchase any of these items you should check and compare as you should with all purchases to make sure you are really getting the price and quality you want. Furthermore, you should be wary of the sales approach which tries to scare you by showing you pictures of burned children and quoting unpleasant facts. This practice of scaring you, bringing your family together in the same room and using the wife's fears to pressure the husband's sales resistance, even if done in a sweet and subtle manner, is psychologically a very deceptive practice. Therefore, you must watch for subtle scare tactics, high pressure and misrepresentation as to the value and use of the item. Companies can make as much as 500% profit on these items. Read the general comments regarding door-to-door salesman in this handbook. Beware of so-called "approval" or "certification" by local fire department authorities.

Always compare the product at several stores and with other brands. Don't let the salesman do the comparing for you because he will tell you all the reasons why you shouldn't buy another product or at another store.

J. FRAUDULENT INSPECTORS

Official government inspectors are not allowed to give referrals to businessmen. They are also not allowed to look the other way if there is a violation of

law. One of the main gimmicks used is to make you feel that your wiring or furnace is in violation of the law they they will overlook it if you get it corrected quickly. And then they suggest someone who will do it. It is always a scheme. Call your district attorney.

K. FURNACES

One of the oldest door to door schemes is the unwanted or unneeded sale or repair of air conditioners, air filtering systems, vent cleaning, furnace cleaning and other furnace related items. Be careful of the phony inspector. Always delay purchase of any air filtering equipment, etc. for at least one day. Then call your district attorney and Better Business Bureau to check the reputation of the seller's company.

An old scheme is to tear down your furnace and then refuse to put it back together. You are told that it would be too dangerous for this furnace to continue working. If someone comes in and tries to take your furnace apart, call the district attorney's office, get their license number, etc.

L. HOME PARTIES

The concept of selling products by home parties is not necessarily a deceptive practice. It allows the salesman or woman to market a product at a lower per person cost since the customer does not have to be contacted individually. However, there are many companies that take advantage of the home party business and use this approach to sell people things they don't really wish to buy. These "forced sales" are done by group and social pressure, and phony discounts and gifts. One thing to remember: "Never buy on the same day of your party." Even if that means you miss out on a bonus, a free gift or crush someone's feelings, delay one day. It is important that you check out the products very carefully and compare values with those products sold in stores. Then if you like the home sale product, buy it.

M. MAIL ORDER HOUSES

The problem with ordering from a catalog or an advertisement in a magazine is that you send your money to a distant state having "faith" that the company will deliver the goods as promised and that the goods will work as advertised. Don't rely on the reputation of the magazine, because they may not be responsible for their advertizers. Some mail order houses have gone out of business leaving a trail of many unfilled orders behind them. A protection in this particular situation is "COD." You can, at least, be sure that you have a package delivered to your door, regardless of its contents. It will likely be what you ordered. That's one protection. Once you get delivery of the article, you may find that it fails to live up to the advertised promises. Avoid that problem by checking before you order with Better Business Bureaus in the state where the mail order house is located as well as your local Better Business Bureau to see if there are any complaints. You can also check with the postal inspectors because they receive many complaints based upon undelivered or poor quality goods.

You should also check a local store when you are ordering a brand name item. The chances are excellent that it is cheaper locally and you'll have a greater

chance of redress through a local distributor. You may also ask around to see if someone has ever dealt with that mail order company to see if they are reputable.

N. REFERRAL SALES

Under Oregon consumer protection laws it is illegal to use referral sales. Therefore, if someone tells you that you can earn future commissions, gifts or any compensations in exchange for submitting names to him, even if it is far removed from the sale, it is against the law. Beware of a seller who tries to tell you his product will cost you little or nothing if he can get the names of some of your friends who will be given a demonstration of the product.

O. REPAIRS – AUTO AND TELEVISION

1. Free estimate. What is a "free estimate"? They may take your auto apart for nothing but charge you to put it back together again. This is particularly true in the transmission field. Be very careful of this and don't look at a free estimate with your eyes closed.
2. While your appliance is in the repair shop, nothing prevents a deceptive repairman from replacing perfectly good parts with older parts. You would never find it out. To increase profits any repairman may:
 - (a) Replace parts that do not need to be replaced.
 - (b) Build in problems to crop up later.
 - (c) Steal good parts and replace them with older ones.
 - (d) Use your item, car or television, etc. for his own personal use while it is in the shop, telling you it must be delayed for certain parts, etc.
 - (e) Switch complete components, i.e. inside a television set chassis put an older or cheaper brand that fits.
 - (f) Charge you and not fix the item at all.
 - (g) Repair items without your authorization.

