

COMMERCE AND LABOR COMMITTEE

March 25, 1975

The meeting was called to order in Room #213 at 2:30 p.m. on Tuesday, March 24, 1975, with Senator Gene Echols in the chair.

PRESENT: Senator Richard Blakemore
Senator Warren Monroe
Senator Margie Foote
Senator Gene Echols
Senator William Raggio
Senator Richard Bryan
Senator Gary Sheerin

OTHERS PRESENT: See Exhibit A.

A.B. 26: Requires health insurance policies to include coverage for services by practitioners of traditional Chinese medicine. Fiscal Note: No. (BDR 57-200).

Joy Rogers testified in favor of A.B. 26. Her written testimony is attached and is labeled "Exhibit B."

S.B. 300: Prohibits unauthorized motor vehicle repair and requires cost estimates and invoices of charges. Fiscal Note: No. (BDR 52-1000).

Shirley Kaat, representing Consumer Protection Division of the Washoe County District Attorney's office, appeared to speak on the bill. Since the Consumer Protection Division has been in operation in Washoe County for almost three years, the number one complaint has been about auto repair. In the first year of operation 26 percent of the complaints dealt with automotive repair. From July 1973, through December 1973, 30 percent of the complaints dealt with automotive repair. In 1974, January through December, 26 percent of the complaints dealt with automotive repair. So far in 1975, 20 percent have been automotive complaints. It averages almost 25 percent. The types of automotive repair complaints deal with four areas. 1) incompetent repair; 2) charging for parts and not installing them; 3) doing additional work on an automobile that the customer was not notified about; 4) not letting people know there is a charge for reassembling the car after it is torn down. She feels that S.B. 300 can eliminate about 75 percent of the problem. She said there was confusion about what is going to be done and what the price is going to be when a person takes their car in to be repaired. She explained a little about the provisions of the bill. Mrs. Kaat said the statutes now require a signature for work to be done but it is vague because it doesn't say when the work order must be signed, before or after the repairs. She feels that the signature should be obtained before any work is done. The exception would be when the car is disassembled and you don't know what is wrong with it.

Senator Raggio said one thing that bothered him when he read the bill was the requirement to tape record the consent. He didn't feel that was practical and thought it might be illegal. Mrs. Kaat said notification would be given to the person that their conversation was going to be tape recorded for that purpose. The equipment necessary to do this can be obtained from regular radio or retail shops.

Senator Monroe asked if this was the same bill they had in 1973. Mrs. Kaat said it was essentially the same but it had been reworked. Senator Blakemore said he was on this committee two years ago and all it looked was longer. He asked how many complaints in numbers would be 25 percent. Mrs. Kaat said the first year of operation it 159 out of 606 complaints. Senator Blakemore asked how many garages this entailed. Mrs. Kaat did not know, but it was not 159 seperate garages. Mrs. Kaat and Senator Blakemore discussed the provision that the garageman would have to state a price for reassembling the car. Senator Bryan asked Mrs. Kaat what the complaints generally consisted of. Mrs. Kaat explained the four areas again. Senator Blakemore asked if they had been able to adjudicate any of these back to the garage. Mrs. Kaat said they had been able to get some of these settled. Senator Echols said that he wondered if the number of complaints were significant compared to the population of Washoe County. He also said he was surprised at the small number of complaints. Mrs. Kaat said that was because many people do not know that their office exists and that they have someone to complain to.

Lillian Bell testified concerning a personal experience she had had with her car. A few months ago she and her son took their 1967 Saab into a local garage for possible clutch adjustment. At that time her son mentioned that he only had \$200 to spend since it wasn't worth more than that being a 1967 Saab and having over 170,000 miles on it. They left the car, her son signed the work sheet, which stated the car was going to be looked at only, and that was all that was said at the time. Mrs. Bell and her son kept calling the garage to asked for an estimate of the parts that had to be ordered or the possible work that had to be done. The garageman had never mentioned a price.

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She called the garage several times without knowing the price and finally got the bill for twenty-two parts they had ordered and a bill for \$560. She said that she did not think it was worth it and felt that there should have been some mention on an estimate. She said that had she known in advance on how much work and parts to be replaced, she would have stopped the labor on it because the car was not worth it. She was very unhappy; her son did not have the money and she was stuck with the bill. Senator Echols asked if that was all that had happened. She said they had replaced a clutch that had been replaced two months ago. She said she had the car looked at and many of the parts that were put in were not needed, including a new clutch.

Senator Blakemore questioned the transmission and the age of her son, and said that a transmission was not needed. Senator Raggio questioned the fact that she tried to get an estimate beforehand and couldn't get one. A brief question and answer session followed. Senator Blakemore asked if she gave any indication that she wanted the car fixed. She explained to the garageman that they had only \$200. Senator Blakemore asked if she and her son had been together when they took the car in, and she explained the situation.

Coleen Hopkins was the next witness to testify. She explained that she and her husband were having problems with a 1970 Buick. They were told that it would cost them \$250 to get the car in running order. Next they were told that it would be \$500. A week later they had a call that the car was ready and it would cost them \$982.81. Senator Raggio asked if this was the regular place of business. Senator Bryan asked what kind of explanation she was given for the estimate increase. She replied that they had told her that they had looked at it more closely and that it needed something additional. He asked if there was any communication between the time the estimate went up from \$500 to \$900. She was told to pick it up and found an extended bill. Senator Echols asked if it was a franchised dealer or just a garage. She explained that it was a garage. Senator Blakemore asked what she was doing about it. Explanation followed.

OVER

The next witness, Ernie Ragland, a contractor in Reno, said that he took his automobile, which he only paid \$200 for, to a garageman to have it repaired. He was told that it had a cracked block and needed another used engine. He questioned the costs and was told it would be \$200. He left the car there and went to check on price of used engine and told garage to go ahead and do the car at the suggested price of \$200. When the car was ready, he was called and presented with a bill of \$817. He went to the Consumer Fraud Division and filed a claim and eventually went to small claims court to get his car back -- ended up paying \$100 more. He was told that when he went back to pick up the car and the bill was presented, it evidently was legal.

Senator Blakemore asked the reason for the extended bill. The garageman said that he had to do this and do that. He told the garageman that he was not told that previously. It was change of engine or engine modification. Senator Bryan questioned if this business was in the City of Reno. The Witness mentioned the business name. Mr. Ragland figured that the man was just going to take the car when he did not pay the amount stated on the bill. Complaint was filed with Consumer Affairs. The fact was that he was not told beforehand that the bill would be \$817.

Rusty Nash, Deputy District Attorney of Washoe County, mentioned that it was good to see so many auto dealers there to speak in favor of the bill. He said it would give them a lot of built-in protection. Essentially what the proposed legislation proposes to do is: 1) Require that the customer give written consent to have the repairs done; 2) Require that the customer be given written estimate before repairs are made; and 3) Require that parts after replacement be given to the customer, if he desires them. Many of the states automatically have these laws. Mr. Nash went on to discuss the laws in other states. Mr. Nash said that he had been dealing with Consumer Affairs and Legal Aid Societies for about five years and said there have not been too many complaints. The biggest problem is that oral estimates are given and when the car is fixed, they are billed more than the estimate. This doesn't give the garagemen a very good name if one or two of them do this type of thing.

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Senator Raggio asked if he was talking about one or two garages or one or two people that are causing the problem; Mr. Nash mentioned that a small percentage of them are causing the problems. He said that one of the biggest questions was one of reassembling charges and the transmission repair problem. The problem in giving estimates is that they can't tell until they get into it as to how much it will cost. Sometimes they have to charge just to put a transmission back into its non-running form.

Senator Blakemore said that this business of returning parts could be one of the biggest rip-offs in the automotive repair business; for example, by getting a sack of this part or that part and using them for his own purposes. Said he thought it was a license to steal. Mr. Nash went on to explain that they have had complaints; i.e. when you can change labels from a new battery and put on the old and it will look like a new replacement.

Senator Raggio asked if he had done any spot testing himself on the places where they had gotten complaints. Mr. Nash said that they haven't done much of that because the problem of cost was too high. Said he didn't get involved because he hasn't been in the office that long and has been here most of the time. He said that it was something they intended to do in the future and hope to get the funds for it. Mr. Nash explained that NRS 487.035 requires that an itemized statement be given to the person after his car has been repaired. The trouble is that this has to be signed by the customer but doesn't say when it has to be signed - beforehand or afterwards. The problem they have is taping a phone consent. Mr. Nash went on to explain that this problem will always exist because all he can give is an estimate and there might always be something else that needs to be done. The bill came out of the bill drafters office not specifying that he specifically had to get the dealer's consent. It is protection for the dealer and the customer.

Senator Raggio asked is he knew the provisions of the law in California - do they require a consent in California to increase. They do not require written or tape recording. Something in writing protects the repairman as well as the customer.

Senator Blakemore asked how much input they have from any garage association. Also, Senator Blakemore said he couldn't see why they just didn't go right to them and say this is a problem. Senator Blakemore mentioned a similar bill that existed on the same problem several years ago and failed. Mr. Nash said that a lot of the laws exist in the requirements already and he just tried to rearrange them; meaning again, the consent before and itemized statement given before repairs.

Senator Foote asked if you have this provision which could be enacted into law concerning the diagnosis of the problem - if you have this diagnosis, should you then have this mandated to have this estimate. Isn't there a possibility, due to the fact, that as a garageman you have attached high cost to repair this auto but instead have come to him with a lower figure and then charge the higher amount, even if it didn't cost that much? Senator Foote commented that she hesitates calling anything like this a consumer bill because the things we are doing for the consumer are to help him. Instead of coming to the lower figure, the costs go up instead of lowering them. Mr. Nash agreed that we should do something about this. Senator Foote further commented that nobody wants to be overcharged for anything. Mr. Nash said that in the long run, it will help to keep the rapair bills down. Senator Echols asked if it wouldn't be better if we had some machinery where we could start questioning and attack these people that are getting the complaints. The burden should be put where it belongs, on the culprit.

