

COMMITTEE PRINT

SHOWING THE TEXT OF H.R. 4501, AS FORWARDED BY THE SUBCOMMITTEE
ON COMMERCE, TRADE, AND CONSUMER PROTECTION

June 30, 2010

111TH CONGRESS
2^D SESSION

H. R. 4501

To require certain return policies from businesses that purchase precious
metals from consumers.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 2010

Mr. WEINER introduced the following bill; which was referred to the
Committee on Energy and Commerce

A BILL

To require certain return policies from businesses that
purchase precious metals from consumers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 2. SHORT TITLE.**

4 This Act may be cited as the “Guarantee of a Legiti-
5 mate Deal Act of 2010”.

1 **SEC. 3. RETURN REQUIREMENTS FOR PURCHASERS OF**
2 **PRECIOUS METALS.**

3 (a) UNLAWFUL CONDUCT.—It shall be unlawful for
4 any purchaser of precious metals to—

5 (1) sell, transfer to a third party, or refine
6 through melting or otherwise permanently destroy
7 an item of jewelry or precious metal before the pur-
8 chaser of precious metals has received an affirmative
9 acceptance of an offer to purchase the item for a
10 specific price from the consumer to whom such offer
11 was made;

12 (2) fail to promptly return to the consumer any
13 jewelry or other precious metal if the consumer de-
14 clines the offer to purchase made by the purchaser
15 of precious metals; or

16 (3) fail to insure any shipment to the consumer
17 of such jewelry or precious metals in an amount
18 equal to—

19 (A) the amount the consumer insured the
20 shipment of the jewelry or precious metals to
21 the purchaser of precious metals, if the con-
22 sumer provides the purchaser of precious metals
23 with proof of such insurance; or

24 (B) 60 percent of the melt-value of the
25 jewelry or precious metals, if the consumer does

1 not provide the purchaser of precious metals
2 with proof of such insurance.

3 (4) Law Enforcement Exception—Paragraph
4 (1) of this subsection shall not prohibit the sale or
5 transfer of any item of jewelry or precious metal to
6 law enforcement agencies or their personnel.

7 (b) DEFINITIONS.—As used in this Act—

8 (1) the term “purchaser of precious metals”
9 means a person who is in the business of purchasing
10 jewelry or other precious metals directly from con-
11 sumers; and

12 (2) the term “melt-value” means the reasonable
13 estimated value of any item of jewelry or precious
14 metal, as determined by the purchaser of precious
15 metals, if such item were processed and refined by
16 the purchaser of precious metals.

17 (c) REGULATIONS.—The Commission may issue reg-
18 ulations under section 553 of title 5, United States Code,
19 to carry out the purposes of this Act.

20 **SEC. 4. ENFORCEMENT BY THE FEDERAL TRADE COMMIS-**
21 **SION.**

22 (a) UNFAIR AND DECEPTIVE ACT OR PRACTICE.—
23 A violation of this Act or a regulation issued pursuant to
24 this Act shall be treated as an unfair or deceptive act or
25 practice in violation of a regulation under section

1 18(a)(1)(B) of the Federal Trade Commission Act (15
2 U.S.C. 57a(a)(1)(B)) regarding unfair or deceptive acts
3 or practices.

4 (b) POWERS OF COMMISSION.—The Commission
5 shall enforce this Act in the same manner, by the same
6 means, and with the same jurisdiction, powers, and duties
7 as though all applicable terms and provisions of the Fed-
8 eral Trade Commission Act (15 U.S.C. 41 et seq.) were
9 incorporated into and made a part of this Act. Any person
10 who violates this Act shall be subject to the penalties and
11 entitled to the privileges and immunities provided in that
12 Act.

13 **SEC. 5. EFFECTIVE DATE.**

14 The provisions of this Act shall take effect 60 days
15 after the date of enactment of this Act.