In regard to (f) and (g), if you try to sue or refuse to pay, they may file a mechanic's lien forcing you to pay to get your item back. Then if you get a judgment against them, they may have no assets available to satisfy your judgment.

Call your district attorney if any of these are used on you. You should also check with your attorney. It used to be too costly to sue in these situations. Luckily, a new law now makes just about any contract action where deception or breach of warranty is involved practical. You should have a witness with you when ordering repairs so that no repairs will be done contrary to your instructions. Also, get the agreement in writing. Even though you must rely on the mechanic's judgment as to repairs needed, he must ask you before he exceeds your repair instruction. If he doesn't do this, it is a deceptive trade practice. Therefore, don't pay for unauthorized work until you have talked to the district attorney's office. When you have repairs done you might check to see if they were really accomplished as your bill states. Here's a tip – ask for and check references of people who have been satisfied by this repairman before you hire him.

P. SENIOR CITIZENS

Cheaters know that identification and prosecution, either civilly or criminally, is less likely by senior citizens because their faculties are diminished. A rule for senior citizens: Always have a close friend or relative check out the deal and wait a few days before parting with any money or signing a contract. Ask someone who is out in the business world to look at it for you. Call your local district attorney's office or consumer protection office. You should also have a family attorney. You will be surprised how many attorneys do free work for persons who are on limited income. Please don't equate asking for information with loss of pride.

Schemes to be particularly aware of are:

1. Phony home repairs.
2. Overcharging for repair work.
3. Receiving down payments on contracts and failing to perform further.
4. Convincing you that work is needed to be done, when in fact it is not.

Q. SEWING MACHINES

What is true of door-to-door sales of vacuum cleaners and fire alarms is also true of door-to-door sales of sewing machines. Compare the machine with those in the stores to see if the price is right.

Never finance with a company selling door-to-door until you check another source of financing the purchase. Check credit unions, banks and other finance companies for a better interest rate. Also, watch out for the free machine with a five-year service gimmick. The cost of the machine is included in the cost of the service. Use comparative shopping and delay one day before signing a contract.

R. TALENT SCOUTS

There are a great many artist and music schools soliciting new talent. Basically, there are two problems: First, you must find out whether the school or course offers you any value. Just because it is advertised extensively doesn't mean it is a reputable company. Check out the particular school with some of the local art or music schools. Also check with Better Business Bureaus and your district attorney's office. Furthermore, you should check every school with the Department of Higher Education Licensing Section.

The second problem is this: Many of the schools offer you a talent test and surprisingly enough it shows you have a great talent worthy of development. Although it is flattering to you, check with more than one source before you decide to develop your talent or a child's talent. If you send your money away or sign a contract – look out!

S. TELEPHONE SALES

Telephone sales are usually tied to a "junky" free gift or "phony" contest schemes. There is always a promotional fee of some kind. Normally, someone will come to your home to collect the fee. Under Oregon law the person soliciting business on the phone must within the first 30 seconds of conversation:

1. Give their name.
2. Give the name of the company, and
3. State the purpose of the call.

The purpose of the call is to make a sale if a sale is made at any time thereafter. If they did not do this and later make a sale, you may cancel the contract. Additionally, in contracts over \$50 or where a credit purchase is made, the buyer must be given notice that he has three days in which to cancel any contract entered into as a result of the door-to-door sale, even where the sale began over the phone. Those three days do not start until the buyer actually gets the notice in the written form prescribed by law. Because telephone solicitations have been a source of deception for many years, there is a lot of law built up on the subject, and if you will contact your attorney, you may find that you have a good chance of being successful in suing for deceptive trade practice. See Unlawful Trade Practices, Oregon Revised Statutes 646, 638, which allows you a minimum of \$200 damages or actual damages if they are greater than \$200. The court is also authorized to award attorney fees and punitive damages in appropriate cases.

T. UPHOLSTERY/CARPET WORK

There is a lot of variance in the quality of materials in carpeting and upholstery. Remember the old "rug merchant" jokes? People claim to be experts when in fact they are not. Protect yourself by demanding the seller's references and checking them out. Talk to satisfied customers and ask them a few questions. Remember, merchandise may be switched on you from the store to your home. It may look like the same but it may be a different quality. Take someone with you who knows about upholstery and carpeting. There is a lot of garbage that looks like quality merchandise. Watch out for a "lowball" estimate that turns into a much higher purchase price.