Senator Raggio asked what the experience has been of those states that have legislation along this line. Has this resulted in abuse, caused more problems, and what research has been done in this line. Mr. Nash explained that no research has been done in-depth. There was a study done in four states on this legislation, one of which was California, which also has a state body that goes around and checks. The study determined that it did not solve all the problems; people were still being ripped off on this legislation. The situation in California was much better because they were intimidated by the fact that the next car coming in might be a set-up.

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Mr. Nash stated there would have to be a large state funded operation to do this checking and he would like to see it here. He didn't know if the Legislature, at this point, is going to go that route. One way this works is that they can get the violater and go after them. They way it is now they can do nothing.

Senator Bryan said he was just reviewing the existing law and what you suggest is quite specific as to the kind of information that must be provided. He asked if it would be of help if they amended this provision of the law by getting more complicated aspects of your own which requires that authorization be signed prior to doing the work. Mr. Nash said that would help but not cover all the problems. It would help in the respect that they person would not be overcharged. Mr. Nash said the bill he drafted was a good one but he did not consult with the auto mechanics.

Senator Echols asked Mr. Nash to give his own observations in an experience of repair. Mr. Nash said that he personally had found a good dealer and had not had any trouble.

Rex Lundberg, Commissioner of Consumer Affairs, was the next witness. He adressed himself first to the question of repair, labor and parts. He said that if a person suspected that the price was too high, he could shop around and get a better price. If the same price was prevalent in the whole area it would be possible cause for an anti-trust and further action could be taken. The Federal Trade Commission has done a study in the television repair business in three areas. New Orleans licenses TV repair facilities and San Francisco and Washington are free markets. They found that basically, as far as licensing the repar facility was concerned, the purpose is to prevent or reduce the incident of fraud. In New Orleans and Washington the charges were significantly the same for repairs that did not need to be done as compared to the California area that does have the licensing. Mr. Lundberg said if we have a law that regulates the activity rather than a licensing or certification of the industry itself, we should be able to keep the incidences of these type down. Mr. Lundberg said that approximately 25 to 30 percent of the total complaints received were in the automobile repairs. Some of the complaints have come from tourists, particulary in the summer. They are forced to pay over the estimated price because most of the time they cannot be contacted if extra work needs to be done on the car. Mr. Lundberg and Senator Blakemore discussed this briefly. Senator Blakemore said that he thought the costs were pretty fair. Mr. Lundberg also discussed when the repair order should be signed. He said they had had problems with blank repair orders being signed by the customer. There was also discussion about underestimating and then charging more than the estimate.

Over

Mr. Lundberg discussed S.B. 300 and said it differs in the fact that it calls for a waiver for the consumer to require a notification as far as any future work is concerned. He said the their bill would be more livable than his. The bill in its present form would cause problems both to the consumer and the business industry.

Senator Sheerin asked Mr. Lundberg if the state that had licensing requirements also had low incidents. Mr. Lundberg said no. He said where it was licensed compared to a free market, the incidence of fraud and illegal repair work weren't reduced. There was a tendency to keep the technicians at a certain level and this tended to raise prices charged to consumers. In the long run licensing itself caused high prices. Senator Sheerin asked what kind of licensing feature was he speaking of. Mr. Lundberg said they had to take tests and qualify in that knowledge concerning that particular industry. He said licensing is control of number of units and number of people in the field.

Charles Levinson, President of the Consumers League of Nevada, testified in support of S.B. 300. He said it gave the person an opportunity to say no. He was mostly concerned about the malpractice that has occurred. He said that we should adopt something that is comparable to the moving industry. You give an estimate within a reasonable percentage. He also stated that he felt signing blank repair orders was wrong and that the person should be given the opportunity to say no.

Senator Echols asked him to address himself to the incidents discussed earlier. Mr. Levinson said he thought the fact that there are a small number of complaints is relatively because of actual physical writing of the complaint, calling it in, and doing follow up. He said that knowing the Consumer Affairs is there has no bearing on the actual number of malpractices. They complaints they get are really serious ones. Mr. Levinson said if the committee could apply themselves to those complaints and take some action, the consumer would be happy. Mr. Levinson said that a reasonable estimate should be given and that a telephone call should be required before going ahead further.

Senator Echols questioned the estimate. Mr. Levinson said that some sort, maybe 20 percent or 30 percent. He also stated that verbal or written agreement would help.

Don Cralle, member of the Better Business Bureau of Northern Nevada, testified next. He said he was in favor of the intent of the bill but not in favor of wording of this bill. He stated that his office handles complaints also. He noticed that the bill did not have any minimum amount above which the written estimate would have to be given. This would

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mean that any repair work would require the written statement of the mechanic as to what work was to be done. The return of parts to the customer was discussed. There would be a problem in the instance where parts are under warranty and have to be returned to the factory, in order for the mechanic to be reimbursed. He also did not like the tape recording portion of the bill. Another problem was the sign. The Consumer Affairs will have to develop a sign that will have to be placed in the establishment notifying the people of the provisions of this; where they can report and where they can register their complaints. Mr. Cralle did not see the necessity of this. He does agree with the intent of the bill although this does not accomplish that without hampering legitimate business operations. He suggested that the proponents of the bill meet with the people in the business and try to iron out these difficulties.

Senator Raggio asked if he endorsed the concept of preliminary estimate and consent of additional work. Mr. Cralle said yes, if it could be done in such a way that it is requested by the customer. The dealer or mechanic should provide the customer with that estimate and exceed that amount without getting some sort of authorization. He said if the bill could be written to include these provisions, there would be no problem. Senator Sheerin asked if there should be a margin of error built into that. Mr. Cralle agreed that about 20 percent was fair. Senator Bryan stated that if it exceeds that then this authorization should be required. He said he thought they should go back to the customer and explain.

Joe Sanfello, National Automatic Transmission Association, testified next. He said the way the bill reads is very ambiguous to a specialized repair facility. For instance, if a used or rebuilt part is used, there is no provision saying that that part is a new part, used part or rebuilt part. The way it reads it has no provisions for a specialized shop. He said the person working on the transmission would have to dismantle the transmission to tell what is wrong. He said in California they give a written estimate and if it exceeds, they call back and get written authorization. If it had to be taped every time, you would have to have a tape recorder beside every telephone. This would be a problem if you had 20 telephones. Senator Raggio stated that they were pretty well convinced that the tape recording is impractical. Senator Blakemore questioned about the return of the part. Mr. Sanfello discussed this situation in the transmission area. Senator Echols questioned Mr. Sanfello about this business and his organization.

Senator Raggio said he didn't minimize the problem. He felt if there was a problem it is a matter of the public feeling there is a problem. He called the committee's attention to a survey conducted by himself and Senator Young. One of the questions was whether there should be some state supervision for repair of cars. Out of 3,500 responses, 60 percent said there should be and 30 percent felt there shouldn't. He stated there is definite public concern in this area. He also felt there was a lack of communication.

The opponents of S.B. 300 were taken next.

Robert Guinn, Nevada Franchised Auto Dealers, testified first. He wanted first to correct the statement that most states have this type of legislation. He had a summary from the National Automobile Dealers Association, February 20, 1975, showing that only ten states have guaranteed repairs. Three have repair shop registration, such as California, and one has mechanic license. Senator Raggio asked how many states have requirements of furnishing estimates. Mr. Guinn said only 10.

Don Hellwinkle, President of the Nevada Franchised Auto Dealers Association, testified next. He stated they are at joint resolution that now was not the time to burden and confuse the economic situation with this plan. The added expenses will just add a burden to an already faltering industry. He presented the committee with copies of two pages from the AUTOMOTIVE INDEPENDENT. (EXHIBIT C). He discussed the total number of complaints received and said that 93 investigations are still pending. He pointed out that in the six month period that this law was in affect in California, less than one percent proved to be prosecutable for fraud.

Mr. Hellwinkle said that the biggest burden you can put on the people in Nevada was a bill like this one. The automobile dealers do feel there are some problems. Senator Raggio asked Mr. Guinn to enlighten him on how garage owners handle the problem. He said they have a garage manager or someone to find out what you want and to give an estimate. Mr. Guinn stated that if a person asks for an estimate, most automobile dealers will give them one. He also said the service manager generally has been a mechanic. Senator Raggio asked how the sales service manager and the mechanics are compensated. He also asked if they are on salary or commission. Mr. Guinn said that most are on a salary basis and possible some of the large organizations are on a profit-sharing plan, which takes in the whole dealership. They are highly paid and highly qualified people. Most are paid a flat rate hourly. The rate is based on trade

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publication surveys which generally set the national hourly rate. The hourly rate in turn is governed by the standard motor repair handbooks which set the time needed to make a specific repair. If the repair is done in less time, the mechanic is still paid the specified amount. Conversely, if the repair takes longer, he is also paid the specified amount. The Service Manager as opposed to the mechanic is paid on a salary basis which is probably based on the profit sharing formula of the entire dealership. In small dealerships such as Mr. Hellwinkle manages, the entire staff is paid on an 8-hour day basis. This is because they do not have the facilities the big shops have to meet the flat-hour rate requirements. It takes longer for small shops to do repair jobs. However, the small shop still look to their flat rate manuals and still just charge the customer the recommended amount.

Senator Raggio asked for names of these standard Manuals. Mr. Hellwinkle stated Chiltons Flat Rate Manual or Motors Flat Rate Manual are the two most popular used and in the body business there is one called Mitchell's Flat Rate Manual. Senator Raggio asked for copies of these. Mr. Hellwinkle concluded by saying he had heard the testimony concerning customers being charged more upon completion of a repair job than had been indicated by the garages and he felt that from the experience he had had and the expressed feelings of other dealers that if a situation such as this occurred in his garage, he would immediately see that something was done about it as he would be in a liable position unless the overcharges were corrected. He simply would not stand for this and he was certain most legitimate dealers would not tolerate such procedures.

