

111TH CONGRESS
2D SESSION

H. R. 6149

To require disclosures to consumers by coin and precious metal bullion
dealers.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 16, 2010

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

A BILL

To require disclosures to consumers by coin and precious
metal bullion dealers.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Coin and Precious
5 Metal Disclosure Act”.

6 **SEC. 2. DISCLOSURES REQUIRED OF COIN AND PRECIOUS**
7 **METAL DEALERS.**

8 (a) UNLAWFUL CONDUCT.—A covered coin or pre-
9 cious metal dealer shall disclose to the consumer, prior to

1 any sale of coins or precious metal bullion, the following
2 information:

3 (1) Any fee that is or may be incurred by the
4 customer if the sale of the coin or precious metal
5 bullion were to be consummated.

6 (2) The purchase price, the melt value, and the
7 reasonable resale value of the coin or precious metal
8 bullion.

9 (3) Such other information as the Commission
10 may require by regulation (in accordance with sec-
11 tion 553 of title 5, United States Code).

12 (b) MANNER OF DISCLOSURE.—

13 (1) IN GENERAL.—Except as provided in para-
14 graph (2), the disclosures required under subsection
15 (a) shall be in writing and present the information
16 clearly and conspicuously.

17 (2) TELEPHONE COMMUNICATION.—In any so-
18 licitation made by telephone for any sale subject to
19 subsection (a), the person making the solicitation
20 shall orally disclose the information required by such
21 subsection clearly and conspicuously to the consumer
22 before the transaction is consummated.

1 **SEC. 3. ENFORCEMENT BY THE FEDERAL TRADE COMMIS-**
2 **SION.**

3 (a) UNFAIR AND DECEPTIVE ACT OR PRACTICE.—
4 A violation of this Act or a regulation issued pursuant to
5 this Act shall be treated as an unfair or deceptive act or
6 practice in violation of a regulation under section
7 18(a)(1)(B) of the Federal Trade Commission Act (15
8 U.S.C. 57a(a)(1)(B)) regarding unfair or deceptive acts
9 or practices.

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

19 **SEC. 4. ENFORCEMENT BY STATES.**

20 (a) IN GENERAL.—Whenever an attorney general of
21 any State has reason to believe that the interests of the
22 residents of that State have been or are being threatened
23 or adversely affected because any person has engaged or
24 is engaging in an act or practice which violates section
25 2 or any rule of the Commission issued pursuant to this
26 Act, the State, as *parens patriae*, may bring a civil action

1 on behalf of its residents in an appropriate district court
2 of the United States to enjoin such violative act or prac-
3 tice, to enforce compliance with such rule of the Commis-
4 sion, to obtain damages, restitution, or other compensa-
5 tion on behalf of residents of such State, or to obtain such
6 further and other relief as the court may determine appro-
7 priate.

8 (b) NOTICE.—The State shall provide prior written
9 notice of any civil action under subsection (a) or (f)(2)
10 to the Commission and provide the Commission with a
11 copy of its complaint, except that if it is not feasible for
12 the State to provide such prior notice, the State shall pro-
13 vide such notice immediately upon instituting such action.
14 Upon receiving a notice respecting a civil action, the Com-
15 mission shall have the right—

16 (1) to intervene in such action;

17 (2) upon so intervening, to be heard on all mat-
18 ters arising therein;

19 (3) to remove the action to the appropriate
20 United States district court; and

21 (4) to file petitions for appeal.

22 (c) CONSTRUCTION.—For purposes of bringing any
23 civil action under subsection (a), nothing in this Act shall
24 prevent an attorney general from exercising the powers
25 conferred on the attorney general by the laws of such

1 State to conduct investigations or to administer oaths or
2 affirmations or to compel the attendance of witnesses or
3 the production of documentary and other evidence.

4 (d) ACTIONS BY COMMISSION.—Whenever a civil ac-
5 tion has been instituted by or on behalf of the Commission
6 for violation of section 2 or any rule issued pursuant to
7 this Act, no State may, during the pendency of such action
8 instituted by or on behalf of the Commission, institute a
9 civil action under subsection (a) or (f)(2) of this section
10 against any defendant named in the complaint in such ac-
11 tion for violation of any rule as alleged in such complaint.

12 (e) VENUE; SERVICE OF PROCESS.—Any civil action
13 brought under subsection (a) of this section in a district
14 court of the United States may be brought in the district
15 in which the defendant is found, is an inhabitant, or trans-
16 acts business or wherever venue is proper under section
17 1391 of title 28, United States Code. Process in such an
18 action may be served in any district in which the defend-
19 ant is an inhabitant or in which the defendant may be
20 found.

21 (f) ACTIONS BY OTHER STATE OFFICIALS.—

22 (1) CONSTRUCTION.—Nothing contained in this
23 section shall prohibit an authorized State official
24 from proceeding in State court on the basis of an al-

1 leged violation of any civil or criminal statute of
2 such State.

3 (2) OTHER STATE ACTIONS.—In addition to ac-
4 tions brought by an attorney general of a State
5 under subsection (a) of this section, such an action
6 may be brought by officers of such State who are
7 authorized by the State to bring actions in such
8 State on behalf of its residents.

9 **SEC. 5. DEFINITIONS.**

10 As used in this Act—

11 (1) the term “coin or precious metal dealer”
12 means any person that sells or offer for sale for in-
13 vestment purposes gold coins or bullion or coins or
14 bullion made of other precious metals;

15 (2) the term “melt-value” means the reasonable
16 estimated value of any coin or precious metal if such
17 item were processed and refined; and

18 (3) the term “reasonable resale value” means a
19 reasonable price that the coin or precious metal
20 dealer selling the coin or other precious metal deter-
21 mines that other coin or precious metal dealers
22 would pay to purchase the coin or other precious
23 metal from the consumer on the date that such coin
24 or other precious metal is sold to the consumer.

1 **SEC. 6. EXEMPTION AND RULE OF CONSTRUCTION.**

2 (a) EXEMPTION FOR CERTAIN COLLECTIBLE
3 COINS.—Nothing in this Act shall apply to the sale of rare
4 and collectable coins—

5 (1) the precious metal content of which con-
6 stitutes only a limited or insignificant portion of the
7 overall value of the coin; and

8 (2) whose value is not affected by the increase
9 or decline in the value of such precious metals.

10 (b) RULE OF CONSTRUCTION RELATING TO THE
11 TELEMARKETING SALES RULE.—Nothing in this Act
12 shall be construed to affect the Telemarketing Sales Rule
13 as set forth in part 310 of title 16, Code of Federal Regu-
14 lations.

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