U. VACUUM CLEANERS

There have been a lot of articles written about the comparative values of vacuum cleaners purchased at home or in the store. Your best protection is to really compare and check with consumer report magazines and go from store to store to decide just what is the best value. We have had many complaints about fraudulent misrepresentation as to the value or prior ownership in this business and the sewing machine field. Be very careful. Compare — don't sign anything the first day.

Section III. Automobiles

A. PURCHASES

Your automobile is usually the second largest purchase you ever make. Unlike your house, it decreases in value every year. For that reason you should be very wary of getting buried by automobile costs. How do you get buried? When you purchase an automobile at a substantially higher price than its true market value because (1) "you have got to have that car," or (2) "it's a perfect style or model," etc., etc. If you are willing to buy above market value, you are on the road to a lot of trouble. Further, if to purchase a car you have to finance the down payment, you are jumping into a deep hole. Remember the car's value depreciates during the time you hold it and you must pay interest on the money you borrowed to purchase the car. The net result is that at the end of the first year you may owe twice as much as the car is worth at that point. That's buried!

B. NEW CAR PURCHASES

The "systems sales approach." Recognize that buying a car has many pitfalls because the salesman is in a different world from the average buyer by his knowledge, emotions and psychological abilities. When you go into the "systems" automobile dealership, you'll be approached by someone called a "liner." His job is to get you into some sort of an automobile; let you smell and feel the new automobile; let you drive it around; get you started down the road to desiring a particular model or style; get your name on a "lowball" offer on a new car, and give you an inflated estimate called a highball as to what they will give you on your trade.

In addition, they get a piece of your property, either a check or driver's license or title or a down payment. (This is used later to keep you in the store until your sales resistance is worn down.) Then you are given over to the "closer." In smaller stores they can be the same person. You may, during the course of the sale be turned from person to person, called assistant managers, credit managers, and so on, all of whom are usually just other salesmen. The procedure is to continue to rewrite and rewrite a deal and put arrows in, etc. to get the deal down to a monthly figure which you will accept. At this point, if they can convince you to think only about a monthly payment, they have got you where they can really steal some money from you. If you are going to finance through their finance company, or one they suggest, they can build in from \$300 to \$2,000 additional profit in the bargain that you will not see until it's too late. They get you to initial things until you are in the habit of initialling and go right over some of the most important items. When the "closer" makes you mad or unhappy or uncomfortable, it's just part of the scheme. You cannot leave because they have some piece of your property. It used to be the keys to your car.

The "closer" in this kind of sale is a man who has a great deal of psychological power and ability. You are, therefore, pretty much at his mercy. He destroys all of your defenses and all of your sales resistance, minute after minute, hour after hour, and the final selling price is miles away from your original offer. Your only protection is to stay a short time and shop around for your financing. If a company uses the "systems approach" on you, get up, get out and go to a different company. The same kind of car can be purchased at many companies. Don't believe all of the special deals as advertised by the first company. Remember, at this type of agency, the one-day sale—closing the sale and getting the car in your possession the same day — is mandatory. Unless this is done, you are not bound by their performance; you would never go back. Always delay one day before you sign, regardless of the pressure or promises of discounts. Why won't they deal with you at the same price tomorrow? No reason at all, if they are honest. The real reason for the one day sale is to prevent you from shopping around for a better price.

C. USED CAR PURCHASES

The same rules apply to used cars. In addition some used cars are in fact previously wrecked and substantially rebuilt automobiles which will continue to cause you repair bills. There are also some semi-private dealers in this type of business and they give you the appearance they are selling their own car when in fact they have purchased the automobile and rebuilt it substantially. They appear to be the honest next door Joe but really are not. Always check with the prior owner before you buy a car. If you cannot do that, you are asking for trouble. Watch out for the odometer turnback (the mileage indicator). Don't rely on the mileage of the automobile unless you can check with the warranty work records. All suspected turnbacks should be referred to your district attorney's office. Under Federal Law you are entitled to receive a written statement of the odometer reading. If the seller knows the odometer reading is not accurate he must so indicate on the disclosure form.

D. REPOSSESSION

Under recent consumer legislation you have some protection when your automobile or other purchase is repossessed or voluntarily surrendered to the seller or finance company. If, at the time of default there is less than \$1250 owing, you have no further obligation to pay unless you have willfully damaged the automobile. If, however, you owe more than \$1250, you are still obligated to pay it. If you are faced with a repossession problem, you should contact your attorney for advice regarding your specific rights.