Senator Bryan asked several questions about the procedure used by garages to give the customer an estimate of repair costs prior to doing the job and some of the cost factors to the business which are involved. Mr. Hellwinkle replied that it is present law and practice for the garage to go to the rate manuals and parts books and list the possible needed parts and repairs for the customer. However, he emphasized that this is an estimate and not a final bill. This procedure is not only a service to the customer but a major part of the bookkeeping and administrative necessities of the business. In answer to whether or not there is an additional cost factor for administrative need and how it is applied to the estimate, he said there was and for one reason the garaged was not sure at that point that they would get the job from the customer although in most cases they did get the job. In any event they had involved costs to the business in making the original estimate. He said they realized there was a problem. However the bill as proposed was not the answer because at the present time the extra cost did not affect all customers. If such a law were enacted, the costs, of course would be applied to all customers which would increase the costs. He said there is no way the small businessman can absorb the extra cost and what they really want rather than legislation is to work toward mutual understanding with the customer. Prices change, it is impossible to estimate the first time the complete costs of repairs. Senator Echols questions him on how many complaints, as a dealer he had last year to which he replied he had none.

Over

Jim Marsh, Las Vegas New Car and Truck Dealers Association, Las Vegas, testified next. Mr. Marsh opposes SB-300. Among the reasons for his opposition to the bill are: The proposal is definitely too costly to the businessman. He discussed Senator Blakemore's statement on estimation of final costs, saying there is no way the small businessman can absorb these costs and that it would hinder the small people. See Exhibit E. Senator Bryan asked for suggestions. Mr. Marsh discussed the time involved in estimates and hours required for repairs. He discussed ball park estimates. He handed out a statement which he said would show the complexity of some of these questions.

John McCandless, McCandless International Trucks, Inc., Las Vegas, testifies that in the particular field of truck repair the majority of their business is on an emergency basis. For example, middle of the night calls for repairs to trucks on the highways. Perhaps even to 100 miles out from the garage a truck can stall and the tow driver will go out and bring the truck to the garage. He said it is not always possible to give the customer an estimate but rather they would repair first and then bill. Also, as a major repair business they handle repairs to thermal units in which time to fix the vehicle is going to hazard the load carried - such as a 60,000 dollar load of shrimp. In these cases they give the customer a 10% estimate and go ahead and fix the truck and often have an argument when the final bill is presented.

Butch Lynn, President of the Washoe Motor Car Dealers Association, testifies to only one point that he feels none of the Committee would stand in a garage service department for eight hours while the mechanics work on their automobile transmission and he feels because of the ambiguity of the wording of the bill that this is the direction in which the motor repair business is heading. "There is a time loss figure built in our estimates so that when there is a man waiting for an estimate, that man is not going to leave at this time". He continued that in the definition of garage warranties are not brought in, in the wording of the bill, and he wishes to make the point that the language of the bill is not clearly defined. For instance, dealers have used car 50-50 warranties, used car 100% warranties, etc. The fact is, new car warranties are at no cost to the customer.

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but the responsibility to the dealership. Mentions briefly diagnosing since that has already been discussed. However, Mr. Lynn said he had a question on the returning of parts. All those parts would have to be listed out. Does the dealer list out the parts in a packet, or in other words what would they do with an oil filter? Also, the factories require certain parts to be an automatic return for the reason that perhaps those parts are defective and must be researched for possible improvement. He said they had not touched too heavily on the manuals and that several of the dealers have several different kinds so that the particulars of identifying which manual goes with which job becomes a difficult thing. In conclusion, he feels this bill requires enough extra effort that it would be passing on to the consumer a great deal of extra cost. In any case he states he will have to increase his service staff 25% in order to take every customer to the parts counter as is indicated by the language of the bill. All these costs factors have to be taken into consideration. He said he had one other question to finish and that was "what is the definition of fraud?". He asked if there was some way without revising current laws. Senator Raggio said that we do have a deceptive trade practice and asked the Committee for suggestions for a potential solution. Senator Sheerin suggested perhaps a built-in device. Comments were made by Senators Monroe and Foote.

Burton Keller Mr. Keller introduced himself as being in favor of this legislation and saying there is a need for the bill and basically it isn't badly written. He felt that the main trouble of the bill is that it applies to everyone and in some places would be almost impossible to comply with. He feels if the customer requests particular repairs then they should be done and in his case he comes close when he writes estimates. He said, also, that he does not make a written estimate unless the customer asks for one. He gives his customers a rough estimate of both the maximum and minimum charges and lets them make a decision. However, he could not do that with the language of this bill. He then would have to itemize every part that goes in the car. He continued that if they make these bills applicable by the customers request then a big share of the problem will be eliminated. Mr. Keller told a lengthy story of actual cases of the somewhat complicated back and forth dealings with a customer in which the eventual work on the car realized an \$18.00 profit for Mr. Keller and in which the customer said the car actually was not worth the amount of work and charges. He stated further that there had only been three times in which a customer refused to pay for work done in his 30 odd years of business. He said that SB-301 already covers everything, discussion on parts replacements, etc., and that it give the customer options. Senator Monroe asked if it should be changed to indicate preliminary estimate. Mr. Keller replied that no-one can give an exact figure estimate. He explained a case where he had been sued and was caused to pay a fine because he had failed to have the customer sign the bill. In this case, he explained, he had a signed letter from the customer but that the District Attorney said the Law so stated that the bill must be signed by the customer. He suggested that the bills now in question be prefaced with "if the customer requests" He pointed to Line 5 on Page 2, stating that this would be impossible to do prior to diagnosis. He suggests an amendment "the amount of any charge under subsection 1-A. He states the bill is covering two items with one thing and therefore the garages cannot comply with it. He further suggested, in regard to the provisions for sales tax that "applicable to each" be crossed out to expedite the figuring of tax, to avoid making a separate entry for each part. He said he sees a problem with "knowingly. . .replacing parts. . .when no such service is needed", in that the automotive industry frequently replaces parts before they are completely worn out where the part could expire on a long trip taken by the customer. This is called preventive maintenance service. Committee discussion took place with Mr. Keller to clarify some of his statements.

Rex Lundberg, Nevada State Consumer Affairs Division, Las Vegas, Nevada, testified last to 301, saying the only recommendation he would make is the removal on the definition of consumer goods the terms, Automobiles and Mobile homes, from SB-301 since these are already considered on SB-300. Senator Raggio asked him to enlighten the Committee about complaints received concerning emission control equipment. Mr. Lundberg replied that these complaints are approximately the same in number as those brought out in testimony about the automotive industry. He said at this time he is not sure that SB-301 would answer all the problems and that his department is very much in favor of SB-300. He said if it came to a conflict of survival of either SB-301 or SB-300, he would have to go with SB-300. Senator Echols said he thought that they should come back to the Committee with some acceptable amendments that would meet with approval.

Bob Steele, Secretary Nev. State Elec. Association, Reno, Nevada, He stated he had been authorized to speak for both the northern and southern chapters of this organization. He said they made an alternate proposal which is a direct copy of the California Law. He said he had it here and was advised by the Chairman to give this to the secretary. He was asked if he would be interested in taking part in setting down some amended language to the bill to which he replied he is not available this day but would be glad to appear the next. Mr. Steele explained to the Committee the conditions peculiar to television repair shops whereby they are not protected by lien laws and that many, many sets are left sitting in their shops after being repaired on which they can not recover

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payment for the repairs made and parts they have used. He discussed the fact that legitimate television repairmen and shop owners are hindered by the numbers of repairmen who operate without city, county or state licenses and who do improper work as well as overcharging the customers. He said legitimate dealers know about this but there is nothing they can do about it. However, licensed dealers have a program established in 1972, which has been fairly successful. The arbitration program requires a certificate be posted in each shop which states membership and that the shop will submit to arbitration with the Better Business Bureau on any situation which the customer feels is not right. He said Don Cralle, Better Business Bureau of Reno, could explain the working of this program and how many cases had been arbitrated in the past year.

Don Cralle, The arbitration program is something the Electronics Association has established over the past few years with the Better Business Bureau Office. The Association made it requirement of their membership. If a shop wanted to become a member of the association, they had to agree in writing to arbitrate any disputed customer complaints. Since 1972, Mr. Cralle's office has arbitrated about six complaints which he pointed out would indicate the very few complaints against the members of this association. He said they have not had to arbitrate a complaint since 1973, which shows the dedicated effort of these people. Of the complaints arbitrated, two were found in favor of the customer, two were found in favor of the dealer, and two were awarded as a compromise by an impartial panel composed of dealers and sellers, consumers, and electronics technicians. He concluded that his office found this program to be quite successful and that they had proposed similar programs or ideas to other industry that this is a workable alternative in customer-dealer relationships. He was asked by Senator Raggio if he could give the Committee some idea of the number of complaints filed. Mr. Cralle said that the television repair industry had dropped clear out of the top ten consumer complaint listings of their office. He added that the top complaint listing was miscellaneous service establishment and the number two listing was automobile and mobile home dealers who were tied in the number of complaints filed last year. Mr. Cralle was asked by the Committee to leave the annual statistical report from his office with them. General discussion by the Committee followed of the remarks presented.

Over

Elmer England, Service Manager, Sears, Roebuck and Company, testified that he is not speaking to the company but rather to the consumer. He said he had, as a service manager, been 17 years in the processing of over 24,000 service calls. In talking about complaints, he said they had had two registered with the State Consumer Affairs Commission, 1 with Washoe County, and to date he had just received one with the Better Business Bureau, so he said he can't judge other repair shops. He was asked by a member of the Committee what type of service repair calls he processed. He replied that this was all types. Motor Scooters to Milking Machines, you name it. He continued that they service whatever they sell and that there were a couple areas in SB-301 that discriminate in a couple of categories. He said there is no condition in this bill that will relieve the dealer of the responsibility of these parts once they are turned over to the consumer. There are parts that the consumer has no business with as they are dangerous to the consumer, and that he did not think the repair dealer should put himself in the position where he can be sued. He said since time was running late, he would like to say that if there was any getting together of the repair groups on this legislation he would like to be included. He said he feels, in consumer affairs, there have have been too many cases where legislation has been "hammered out". There are too many people involved with the effects of this bill to run through too fast. There are so many areas to be covered to protect the consumer as well as the businesses. He said is no area in this bill, SB-301, to relieve the shop of the responsibility of the parts turned over to the consumer, as well as other areas which should be corrected. In making house calls, who is going to be authorized to make payment, etc.

