

111TH CONGRESS
2^D SESSION

H. R. 4501

AN ACT

To require certain return policies from businesses that purchase precious metals from consumers and solicit such transactions through an Internet website.

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

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. RETURN REQUIREMENTS FOR PURCHASERS OF**
5 **PRECIOUS METALS.**

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

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

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

19 (3) fail to insure any shipment to the consumer
20 of such jewelry or precious metals in an amount
21 equal to—

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

1 (B) 60 percent of the melt-value of the
2 jewelry or precious metals, if the consumer does
3 not provide the purchaser of precious metals
4 with proof of such insurance.

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

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

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

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

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

22 **SEC. 3. ENFORCEMENT BY THE FEDERAL TRADE COMMIS-**
23 **SION.**

24 (a) UNFAIR AND DECEPTIVE ACT OR PRACTICE.—
25 A violation of this Act or a regulation issued pursuant to

1 this Act shall be treated as an unfair or deceptive act or
2 practice in violation of a regulation under section
3 18(a)(1)(B) of the Federal Trade Commission Act (15
4 U.S.C. 57a(a)(1)(B)) regarding unfair or deceptive acts
5 or practices.

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

15 **SEC. 4. EFFECTIVE DATE.**

16 The provisions of this Act shall take effect 60 days
17 after the date of enactment of this Act.

Passed the House of Representatives December 8,
2010.

Attest:

Clerk.

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