E. TRANSMISSION REPAIRS

There are many problems in transmission repair, the first of which is the lowball estimate. That is where you are given a lower estimate than the actual cost of corresponding repair. If this is done to you, contact your local district attorney's office. Another problem is unnecessary repairs which repair shops frequently perform to increase the amount you must pay. Further problems occur when your transmission is torn down and the repairman refuses to put it back together again unless you pay for the reassembly or for an overhaul. If this happens you should immediately contact your district attorney. Beware of free

estimates because you may find yourself walking rather than paying an excessive amount for the reassembly.

The last problem — be careful of the unnecessary repair gimmick. Your transmission may, in fact, not need a complete disassembly or repair at all. You may be shown metal filings and told they are from your transmission. Be careful! (See also Repairs — Auto and Television, Guarantees and Warranties, False Advertising and Free Estimates.)

F. BALL JOINTS, BRAKES AND TIRES

The ball joints in the front suspension of your car have been the subject of numerous frauds in the auto repair business. The consumer protection division has received many complaints from consumers who say that they have been told they need their ball joints replaced when they are not actually needed. This often happens when a consumer responds to an advertisement for an inexpensive wheel alignment job. The mechanic at the shop may then inform the consumer that the car cannot be aligned, and he must have his ball joints replaced at a cost of about \$100. Those who have complained say that they checked at other garages for estimates before they had the ball joints replaced, and were told by the honest shops that they didn't need the ball joints replaced.

The same type of deceptive company will also try to cheat you in the following ways:

1. By telling you that you need your brakes relined and drums turned when you do not;
2. By selling you a first-line tire but actually putting a second grade or blemished tire on the car. (There is no way for you to tell the difference between the two unless you know what you are doing.)
3. By selling you a complete brake job and doing only a partial one or by charging you for one quality but actually replacing the parts with reduced quality items.

Therefore, be extremely careful when someone mentions ball joints or brake relining or new tires. Use comparative shopping as discussed in this handbook.

Here's a tip: When you are told you need expensive work done on your car, shop around to get other estimates and to determine if you really need the repair. If you do need the work; get it done — your safety on the road is important. But, shop around — get several estimates: this will increase your chances of finding an honest repairman.

G. TOWING AND ROAD SERVICE

Most people make a big mistake when their car breaks down or they are involved in an accident. The first thing they think of is getting their car towed. That's their first mistake because 85% of all breakdowns can be fixed at the spot for less than half the cost of a tow. If, after all, you really need a tow, don't make the mistake of having the auto towed to the towing company's lot. You will be charged for daily storage while your insurance company decides what to do about the car, etc. Why not take it to your house or directly to the body shop or repairman and save the \$2, \$3, \$4, or \$5 per day storage?

Furthermore, compare towing rates before you hire the tower because rates vary a great deal and there is no control over how much you can be charged and you must pay it all before you get your car back. Get a written contract first, then let them tow your car.

Section IV. Advertisements And Representations

A. FALSE ADVERTISING

False advertising is so widespread that the consumer should look at every ad with a very critical eye. Remember that the advertising departments and sales departments of companies many times fail to coordinate their efforts so that misrepresentations can be a matter of accident, sloppy management or planning. You can save yourself a lot of time and grief by calling ahead to check the accuracy of the advertisement before you go to the store. However, you should report all false or misleading advertising to your local Consumer Protection Agency. See also Bait and Switch Information.

B. BAIT AND SWITCH

Bait and switch is a basic tool of the dishonest businessman and is used frequently in every type of business. Here's how it works: First, an item (the "bait") is advertised on radio, or in the newspapers to bring you to a particular store. When you get to the store there is an effort to "switch" you to a higher priced item by statements such as: (1) "It will take a long time to get shipment of the item," (2) "The item will not work as advertised," (3) "The item isn't readily available for you to see," or (4) they just sold it, (5) they ran out of it, (6) it's not good for some reason, and so on and so forth. It is not against the law to try to sell you a better quality product than the one advertised. But, if the seller disparages (runs down) the advertised item or makes it difficult to purchase, or unattractive, or in any way discourages you from purchasing it, it's called bait and switch and it's against the law. Notify your district attorney of these practices:

C. FREE ESTIMATES

A free estimate is a particularly difficult problem because there can be a catch to it, and likewise with a free trial, free service charge and extremely small service charges. To make up for small service charges, repairmen may replace parts that don't need to be replaced, etc. For example, a \$12 inspection of your transmission can turn out to be a \$31 cost to get it back together again. Be careful — and get it spelled out.