Following discussion by the Committee, Chairman Echols stated one week would be allowed for interested groups to get together on SB 300 and SB 301, and the Committee would then reconsider these bills.

S.B. 312: Establishes unit pricing in sale of consumer commodities.

Rex Lundberg, Commissioner of Consumer Affairs, testified that the Consumer Pricing bill authored by his Division has been enacted in other parts of the country is because his Division feels that the consumer or "Mr. Public" is the one who is supporting the full cost of our system. Prices paid in the form of taxes, profits or other matters are borne by the ultimate buyer. Business is in a very competitive position. An industrial firm can purchase supplies on its own specifications, but when it gets down to the ultimate buyer all interest in full disclosure seems to be lost. At this point, it is not a matter of how much he is getting for his dollar, but more whether the product does something for him. Many consumer's today are insulted by advertising and the many approaches taken to sell to the consumer. Especially, today, people want to get the maximum value for their

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dollar. Especially in retail stores there is a wide disparity of prices on a wide variety of products. Mr. Lundberg used for an example the 17 different sizes of packaging in breakfast foods. His testimony was interrupted to pass out several consumer reports pricing and weights and measures reports. The reports showed the many different types of consumer commodities presented to the consumer. Cleansing creams and lotions alone come in some 20 different sizes ranging from 3.3 up to 12 oz. People would be confused if they were looking to get the most for their dollar by the pricing and sizing of these products. He states that it is his department's wish that the consumer be given the same basis of equality as the business world when it comes to making a determination of what he is going to buy. Senator Foote questioned that in the matter of cleansing creams and lotions one could determine value by weight because of the varied ingredients. She felt this was not applicable to the testimony given by Mr. Lundberg. Mr. Lundberg described at length, pricing as compared to the contents of boxes of Kleenex, various aspirin brands. He stated that if a consumer sees such a disparity of price between two brands of a particular item, if he needs to buy the item, and on a limited amount of money, that he will in most cases choose the lesser priced brand. The Committee questioned whether or not there was any statistics regarding consumer purchasing to which Mr. Lundberg referred to one of the papers he had distributed which indicated college students had been sent out on projects and the result had been that only 54% of them returned with the best buy. He said this was going to take an educational program to make the best use of it. He said there has also been a cost analysis as to what it would cost to implement a store program of this kind. He said the Giant Food Stores with 92 stores had estimated it would take about \$750.00 per store, plus about \$100.00 per store per year to maintain it. This, again, would give the consumer a rational choice. This way it will direct the resources to those areas that the people want. He said that if merchants or manufactures have a very complicated method of pricing they then have a monopoly source because they have made it too difficult for the housewife or consumer to accurately determine the best price. If there are 20 different sizes of a product, how can the average person go out and buy selectively. He concluded that the point of the entire idea is to put the consumer in a position of equality with the rest of the economy. A question and answer session followed between Senator Echols, Raggio and Mr. Lundberg. Senator Raggio questioned unit price implementing and process. He also questioned whether it would be solved with data processing or computerizing in stores. Mr. Lundberg referred to the study which had been done by Esther Peterson, January 5, 1972, and that the original implementation for data processing by 92 stores at that time was \$5,000.00, equipment expense was \$5,000.00 and store labor was \$20,000.00 or a total expense of \$30,000.00. They remodeled the system and after finding a few "bugs" in it came up with a total expense of \$42,000.00. Senator Raggio asked if Mr. Lundberg was assuming that all the stores would be involved with that data processing system. He answered that at this time he would very surprised if the large stores such as the Safeway, and other large chains would not be involved, and this is, of course, what the study is addressed to. They are not concerned with the "Mom and Pop" small store.

Over

They are talking about the stores that are large enough to afford the system and the ones that carry a 15,000 item inventory. Overall they feel the money saved both by management and the consumer would pay for the program. Senator Blakemore asked a question concerning administrative costs to Mr. Lundberg's agency to which he replied that he felt that on a management by exception basis, it would not add that much expense to his staff. It would take only holding public hearings on the regulations with sufficient time element for the stores to implement the system. Tagging, etc. would be done by the stores with their own equipment and employees. Mr. Lundberg continued with discussion of price changes and increases on individual items such as a package of crackers he had purchased which had a cost increase of 17½% but also had had six price changes which were still in evidence on the wrapping. He mentioned a package of Taco shells which originally were packaged 12 to a package. However, the amount had been changed to 10 and the price had also been elevated. In cases such as this, he said, the unit pricing system might discourage this type of practice. After further discussion with the Committee, Mr. Lundberg said in answer to the Committee that what we are approaching and what other states have put into practice is a choice of either putting the unit price on the shelf or on the product itself. Senator Raggio questioned Federal laws dealing with deceptive packaging. Mr. Lundberg agreed that there were.

Harry E. Gallaway, Nevada Department of Agriculture, testified that he is Administrator of the League of Planned Industry within the Department. He said his department in the weights and measures program have a direct interest in unit pricing. Inasmuch as they already have certain unit pricing programs in effect throughout the state to administer. He said they are in support of unit pricing. In partial answer to the questions that have been raised as to the source of unit pricing he said the Federal Government enacted the fair labeling and packaging law in the 1960's and it was to be the panacea of standardization which had not come about. Unit pricing has come along to try to develop a standard of pricing by measurements for the consumer to use to help determine the value of a commodity. This process does not determine the total value of a commodity as it

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determines the value of a unit but cannot determine quality. Any legislation in this regard is dependent upon a high level of education of the consumer public in order for the public to make proper use of it. Originally this was proposed to be an amendment to Chapter 581, the Weights-Measures Act. He said when he found out there was no fiscal note to the presently proposed legislation, he had to object because he definitely feels there is a fiscal note. This is a mandatory requirement which requires policing action. The bill was amended then to put the entire act under 598 which is the Office of Consumer Affairs. He said his remarks, then, would be directed to those facts which will cause conflict of law. In 581.303 we presently have a requirement we asked the legislature to enact in 1971 as a standby type of thing needed in an effort for unit pricing. He stated that he felt after study that his department could definitely administer with the present staff so that 581.303 which requires a unit pricing label on the package of random size packages so that we could have a conflict with this law and the law which requires unit pricing of random pricing. The other section 581.307 having to do with advertising. He said in 1971 there was a problem with especially primary food items which section requires that any commodity that required dual declaration as to weight, measures, or count which is required by Federal regulation would also carry the unit content of the containers for sale. He then explained what the term "dual declaration meant" by giving an example of a 20 oz. can which also must state weight by pound. He said that this would result in the newspapers having to print in ads the name of the item, the net weight or content of the item and the unit price if the advertiser met the provisions of SB 312, section 3. He concluded that his department is firmly for unit pricing to inform the public, that they have not pushed the Bureau of Agriculture's viewpoint on weights and measures because of the fiscal impact on it, and the bill with its \$250,000. gross income would cover much more than the large dealer stores. It has one immediate exclusion in it that excludes stores operated by the immediate family. If one employee was hired in this case and the store grossed \$250,000, the store would then come under the unit pricing requirement. A quick analysis on this shows that with the law as it is it would require an absolute minimum of two and possible three man years to put into operation, for adequate enforcement. He offered the suggestion that the \$250,000. figure might be too low for the state as compared to the figures proposed by other cities and states. He said he would only present to the Committee, as outlined in his testimony that there could result a conflict between the weights and measures regulations and the Consumer Affairs regulations if the bill is passed in its present language.

Following discussion of his remarks by Senator's Raggio and Echols, the meeting recessed at 7:45 p.m. for dinner. The meeting reconvened at 8:10 p.m.

OYET

Joe Midmore, representing a number of chain drugstores, Rayley's Drug Centers, Thrifty Drugs, Payless Drug Stores, Skaggs Drug Centers and Grand Central, Reno, Nevada, Opposed

Mr. Midmore testified that SB 312 was a horrendous bill and it is big brotherism to the nth degree. The main objection, he said, was the section saying "all factors being equal". He said that unit pricing was an aid in some stores and in these stores the system is being used honestly. He referred to previous testimony concerning the varied sizes of one consumer item such as kleenex and said all consumers do not want nor do they require the exact sameness in products. He suggested the Committee look at Section 2 and subsection 2 of the bill and see what consumer commodity means. He discussed the section referred to previously, Section 3, subsection 3, and said this controls advertising telling you what you must put in an ad which he feels is a kind of censorship which is the first step in the wrong direction. In referring to Section 5 he said the cut-off level at any figure is there presumably for the purpose of leaving out the Mom and Pop operation. He doesn't see why, if the bill is trying to protect the consumer, as purported, why anyone is left out as far as merchants are concerned. He reminded Mr. Gallaway that this would have a fiscal impact as far as policing is concerned. Senator Raggio asked if the dealers represented have any estimate of the cost to implement the bill. Mr. Midmore said they did not because they would be completely at the mercy of a state agency which would have no idea of how many items they had to unit price. Senator Raggio asked about in-put or costs from the type of chain Mr. Midmore represents. Mr. Midmore answered that because they are computerized and different stores use different systems, the answer was no. Senator Bryan asked if any of his clients were doing business in states where there is unit pricing by law, to which Mr. Midmore answered, not to his knowledge. He said that these laws are primarily in effect in the eastern states. Senator Blakemore asked if they were to pass this bill that no matter what the system costs would those costs be passed on to the consumer. Mr. Midmore said that competition in different markets results in different prices. A large store in Reno and one in Las Vegas do not necessarily sell items at the same price. Reviewed the rents paid, price of help, price paid to stock or bring in consumer goods to the stores, etc. so that someone has to pay and naturally there will be an increase to the consumer if the bill is put into effect. He reiterated that he thinks the bill is bad in principal. He does not think in the State of Nevada we need a unit pricing law to create another very expensive arm of government.