D. FREE GIFTS

Nothing is free!

E. GUARANTEES AND WARRANTIES

Guarantees and warranties can be based on the spoken words of the salesman or printed words in a contract. You should consider two things: (1) Consider the company — is it likely that this company will stand behind any warranties or guarantees? Is it likely that the company will be around very long?

(2) Does this company appear to be worth enough to cover a judgment if you have to sue to get your money back?

Remember that while the salesman may appear to be a company representative, he may in fact be an independent contractor. He may not have a nickel to his name so don't rely on the large company he appears to represent unless you are sure he is their agent. Ask the company, don't ask him. If your guarantee is spoken words only, unless you have a witness to the words they are of no value. If you have written guarantees and the salesman has promised things which are not written down, put them into the contract in your own handwriting. A contract is not a holy piece of paper; it is merely typewritten words 90% in favor of the seller and 10% in favor of the buyer. You can increase that percentage by taking the time to write in the promises made by the salesman and getting the company representative to sign them.

Section V. Clubs And Discount Plans

A. DANCE STUDIOS

Local dance studios have hundreds of regular customers who are satisfied with their programs. However, you must be sure that you want the program offered and here's how to find out. Regardless of your first impression of the classes and the individuals involved, attend on a pay-as-you-go basis for at least a year before you put yourself into a long-term contract. Ignore the so-called "discounts" and "group rates" and all of the other gimmicks to get you to sign a long-term contract until you have checked out the program over an extended period of time. (The same rules apply for health spas and all personal service clubs, etc.)

B. FOOD CLUBS

Food or meat clubs sometimes include the sale of a freezer. Common misrepresentations are that a large savings can be achieved by buying food through the program and that an amount of food will last longer than can be expected. Usually, they get you involved in the estimate so that they can make it appear that you lied to them about your daily meat or food consumption trying to take themselves off the hook when it fails to work out as planned. It doesn't take them off the hook. These clubs are the subject of numerous lawsuits throughout the United States and should be approached very carefully. Food supposed to last for six months seldom does.

C. FOOD FREEZER PLANS

These plans have caused numerous lawsuits. The basic gimmick is to sell you an overpriced freezer with the promise that you will save money by obtaining an amount of food at "discount" rates. If you are approached by one of these schemes, contact your local district attorney.

D. HEALTH CLUBS, SPAS AND STUDIOS

Some of the gimmicks are these: (1) Promise of weight reduction by the use of machines or facilities. The real loss of weight comes from the mandatory diet — nothing else! (2) Phony weight reduction using the loss-of-inches-versus-pounds scheme. Doctors tell us that permanent weight loss cannot be obtained with this method. (3) Selling you a "Group," "Package," "Lifetime Membership" or "Discount" as a price reduction. There is always a great chance you will want out of your contract for many reasons, not the least of which is that the program is nothing like you thought it would be. Also, the "lifetime" is really the lifetime of the business not *your* lifetime. What happens if the corporation folds as many do all the time? You are out that money and you have no way of getting it back. Pay-as-you-go for six months — then if you like it, buy it.

Another gimmick used is this: You are told that if your wife or husband doesn't want you to join, the contract you're signing is void. Then you are told

it's binding when you get home and call them back to tell them you want to cancel. Regardless of any alleged discounts offered, pay the full price one session at a time for a few months, then decide on the program.

E. RECORD AND TAPE RECORDING CLUBS

Both of these are listed together because of the similar problems. These are set up for you to get a discount on purchases. Sometimes the scheme is tied to a small purchase price on a machine for the promise to buy records or tapes. The problems are these: (1) The records and tapes turn out to be of poor quality or the album issue that you didn't really want to purchase, or the machine didn't work and they still keep sending you the tapes or records. Be wary of these situations — talk to people who have been completely satisfied by the program over a period of time before you invest. If you get caught in one of these plans and need help, contact your district attorney for suggestions.

F. WHOLESALE BUYERS CLUBS

This particular gimmick is to advertise that you get a discount on various kinds of merchandise or food normally sold in retail stores. You are supposed to get a discount ranging from 10 to 60%. Be very careful of these clubs and use your common sense. Use comparative shopping by checking brand names and thoroughly check out the program including discussions with members who have been under the program for a long time. Check which stores will be involved and see if the club is likely to be a burned-out corporation. Also, see Health Spas, etc. in this booklet. Beware of lifetime programs of any kind. It means the lifetime of the corporation, not your lifetime. Buyers clubs can be a good idea if they work like farmers' cooperatives, but there are a great many people who have been defrauded by these programs. Check with your local district attorney's office.

G. WHOLESALE MEATS

Meat has been an increasing problem in the last few years and there are several ways in which you can be cheated. The bait and switch operation is done like this: First, you are brought to a wholesale meat market by an advertisement offering meat at a very low price. Once you are in the market they try to switch you over from the advertised meat which is a poor grade of meat to a choicer grade and usually from a smaller size beef to a larger one. Usually the poorer grade is right next to the choice for your obvious "comparison." You have greatly increased the price per pound by switching to the better grade and multiplied it by the additional poundage. They tell you that the better grades come only in the larger sizes.

Following that, the meat is cut up in the back room. Here they may switch back to the original quality, substituting it for your better grade choice.

Additionally, while the meat is being cut up, there could be many pounds of good cuts stolen. Meat is also subject to freezer burn and you can lose a lot of meat because of it. Proving that it was done by the seller and not in your freezer is next to impossible.

Another meat problem in supermarkets is that of short weights. This is supervised by the State Department of Agriculture, but you should be wary of

receiving less than the amount advertised on the package anytime you purchase a food item whether it's meat or canned foods or what-have-you.

Section VI. Sales and Opportunities

A. ANTIQUE SALES

There are a great many problems with antiques and here are some of them: Answering advertisements that there are antiques available and sending your money away lets the crooked antique dealer keep your money with very little likelihood of recovery. If an antique dealer is willing to take your antiques on consignment and sell them for you, you will also leave yourself open for a lot of trouble. The basic tip is this: Never send your goods or money away unless you check the references of the dealer. Check also with the Antique Dealers Association in your area. If the seller is unwilling to give you satisfied customers' (references) names, don't deal with him. Another problem, of course, is phony antiques. You should never purchase antiques without the aid of someone who knows something about them.

B. BUYING THE RIGHT TO DISTRIBUTE – Get-Rich-Quick Schemes

These phony schemes are particularly hot right now. They're also called multi-level sales organizations, pyramid sales, chain distributorships, etc. If you buy early you have the opportunity to sell the right of distributorships to other persons. Then they are finally left with no customers and you have cheated them out of their money. It works just like turning a pyramid upside down.

The reason they give you for starting these is that such a distribution set-up creates a network of distributors available to distribute a good product. The real reason is to swindle everyone who buys the right to distribute. You can be cheated if you have to buy a large inventory, so watch that variation. There are several ways to cheat you in investments and you should always have your attorney check out any investment in a business. Also, check with your local district attorney's consumer fraud section and talk to an experienced businessman not involved with the company. Any company who tells you not to investigate before you invest is phony. Beware.

C. EMPLOYMENT AGENCIES AND JOB PLACEMENT

Most employment (job placement) agencies are run with honesty and integrity. If they were not, they would be difficult to supervise because finding employment is a unique service, and customers are often at a psychological disadvantage when they sign their agreement to pay for a job-finding service. Complaints received by local consumer agencies allege the following practices:

1. Changing the contract after it has been signed.
2. Failing to give customers a copy of the employment contract at the time it is signed.
3. Claiming fees not earned by the company.

4. Claiming fees when employment is terminated within the grace period. Any complaint against an employment agency should be sent to the following places:

1. Bureau of Labor, Wage and Hour Division, Employment Agency Licensing
1400 S.W. Sixth Avenue,
Portland, Oregon
2. Consumer Protection Department
District Attorney
Multnomah County Courthouse
Portland, Oregon
3. Consumer Protection Division, Attorney General's Office
1133 S.W. Market Street
Portland, Oregon
4. Better Business Bureau
Corbett Building
Portland, Oregon
5. Oregon Placement Association
01410 S.W. Military Rd.
Portland, Oregon

D. SONG PUBLICATION, INVENTIONS, AND PATENTS

There is usually a fee for having your song published and usually it turns out the only thing done is the printing of the song, which costs about \$5.00. These companies also obtain a percentage of your work in case it accidentally does become a hit. You can have the song published by a major publishing company or have your attorney obtain your rights under the copyright laws.