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Ernest Newton, Carson City, testified that he normally speaks on behalf of the Nevada Taxpayers Association but that he is appearing here as an individual consumer. He is opposed to this bill because as a consumer he doesn't like government, any government telling him what to do as a consumer. He said to the committee that people in Nevada are spending approximately \$2,000,000. per year educating their children and with that education, parents should be able to guide their children in what products to purchase and the difference in values. He does not think this bill has any other purpose than to provide something to do for some arm of state government that apparently does not have enough to do. He does not like price fixing by government under any circumstances. Senator Raggio asks Mr. Newton where he sees this bill as price fixing. The Senator said he did not see the language as price fixing and that he sees legitimate purpose in some of the laws dealing with deceptive packaging. Mr. Newton answered that what the bill attempts to do is to tell everybody what is a bargain and what is a better bargain and he equates with this idea that government is telling the consumer what to do with their money. Further discussion ensued and Mr. Newton said in regard to Senator Raggios question concerning cases of deception that because of Federal Law all manufacturers are required to state accurately on the side of the carton and even some existing statutes require the size of type used, saying the amount of weight, whatever, that is contained in a particular package. He stated further that one of the reasons we have such high prices is because of so much government interference in consumer areas. He said in conclusion that he resents even the consideration of a bill of this kind. Senator Raggio discussed whether the metric system will be mandated in the future to which Mr. Newton replied that there is a bill to mandate this system by 1990 but that bill has not come out of committee yet. Senator Bryan mentioned that there is a bill before the Congress that proposes the conversion by 1990. The problem, and the reason it is not yet out of committee, is that organized labor is against it. The reasons being that craftsmen would have to convert, etc.

John Garvin, Counsel for Montgomery Ward. He said he was speaking on behalf of the Nevada Retail Association and the Las Vegas Chamber of Commerce. He thinks the bill in its present form is very broad and the cost of computerized processing of \$750. as previously stated in testimony is probably low if you adopt this bill across the board for all consumer commodities. He said he had heard already that there was a question involved of fiscal costs and that it had been said that this cost will ultimately be borne by the taxpayers. He feels that there has not been a proven study to determine if this type of legis'ation is really needed by the consumer and that from surveys obtained from other states it would appear that such legislation is borne by higher consumer costs to all consumers for the benefit of approximately 10% of the public. He said he thinks that from testimony given he believes the consumer is paying for enforcement on the one hand and the cost of the service on the other. All his organization asks is that if the consumers want this, it will be provided, but do they want it? Senator Bryan asked if Mr. Garvin had any marketing survey indicating consumers wanting this system. He answered that in general they do not want it and neither does Montgomery Ward. Upon further questions from the Committee concerning drugs and cosmetics, Mr. Garvin said he could not speak for that since his representation was for department stores.

Over

Debbie Sheltra, V & T Markets, Inc., Reno, Nevada, testified that the reason some stores are going into the computerized system is because they are gearing up for implementation of the universal product code which is a system being developed over the past ten years by Cornell University. Mrs. Sheltra showed an example of the code, the first five digits tell you the assigned product number from the Department of Agriculture, the second five numbers tell you what the product is. The large chains who are beginning this system are in the process of a change-over in cash register systems to a set-up that will employ a laser beam to take an electronic reading of this code. It will go into a machine. This the thing that is coming into the industry and the reason is, as the previous gentlemen pointed, the only area of cost that can be cut is the cost of labor. The stores cannot afford the cost in labor of individual effort tied up in marking merchandise. She continued with an explanation of the laser beam reading the code which will appear on the cash register for the benefit of the customer. This will involve a computer system for each store that uses it at a cost of \$50,000. She further explained the high cost prohibits the small operator from taking part. She inserted the fact that in her own store there are fifteen to twenty sheets of price changes per week. So, when talking about numbers of price changes that the stores go through some of the examples given will illustrate what the stores are faced with. She stated that she was disappointed in some of these bills in which the proponents feel it necessary to draw on experience of other states rather than surveying the needs and wishes of the merchants and consumers in the State of Nevada. She pointed out the previous testimony to the Giant Food Stores systems and said this chain is not one of the larger food industries. She said her husband had been a food distribution specialist throughout the United States for five years. She recommended unbiased information be sought through the Consumer Affairs Division from the American Marketing Institute, the Supermarket Marketing Institute of Chicago for Cornell University. These organizations have done years and years of research and have the facts unbiased. She recommended strongly that a statewide survey of Nevada needs be done.

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Senator Bryan asked Mrs. Sheltra if based on her explanation of the costs involved by a large Reno supermarket to install a unit pricing system and the details involved if she felt this was an argument to the bill. She said no because the smaller stores would have to hire a mathematician at a cost in salary alone of \$15,000.00, plus paying the costs of insurance and NIC payments. The cost of hiring this employee must be passed along directly to the stores customers. She concluded that, as a school teacher, she believes the ultimate education in consumer affairs is the responsibility of education and not as a burden to one particular industry, just as the gentleman from Montgomery Ward had indicated. She said small food industry can subscribe to United Grocers for specialized tags. However, a large enough volume must be proven before they are eligible. In this system the store must use United Grocers pricing structure. This system costs approximately \$400. per month. She said in an indirect way that would be called price fixing because if the stores were forced to subscribe to that pricing structure because they couldn't afford a mathematician, products in every store would then be approximately the same price. She said that anyone is welcome to come into her market and observe customers buying with food stamps, buying the highest quality most expensive of every item. The only thing they are not allowed to buy is alcoholic beverages. She said these people are not looking for a bargain anyway. She said she would like to mention an article in a Reno paper in which was described 12,000 phone calls to the Better Business Bureau out of which on 7 were complaints against a food service in the area. She felt this was a definite indication people are not as unhappy with food service as one would be led to believe. She concluded that the other market people she had contacted are all opposed to this legislation.

SB-313, Specified conditions constituting default for failure to pay in retail installment
Rex Lundberg, Director of Consumer Affairs, testified /contracts

He said the sole purpose of this piece of legislation is to establish a definition for default. He continued that he had many complaints come to his department by people on time payment or installment plans and after paying regularly, would be deemed in default after missing the payment date by 2 or 3 days and that thereby the possession they were buying was repossessed. He explained what this legislation proposes is to try to establish a minimum period for default so that default cannot be established arbitrarily by either party. Senators' Bryan, Echols and Blakemore entered into discussion with Mr. Lundberg. Senator Bryan asked Mr. Lundberg questions concerning the Uniform Commercial Code. Mr. Lundberg replied that he was not informed on that as he had not read this code thoroughly. A general discussion ensued concerning buyers who do not have the means to buy things they want without credit arrangements. Senator Echols asked how serious a problem this is and Mr. Lundberg replied that there is a lot of loss of property and that consumers are complaining about having goods repossessed. Senator Echols asked if the problem was prevalent in a particular area such as automobiles. Senator Bryan asked if in Mr. Lundberg's experience that those who extend credit or the sellers themselves are doing the repossessing when the contract is only a few days late. Mr. Lundberg said the big problem is the economic situation. People are forced to resort to those type of merchants who will do this sort of thing. Also, in some areas, because of ethnic backgrounds the purchaser perhaps is not fully cognizant of what they are getting into. These kind of problems are putting a bad name on industries because these are issues that are raised.

Ernest Newton of the Nevada Taxpayers Association, suggested that a bill of this kind borders on Sanctity of Contracts.

Mr. Fran Breen stated that in representing the Nevada Banker's Association he would like to present an article from the Wall Street Journal for Exhibit L. He testified the bill was too restrictive, especially in the area of subsection 2. He asks Mr. Horner to Don Horner, First National Bank of Nevada, believes this bill is /testify. too expensive to the consumer if passed. He says anything he might say could not improve on the remarks of the Chairman of the Committee, Senator Echols. He is close to and understands the problems this bill might create. Mr. Horner believes the bill is certain to increase the cost of consumer credit because it also increases the cost of collecting the credit. He says this bill is again a case of 80% of the consumers having to pay for the 20% of delinquent consumers. The bill will really limit consumer credit if consumers are forced to adhere to the terms and restrictions of 46 days before you can enforce the terms of a contract. Has to make the creditor look twice as to whether or not to extend credit. Certainly banks today are extending credit that they would not be able to at future dates under the terms of this bill. He said it is a generally accepted practice today to defer a portion of the down payment, say on the purchase of an automobile. This enables the consumer to take possession now even though the required down payment is somewhat short, with a payment in 30 days or less. This is known as a pick up payment. Subsection 1 which requires a delinquency of that first payment which is really a special payment or part of the down payment to allow 15 days delinquency on the portion of the down which should have been paid, we think is bad. If he is not going to pay that portion of the down which he couldn't pay and has made special arrangements for and which he is given special provision for, we feel the contract might be in jeopardy.

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SB 314, establishes compensation standards for vehicle dealers performing factory warranty agreements.

Rex Lundberg, Commissioner of Consumer Affairs, testified that the purpose of this bill is to be sure the Nevada dealer, wholesaler, distributor and his customer both receive fair treatment as far as warranties are concerned in manufactured products. He stated it has been brought to the department's attention that certain outside of Nevada operations have not paid the same rate as retail customers or rate payers paid. This is because they have the person in a bind because of contractual, franchise or other agreements have to accept that type of warranty payment. The dealer, in these cases is forced to accept less than quality work or not have the work done or take a loss themselves. In other words, what this bill is addressing is when warranty work is to be done and repaid to the dealer that he will be repaid at the same rate he receives in ordinary work and while his customer is assured of quality work, the dealer is also paid adequately. This protects the manufacturer of abuse in any direction.