For the inventor there is a real problem. Recently an inventor got involved with a disreputable company that took him for over \$1,000 to promote his invention. It turned out that the money was wasted. He went to a patent attorney who told him that it only cost \$125 to run a complete check in Washington, D.C. and that this hadn't been included in the \$1,000 that he had paid. It is easy for a disreputable company to tell you that they will promote or develop your invention. In actuality, they may merely take photographs of it or draw it up in a very cursory manner and send it to some of the leading manufacturers by letter and if nothing hits you have spent \$1,000 for \$100 worth of work. In addition, the company may in fact take a percentage of the royalties in case it does hit. If you have an invention you are much better off hiring a patent attorney. He works for *you*.

E. MOBILE HOME SALES

Your greatest protection on this kind of purchase is to withhold payment until you have delivery and satisfaction in all respects and you have the title. Until that time you are in a position to lose a lot of money. Before purchasing talk to someone who has had experience with mobile home living, regarding leaking roofs, damaged walls, non-performing appliances, slanting floors, and hundreds of other problems. A word about warranties — if the manufacturing company is in a far-off state, you will find yourself in a position where the manufacturer claims the damage is the fault of the seller or the buyer and the

seller claims the damage is the fault of the manufacturer or buyer, and in either event you are holding the bag. You should increase your warranties and guarantees by writing down the promises made by the salesman and having the owner of the company sign these spoken warranties. Also, be wary of corporations which are about to fold. Many people have been hurt by these thin or burned-out corporations who sell mobile homes, eat up the profits of the corporation and have nothing left. Remember when you get delivery of a mobile home, you don't own it until you have the title. It is a titled item. Always arrange your financing through a reputable lending institution such as a bank or credit union.

F. SALES BELOW COST

Oregon law prohibits a businessman from selling any item to his customers below his cost with the intent to injure competitors or destroy competition. His cost is determined by many factors and includes more than the cost of acquiring the goods. This law fosters competition because the other businessman can go over and buy all of the product at the below cost price to protect himself from cutthroat competition. If one business squeezes out the other, then you are left with only one to deal with and that company can then set prices at will, which will result in higher prices to the consumer.

G. STOCKS AND BONDS

If you are thinking about buying stocks and bonds, check out the broker to see if he has a good reputation. Also, ask your attorney for advice in beginning your stock or bond purchases. You might be well advised to start small and make sure your investments are within your ability to invest wisely. Beware of get-rich-quick speculations.

H. TRADE SCHOOLS

Generally, trade schools are advertised in newspapers or by radio or television, offering good paying jobs on completion of a course. Get those promises in writing. The course may not be useful and necessary for the particular job you seek and the job may not be any easier to get after you go to school. School may not qualify you for the job offer you want, although the salesman promises that it will. The best way to protect yourself is to talk to companies in your desired career field (an actual company which you might consider working for upon graduation) and ask them for the names of good and reputable schools. In addition, you should always check with the State Board of Higher Education, License Section, to see if the school is licensed and to find out its reputation. Furthermore, you should get all of the promises made by the school in writing. All private schools must be licensed. (See also Correspondence Schools.)

Section VII. When and How to Complain

Make your complaint heard by contacting a member of top management of the business causing the complaint. Management usually has a much greater interest in keeping public good will than their employees and are more likely to help you.

If this attempt fails, sue in Small Claims Court. The Oregon State Bar (see reference page) has a pamphlet entitled "Small Claims Courts in Oregon." It is surprisingly easy and inexpensive to do. If you win the suit, you can have the court expenses reimbursed. On more complicated matters, make an appointment to see an attorney. His fees can be recovered under unlawful trade practices actions and so cost you nothing. Often smaller matters can be handled to your satisfaction by an attorney by having him write some appropriate letters at minimal cost.

Besides pursuing the above courses of action, check the agencies and organizations that can help you which are shown in the back of this book. Call them and file a complaint against the company. They will examine your complaint to see if the company has violated any of the laws of the state and in most cases will contact the company to determine why they are behaving as they are. This may cause the company to re-evaluate their position in the matter and take care of your complaint. County and state enforcement agencies such as the Multnomah County District Attorney's Office, the Real Estate Division of the Department of Commerce, and the others listed, may, on the basis of your complaint, be able to sue the offending company to obtain an injunction against it restraining it from doing similar things to future customers.

Section VIII. Agencies and Organizations that can Give You Aid

Official State and Local Authorities

Multnomah Co.
District Attorney's Office
Consumer Protection Dept.
Room 600 Multnomah County Courthouse
Portland, Oregon 97204 Telephone: 248-3255

A consumer protection department has been set up to use the district attorney's powers of enforcement of consumer protection laws and to advise and help consumers in obtaining adjustment of complaints. The department can handle, refer or advise on most types of consumer complaints. The office is located in the Multnomah County District Attorney's Office, Multnomah County Courthouse, Portland, Oregon, 248-3255.

Attorney General's Consumer Protection Division
1133 S.W. Market St.
Portland, Oregon

This office has jurisdiction and powers equal to local district attorney's offices and has statewide authority. Complaints involving deceptive trade practices may also be referred to their office. Criminal complaints should be referred to your local district attorney.

State of Oregon Department of Commerce

Consumer Services Division
Commerce Building
Salem, Oregon

Real Estate Division
Commerce Building
Salem, Oregon

Corporations Division
Commerce Building
Salem, Oregon

Insurance Division
Commerce Building
Salem, Oregon

Banking Division
Commerce Building
Salem, Oregon

Television & Radio Service Advisory Board
Commerce Building
Salem, Oregon

The above departments can handle complaints within their self-descriptive jurisdictions.

Oregon State Board of Higher Education
Licensing Division
942 Lancaster Drive N.E.
Salem, Oregon 97310

The Licensing Division is responsible for regulating private schools and correspondence courses, and handles complaints relative to the manner of sale and the quality of the school.

Dept. of Agriculture
635 Capitol Street N.E.
Salem, Oregon 97310

Handles complaints on food products, weights and measures, pesticides and related matters.

Postal Inspector
United States Post Office
(address to any local post office)

The Postal Inspector, among his other duties, is responsible for enforcing laws regulating the use of mails for fraudulent purposes. Complaints about mail order merchandise that is not delivered, and other false promotional material, can be addressed to his office.

Small Claims Court
Multnomah County Courthouse
(each county has its own Small Claims Court)
Portland, Oregon 97204

Small Claims Court now handles actions up to \$500. The Oregon State Bar can provide consumers with a brochure describing fully the process used in suing in this court. No attorneys are required; it is an easy and speedy means of taking direct action to redress a consumer grievance by the injured person.

Department of Labor
Labor & Industries Building
Salem, Oregon

This department has some authority to deal with complaints against employment agencies.

Other Helpful Organizations

Oregon State Bar
808 S.W. 15th Avenue
Portland, Oregon 97205

The Oregon State Bar Lawyer Referral Service is available if you need help in locating an attorney. You will be referred to an attorney who has

indicated that he has experience with the type of problem you have. In the Portland metropolitan area, call 229-5788. For other areas of the state, the toll-free number is 1-800-452-7636.

The Bar also investigates complaints against attorneys.

Oregon Student Public Interest Research Group
408 S.W. 2nd
Room 41
Portland, Oregon

A student-financed, student-directed organization designed to work on long run projects which will benefit the public interests. Consumer problems, environmental protection and related areas of concern fall within their scope.

Legal Aid Service
732 S.W. 3rd Avenue 224-4086
517 N.E. Killingsworth 288-6746
2005 S.E. Hawthorne Blvd. 234-8461
4420 S.E. 64th Avenue 777-4703
All Portland, Oregon

Legal Aid provides legal assistance and counsel to low income families who are being sued, who need to sue, or who need other legal advice.

Better Business Bureau
Corbett Building
430 S.W. Morrison

The Better Business Bureau is an organization supported by local businesses for the purpose of fostering good business practices and to help correct poor practices. They can supply information to consumers on the reputation of particular companies, and can often help consumers solve their complaints.

Consumer Credit Counseling Service
3420 S.E. Powell Blvd.
Portland, Oregon 232-8139

The Service is a non-profit agency devoted to aiding families and persons who find themselves overly burdened with financial obligations, whether their inability to pay bills is caused by lack of work or because they have simply over-extended their credit to the point where their income will no longer cover all their bills. This service is a preferred alternative to a debt reduction agency whose charges simply add the last straw to an already unbearable load. Consumers with credit problems should call for an appointment. Write for addresses of other offices throughout the state.

Oregon Consumer League
3131 N.W. Luray Terrace
Portland, Oregon

Primarily interested in changing the laws as they apply to consumer problems, the League does valuable work in many areas of consumer concern. A potent lobbying force in the Oregon Legislature, the League helped develop and push through the recent comprehensive consumer legislation.

END

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