After discussion between Senator's Blakemore, Echols, Bryan and Sheerin about warranty provisions, Mr. Lundberg said he would say simply that in cases where the manufacturer sets a lower rate they will pay for repairs on warranty than is ordinarily received by the repairman. Say, if the going rate is \$12. an hour and the manufacturer is only will to pay \$7. then if that is not acceptable someone else will have to do the work. He stated these bills were drafted by his department's legal assistants and had gone through the Legislative Counsel Bureau and that he, himself, was not prepared to answer all questions.

Robert F. Guinn, Nevada Franchised Auto Dealers, testified that he is not sure whether his group is for or against this particular bill but he would like to make a few observations. He said there are some problems in this area, at least with the manufacturers in cases where the dealers feel that they have difficulty in getting adequate compensation for their labor and there are also problems with what they are allowed in parts. He said there is another piece of legislation on the Assembly side which addresses itself to this problem. He suggests that the Committee hold this bill. He points out that industry he represents becomes involved with motor homes, etc. involving diverse warranty requests. There is a lack of warranty repair service because of the low rates quoted by the manufacturers. He does not think this legislation workable since the language would indicate that the dealer would have to file charges against his manufacturer. He said there was a representative of General Motors at this hearing who had come from Detroit to testify and his testimony might be germane in opposition and he believes in all fairness to the legislation in the Assembly, the testimony should be heard. Senator Blakemore asked if that legislation was the same that Archie Pozzi had in two years ago. Mr. Guinn said he didn't know he had had a bill. After comments from the Committee Mr. Guinn said warranty problems have been a bone of contention between the dealers and the manufacturers.

Mr. Ernest Newton, Nevada Taxpayers Association, requested time to make the observation that this bill is an attempt to modify a contract which was entered into between the manufacturers, distributor and his dealer with good faith and eyes wide open and it is no place for the government to be sticking its nose.

John Purcell, General Motors Corporation, testified in opposition to SB 314. He identified his company's objections to the bill. He said they had no objections except in Section 1, subparagraph a. "The manufacturers must not pay less than a fair and adequate compensation. . ." He said they have no objection to this wording as they think that is fair. However, they are very much concerned about subparagraph b. This concerns the language of the hourly labor rate paid by the manufacturer for warranty work. The problem here, he said, is that this really hurts the consumer. He then explained to the committee how General Motors reimburses its 13,000 dealers. They have a formula in which every one of the above mentioned dealers are paid precisely the same. They pay on the basis of what the dealer pays his mechanics which may be more or less in Nevada than in other states, plus 120% markup to the dealer for his expense in doing business. The second thing they reimburse their dealers for is voluntary fringe benefits. He said this is all established on the premise that if the customer is kept happy with the service work obtained then they will sell more cars. The cap on the formula is the dealer charges for retail work, the spaded rate. This is because the company is a customer of the dealer too. A 25% reimbursement is made to the dealer as handling charge on parts. His company believes this is a fair formula. On the 13,000 dealers, in terms of sales they averaged more gross profit in warranty sales than they did on customer sales, by 1%. He states upon these terms their dealers do not need this bill. He reviewed a precedent case in the State of Tennessee, rate and warranty. On March 1, 1971, the Federal Courts in Tennessee issued a Court decree that the General Motors formula was the equivalent of the dealers rate. Mr. Purcell submitted this as Exhibit M. Mr. Purcell concluded that because of the points he enumerated he feels the Committee should kill the bill. He said

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there was one other point which had been brought up by Mr. Guinn, that there is another bill in the Assembly and the dealers prefer that bill so the Committee would not be hurting the retail dealers in the state if they kill the bill. He discussed language that would be acceptable if the Committee wishes to amend the bill. He described the Maryland Statute on which that language is based.

* ³⁴³ SB-314, Places restrictions on cancellation or nonrenewal of automobile liability insurance policies.

Virgil P. Anderson, Representative of AAA, Sacramento, California, testified that as he understands the provision of the bill, this would incorporate the Arizona law, cancellation and renewal of insurance policies. He would like to point out to the Committee Nevada law already contains quite an elaborate recitation of regulations dealing with cancellation and renewal. These are contained in Section 687b310 of the NRS. These were enacted in the Session of 1971. He explained for the benefit of the Committee the cancellation and renewal practices of AAA. He said they write about 22,000 policies in the state. One provision for cancellation is non payment of premium, the other is for loss of driver's license. He said in respect to the Arizona bill, that would liberalize the existing law extending the reasons for which his company would have to cancel. He referred to Section 3 of the bill, 3-1, failure to pay premium, 3-2, policy obtained through fraudulent misrepresentation, the other case being where driver has had license suspended or revoked, or has become permanently disabled. On Section 3-b, on permanent disability, he believes the Committee should look closely at that as the way Mr. Anderson interprets it, it would mean that underwriters would make a determination on the physical ability of the policy holder that he does not know how it would be administered by an insurance company. There is a corresponding requirement in the bill that the insured would produce a certificate from a physician. He feels there is a question as to how often and when the physician might be willing to say the particular person was able to drive. Senator Bryan asked if Mr. Anderson suggests that this should come out before processing the bill and Mr. Anderson agreed. He said he sees some serious administrative problems with that particular section. Senator Raggio said that he did not think the existing law was adequate and Mr. Anderson agreed. After further discussion, Mr. Anderson said he had though Commissioner Rottman was going to appear to testify on this. He has regulations that the department has adopted that supplement those existing in Sections of NRS. Senator Raggio questioned the nonrenewal provisions elsewhere. Mr. Anderson said they were more strict in California than they are in Nevada at the present time, However, he believes the new provisions will cause some problems too. Senator Raggio told of an experience with his insurance company in which the company cancelled his insurance of 25 years after two small claims were presented. There were other incidents described by members of the Committee. Mr. Anderson concluded that he would like to see a distinction made between cancellation and renewal. Chairman Echols asked if there were further comments. Senator Sheerin asked a question concerning reckless driving to which Mr. Anderson replied. Senator Raggio read a portion from NRS 687b320 dealing with midterm cancellation. Discussion followed and Mr. Anderson explained again that he did not know what regulations had been adopted by the Commissioner of Insurance. He could only speak for the regulations of his company.

Richard Garrett, Saratoga, California, representing Farmers Insurance Group, testified against the wording of the bill. Citing the reduction of time for notice of cancellations saying the insured would only have ten days notice and the present notice limitation is 30 days. He concluded that there are lots of problems with this legislation. He recommends a lot heavier and stronger look at it by the Committee. Senator Bryan, Foote, Raggio, Sheerin and Echols discussed asking for testimony and further information from the Insurance Commissioner.

A.B. 26: Senator Blakemore moved do pass.
Senator Sheerin seconded the motion.
The vote was unanimous with all members present and voting.

S.B. 312: Senator Foote moved to indefinitely postpone.
Senator Blakemore seconded the motion.
Senator Bryan voted no. Senators Echols, Sheerin, Blakemore, Monroe, Foote, and Raggio voted aye.

S.B. 313 Senator Bryan moved to indefinitely postpone.
Senator Blakemore seconded the motion.
The vote was unanimous with all members present and voting.

S.B. 314: This bill was held for further consideration.

S.B. 343: This bill had some proposed amendments and the committee asked Senator Bryan and Senator Raggio to speak to the Insurance Commissioner, Mr. Rottman, about the amendments.

- S.B. 51: Senator Blakemore moved to indefinitely postpone.
Senator Monroe seconded the motion.
The vote was unanimous with all members present and voting.
- S.B. 72 & S.B. 78: Senator Bryan moved to indefinitely postpone based on representation made to Senator Echols that these bills are being replaced by other bills.
Senator Blakemore seconded the motion.
The vote was unanimous with all members present and voting.
- S.B. 83: Senator Bryan moved to indefinitely postpone on the basis that S.B. 283 was processed in its place.
Senator Blakemore seconded the motion.
The vote was unanimous with all members present and voting.
- S.B. 88: This bill was held.
- S.B. 161: This bill was held.
- S.B. 246: Senator Blakemore moved to indefinitely postpone.
Senator Foote seconded the motion.
The vote was unanimous with all members present and voting.
- S.B. 266: Senator Bryan moved to indefinitely postpone on the basis that S.B. 283 was processed as a compromise bill.
Senator Blakemore seconded the motion.
The vote was unanimous with all members present and voting.
- A.B. 28: This bill will be heard next Thursday.
- A.B. 69: This bill will be heard next Thursday.
- A.B. 222: This bill will be heard next Tuesday.
- A.B. 280: Senator Blakemore moved a do pass.
Senator Monroe seconded the motion.
The vote was unanimous with all members present and voting.
- A.B. 302: Hearing will be scheduled.
- A.B. 386: Hearing will be scheduled.
- There being no further business, Senator Raggio moved to adjourn.
Senator Bryan seconded the motion.
The vote was unanimous as the hour was 10:45 p.m.

Respectfully submitted:

Kristine Zohner
Kristine Zohner, Committee Secretary

APPROVED BY:

ROOM # 213

296

DAY Tuesday DATE March 25, 1975

NAME	ORGANIZATION	ADDRESS	PHONE NUMBER
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*NOTE: PLEASE PRINT ALL THE INFORMATION CLEARLY.

SB 313	SECURITY NAT'L BA OF NEV.	222 N. CARLIN ST., CC	882-3416
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SB	JOHN GARVIN, MONTGOMERY WARD	C/O NEV. RETAIL ASSOC.	
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	Pete Kelley, Nev. Retail Assn	Box 722	882-1943
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	Joe Santellipo	Nat. Automatic Trans. Assoc.	S.F. Cal.
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301, 300	DON CRALLE	BETTER BUSINESS BUREAU	RENO 322-0657
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301+3	Art Rempel	T.V. 460 So Wells AVE	RENO 322-3254
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301	BOB STEELE	SECY - NEV. STATE ELEC. ASSN.	RENO, 359-2221
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AB 26	Joy Rogers	- representing self -	1425 Sbragia Sp 358-1343
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SB 312	Joe Midmore	- various chain drug stores -	Reno, NV
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SB 312	Walter Heuback	Nevada Dept. of Agriculture	
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SB 314	John C Purcell	representing General Motors	
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SB 300-301	Robert F Guinn	New Franchised Auto Dealers	323-5159
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SB 300-301	Don F. Hellwinkel	NEV FRAN Auto DIR Assn	882-1791
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SB 300-301	LEO L. "BUTCH" LYNN, JR.	WASHOE MOTOR CAR DEALERS ASSOC.	RENO 786-1881
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	Jim Hay	-	1901 CARLIN ST. RENO, NV 89503
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SB 301	All Brit	Dir Marshall's OFF.	CC
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	Joyce M. Pederson	Sun Valley	673-9054
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S.B. 301	JON MADSEN	- oil HEAT INSTITUTE -	(CITY) (Box 1822) Reno 322-4541
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S.B. 301	ROBERT McNally	Union Ice Co.	P.O. Box 2066 323-5145
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	E.L. Newton	NTA	Box 133, CC 882-2697
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	Ed Silva	DMV	C.C. 885-5370
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SB 300	JOHN GIANNOTTI	HARRIS MODERN CLASSIC MOTORS	Box 810 Reno, Nev
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SB 300	Jim Casanova	Cashman Cadillac	Las Vegas Nev.
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ROOM # _____
DAY _____

DATE _____

297

NAME ORGANIZATION ADDRESS PHONE NUMBER

*NOTE: PLEASE PRINT ALL THE INFORMATION CLEARLY.

DARYL E. CAPURRO	NEVADA FRANCHISED AUTO DEALERS ASSOCIATION	P.O. Box 745 RENO, NEV. 89502	323-515
Charles Levinson	Consumers League of Nevada	3031 Garnet Ct L.V. 89131	457-195
GARY R. BARTLETT	BARTLETT FORD INC.	P.O. Box 321 RENO, NEV.	329-880
FRED H. BARTLETT	" " " "	" " " "	" "
Knut Pennington	NEV. WTS & Measures	P.O. Box 1209 RENO, NEV.	
HARRY E. GALLAWAY	NEV. DEPT. OF AGRI.	P.O. Box 1209 RENO NEV. 89504	784-640
JOE LAWLER	CONSUMER AFFAIRS DIV	NYE BLDG	885-434
RAY TREASE	CONSUMER AFFAIRS DIV.		885-434
Robert C. BELL	Consumer Protection	WASHOE Co. District Att.	785-5652
Shirley Katt	Consumer Protection Division	WASHOE Co. D.A.	785-5652
Purdy Nash	Washoe County DA's Office		785-567
REX W. LUNDBERG	NEV. ST. CONSUMER AFFAIRS DIV.	L.V. NEV. 89106	385-0344
Jim Marsh	Las Vegas New Car & Truck Dealers Assn.	P.O. 2656 Las Vegas	457-803
John McCandless	McCandless Int'l Trucks Inc.	Las Vegas Industrial 4738	736-617
BILL PEARCE	BILL PEARCE MTRS	2100 KIETZKE RENO 89502	826-2100
ANDY BUTTI	ANDY BUTTI MOTORS	Carson City 89701	882-2161
BEN SCOTT	SCOTT MOTOR CO.	Box 250 Reno 89503	826-066
ED REED	SCOTT MOTOR CO.	Box 250 RENO 89503	826-066
D. Shelton	UDT Markets, Inc.	4750 N. Virginia	323-772
VIRGIL P. ANDERSON	AAA	926 JST, SACRAMENTO	443-25

Exhibit B

Commerce ^{and Labor} Committee
March 3, 1975

Testimony of Joy D. Rogers (representing self)

It is my contention that passage of AB 26 will benefit many citizens and harm none.

My reasons are as follows:

1. Insurance companies will still retain their right to insert exclusion or limitation clauses as they do now in the case of optometric care, dental care, etc. However the insureds will have the option of purchasing acupuncture coverage if they wish.
2. Clarification of Nevada's insurance law is imperative to correct the inequities which now exist. There is great diversity in the interpretation of the phrase "services within the scope of his license rendered by any individual while duly licensed under the following:". This confusion exists because rulings are made by out-of-state home offices in which the practice of acupuncture is either illegal, reserved for M.D.'s, or allowed only under the supervision of M.D.'s.
3. Amendment of Nevada's law will result in bringing all policies written before acupuncture was legalized into conformity with state law, thus carrying out the intent of the insurance law.
4. A random survey of major group health companies in this area showed many companies have already voluntarily broadened coverage to include acupuncture treatment. However many have not. There seemed to be no common criteria for establishing the validity of claims.
5. Over-all claims rates should not be adversely affected because a high percentage of acupuncture patients suffer from chronic diseases and already have a higher than average claims rate. Reimbursements for these insureds would simply shift from one mode of therapy to another which seems to be offering them more substantial results.

over

6. Conceivably reimbursement costs could drop because for many individuals acupuncture replaces two or more other therapeutic methods. (Example--in my own case it has replaced physical therapy, eliminated need for cortisone injections, emergency room treatment for acute arthritic attacks, and allowed great reductions in medication.)
7. Comparative costs: (drawn from my own experience)
Physical therapy -- \$23.50 Treatment rate 2-3 times weekly for over seven years. Results: some gains post-operatively, but balance of treatments were taken merely to avoid regression and finally discontinued on medical advice because they were doing more harm than good.

Acupuncture Therapy: \$25.00 Produces rapid response, not only in the muscular and joint condition, but in internal medical problems at the same time. Not enough continuity has been possible in treatment to establish minimum needed for maintainance, but probably weekly during summer and twice weekly in winter.

300

Makes possible large reductions in pharmacy bills, and has eliminated need for orthopedic maintainance care and steroid treatment which is hazardous to the patient's general health.

Incidental savings:

1. Eliminated need for gastro-intestinal x-rays (approx \$50.00) needed periodically to check on ulcer caused by large doses of medication.
2. Employed by county -- no sick leave used this year for first time in 26 years.
3. No claims to income protection company because of inability to perform work.
4. Acupuncture treatment received in 1974 averted imminent need to apply for state disability retirement.

My insurance rights have been violated because my insurance company, owned by doctors, refuses to pay full percentage of the "normal and customary fee for that area" as provided for in my contract, if the claim is for acupuncture treatment.

The Nevada State Insurance Commission cannot enforce my right to the proper reimbursement until the Nevada insurance law is amended to force all companies to bring their policies into conformance with state statute which have established acupuncture as a legal form of medical treatment in this state.

Jay R. Rogers
 1425 Sprague Way
 Sparks, Nev. 89431
 358-1343

Exhibit C DEC. 1973

The figures set forth below are the history of the Bureau of Automotive Repair of the State of California in its first full year of existence. The Bureau was established by the state's Automotive Repair Act of 1971 at the specific request of the independent automotive service industry. Its purpose: to root out fraud where it existed and

provide a continuing protection against fraud to motorists in the state. The statistics of that first year demonstrate clearly that, contrary to opinions held in many quarters, the auto repair industry is one of the most fraud-free areas of the business community. The industry can be justifiably proud of its record.

**BUREAU OF AUTOMOTIVE REPAIR
SCHEDULE A - CONSUMER
COMPLAINTS RECEIVED
Fiscal Year 1972-1973**

AUTOMOTIVE COMPLAINTS RECEIVED

By Phone.....	22573
By Mail.....	4684
In Person.....	411
TOTAL.....	27668

COMPLAINTS WITHIN JURISDICTION

No Written Estimate 9884.9.....	8229
Exceeds Estimate 9884.9.....	3232
Misleading Statements 9884.7a.....	849
False Promises 9884.7b.....	3348

**SCHEDULE B
INVESTIGATIVE ACTIONS
POSSIBLE FRAUD CASES**

INVESTIGATIONS OPENED.....	661
INVESTIGATIONS CLOSED.....	588
Dismissed (lack of sufficient evidence or corrective action taken.).....	459
Referred for Disciplinary Action.....	109
Administrative.....	24

Criminal.....	85
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301

EXC
ANY
WA

Unnecessary Repairs 9884.7d..... 119
 Parts Not Returned 9884.10..... 264
 Blank W-D/Odometer 9884.7b..... 695
 Signature 9884.7c..... 135

Willful Departure 9884.7g501 Gross Negli-
 gence 0884.7e..... 508
 Unauthorized Subletting 9884.7i..... 182
 Itemized Invoice 9884.8..... 1166
 Unlicenced Facility 9884.6..... 465
 TOTAL..... 13938

INVESTIGATIONS PENDING
 (End of Fiscal Year)..... 93

SCHEDULE C
 OTHER DISCIPLINARY ACTIONS
 Six Month Period-January thru June 1973

COMPLAINTS BEYOND JURISDICTION

Overpricing..... 2029
 Warranty..... 4228
 Product..... 3035
 Work-Diagnosis..... 4625
 Incompetence..... 2764
 Inconvenience..... 3217
 TOTAL..... 13730

Citation Warning Letters..... 1133
 Adjustments..... 581
 Free Rework..... 448
 Dollar Refund..... 562
 ESTIMATED DOLLAR VALUE OF ADJUST-
 MENTS, REWORK
 AND REFUNDS FOR THE FIRST YEAR \$250,000

OTHER INFORMATIONAL CALLS..... 36595

To Whom It May Concern:

I have worked as a service manager under California's Senate Bill #51. I see no advantage to the customer or employer with regard to written labor and parts estimate on service work performed.

It has been my experience that service departments will spend less time determining if any old good parts can be reused, since all estimates will include new parts. This will also increase the amount necessary to write up jobs.

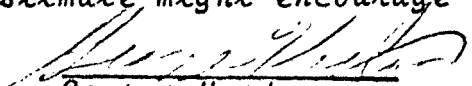
1. After starting job, should additional broken parts need to be replaced that were not on the original estimate, the customers must return to the shop and sign a revised estimate.
2. To combat this, most jobs will be overestimated causing the customers additional unnecessary expense. Authorization by phone even though dated and time clocked, did not hold up in court, the work order must be signed.
3. Diagnostic time will be sold, instead of repair work, this means the customer will be paying to find out what is wrong with the car, instead of money being paid for repair work.

Instead of a combined labor estimate example: tune engine; the customer will be charged several operations (example replace spark plugs, replace points, replace condenser, replace distributor cap, replace rotor). The combined smaller operations have been found to cost the customer 25% to 30% more than the old tune up package. This is verified by a flat rate schedule.

It is difficult to assess all problems brought into our shop (eg. a customer has a vehicle towed in. Customer authorizes tear down to determine problem. Engine siezed and will not run. There could be several problems; broken timing chain, binding engine, thrown rod binding engine, blown valve binding engine. If the customer wants a cost prior to start of job, the only alternative is to quote him the price of a new engine.

If a customer brings in a vehicle for repair and additional work is needed the customer is contacted and work in the vehicle stops until the customer returns to shop and authorizes additional work. On occasion a transient from California would have to wait until he could come back to Nevada to sign, or a new estimate mailed, notarized and returned, before work could be commenced. Very few shops can afford the space the vehicle occupies until approval is obtained. Most shops must charge storage to recover their overhead.

Under the present system estimates are always given. The repair order is always signed under current law. The customer has knowledge of actual labor charges. The current consumer fraud division has been empowered to handle customer complaints, without the additional expense of bills SB 300 and SB 301. An area where the customer can save is by package work (eg. tune ups) and purchasing parts as needed. Instead of purchasing all new parts, as a complete estimate might encourage him to do.


George Veston
Service Manager

McCandless International Truck, Inc.

4838 So. Industrial Rd. Ph. (702) 736-6176

LAS VEGAS, NEVADA 89103

305
25535

DATE <i>Today</i>	WRITTEN BY <i>Shop mgr</i>	INVOICE NO. 25535
CUST. ORDER NO.	LICENSE	OPERATION NO.
MILEAGE-HOURS	MODEL <i>Pickup</i>	OPERATION
CHASSIS NO.	ENGINE NO.	LABOR CHANGE
FLEET NO.	DELIVERY DATE	1 LUBE <input type="checkbox"/>
PHONE NO.	DATE & TIME PROM.	2 OIL CHANGE <input type="checkbox"/>
		3 CHANGE OIL FILT. <input type="checkbox"/>
		4 ADJUST CLUTCH <input type="checkbox"/>
		5 ADJUST BRAKES <input type="checkbox"/>
		6 PACK FRT. WHL. BRGS. <input type="checkbox"/>
		7 PACK RI AH WHL. BRGS. <input type="checkbox"/>
		8 CHANGE ALL GEAR LUBES <input type="checkbox"/>
		9 <input type="checkbox"/>
COLLECT		
CA <input checked="" type="checkbox"/> CK <input type="checkbox"/>		
CHARGE GRATIS <input type="checkbox"/>		

NAME: *NEVADA CUSTOMER*

ADDRESS:

CITY STATE ZIP CODE

I hereby authorize the below repair work to be done along with necessary materials. You and your employees may operate vehicle for purposes of testing, inspection or delivery at my risk. An express mechanic's lien is acknowledged on vehicle to secure the amount of repairs thereto. You are not responsible for loss of or damage to the motor vehicle or its contents due to collision not due to your negligence; or due to fire, theft or other casualty regardless of whether or not such fire, theft or other casualty is due to your negligence; and you and your agents are hereby released from any and all claims for such loss and damage.

Terms: Net 10th of month following purchase. A charge of 1 1/2% per month (18% per annum) will be added to all past due amounts.

AUTHORIZED BY: *Nevada Customer* DATE: *Today*

REQ. NO.	AMOUNT	OPERATION	LABOR INSTRUCTIONS	AMOUNT
		08-801	REPLACE SET OF SPARK PLUGS	10.80
		08-651	REPLACE POINTS AND CONDENSER	18.00
		08-690	ADJUST TIMING	3.60
		A	PERFORM COMPRESSION TEST	18.00
		SP-9	SCOPE TEST ENGINE	18.00
		08-120	CLEAN BATTERY TERMINALS	3.60
		12-2070	ADJUST CARBURETOR IDLE	3.60
All new parts used Plugs, Points & Conds				
P.O. NO.	OUTSIDE LABOR AND MATERIALS			

OIL & GREASE		CASH	KEY	No. 25535		REFERENCE NO.	KEY
QTS. OIL		CHARGE					
LBS. GEAR LUB.							
LBS. W.B. GREASE							
TOTAL OIL & GREASE							
MISC. SUPPLIES							
THANK YOU		FACTORY CLAIMS		INTERNAL SALES		PARTS AND SERVICE SALES	
		COST	KEY	ACCT. NO.	SALE	KEY	
			(C)	351		(-)	LABOR
			(C)			(-)	JUST.
			(C)	355		(-)	MACHINE
			(C)	343		(-)	EARNING
			(C)			(-)	WORK
			(C)			(-)	OUTSIDE
			(C)			(-)	WORK
			(C)			(-)	PARTS
			(C)			(-)	GAS, OIL
			(C)			(-)	REPAIR
			(C)			(-)	REPAIR
			(C)			(-)	MISC.
			(C)			(-)	SUPPL.
			(C)			(-)	
		CLAIM NO.	KEY	ACCT. NO.	FACTORY CLAIMS TOTAL		
			(I)	108			
			(I)	108			
			(I)	8A			
SERVICE CENTER MANAGER					AFTER SALES EXP.	8A	
					AFTER SALES EXP.	8C	
							LABOR 75.60
							352
							355
							341
							356
							14C
							TAX 21.4
							CHANGE SALE 10.3
							CASH SALE 10.1



McCandless International Truck, Inc.

4838 So. Industrial Rd. Ph. (702) 736-6176

LAS VEGAS, NEVADA 89103

SP11-2157

DATE <i>Today</i>	WRITTEN BY <i>Shon Rupr</i>	INVOICE NO. 306 25533
CUST. ORDER NO.	LICENSE	OPERATION NO. / OPERATION LUBE <input type="checkbox"/> 1 OIL CHANGE <input type="checkbox"/> 2 CHANGE OIL FILTER <input type="checkbox"/> 3 ADJUST CLUTCH <input type="checkbox"/> 4 ADJUST BRAKES <input type="checkbox"/> 5 PACK FRT. WHL DRGS <input type="checkbox"/> 6 PACK REAR WHL DRGS <input type="checkbox"/> 7 CHANGE ALL GEAR LUBES <input type="checkbox"/> 8 <input type="checkbox"/> 9
MILEAGE-HOURS	MODEL <i>Pickup</i>	
CHASSIS NO.	ENGINE NO.	
FLEET NO.	DELIVERY DATE	
PHONE NO.	DATE & TIME PROM.	COLLECT CA <input checked="" type="checkbox"/> CK <input type="checkbox"/> CHARGE GRATIS <input type="checkbox"/> <input type="checkbox"/>

NAME: *Nevada Customer*

ADDRESS:

CITY: _____ STATE: _____ ZIP CODE: _____

I hereby authorize the below repair work to be done along with necessary materials. You and your employees may operate vehicle for purposes of testing, inspection or delivery at my risk. An express mechanic's lien is acknowledged on vehicle to secure the amount of repairs thereto. You are not responsible for loss of or damage to the motor vehicle or its contents due to collision not due to your negligence, or due to fire, theft or other casualty regardless of whether or not such fire, theft or other casualty is due to your negligence, and you and your agents are hereby released from any and all claims for such loss and damage.

Terms: Net 10th of month following purchase. A charge of 1 1/2% per month (18% per annum) will be added to all past due amounts.

AUTHORIZED BY: *Nevada Customer* DATE: *Today*

REQ. NO.	AMOUNT	OPERATION	LABOR INSTRUCTIONS	AMOUNT
		12.100	Tune Engine	25.80
<i>If prints good - no charge Clean plugs is good - no new parts</i>				

P.O. NO.	OUTSIDE LABOR AND MATERIALS	
----------	-----------------------------	--

OIL & GREASE		CASH CHARGE	KEY	No. 25533	REFERENCE NO.	KEY
QTS. OIL						
LBS. GLAR LUB.						
LBS. W.B. GREASE						
TOTAL OIL & GREASE						
MISC. SUPPLIES						
THANK YOU						
CLAIM NO.		KEY	ACCT. NO.	FACTORY CLAIMS TOTAL		
		I	108			
		I	108		AFTER SALES EXP.	8A
		I	8A		AFTER SALES EXP.	8C
					TAX	21.4
					CHARGE SALE	10.3
					CASH SALE	10.1

Nevada State Electronics Association

1191 North Rock Boulevard

Sparks, Nevada 89431

ALTERNATE PROPOSAL FOR SB301, Section 4, Paragraph 1

1.(a) If a Customer requests an Estimate for Repairs necessary for a specific job, the Service Dealer shall make such an Estimate in writing, which Estimate shall include parts and labor, and the Service Dealer may not charge for work done or parts supplied in excess of the Estimate without consent of the Customer. The Service Dealer may charge a reasonable fee for making the Estimate, and the Estimate shall be kept for a period of 1 year.

(b) If a Service Dealer intends to charge a fee in addition to his Service Charge for preparing a written Estimate, he shall advise the Customer of the amount of such fee in writing prior to the preparation of said written Estimate.

(c) No Service Dealer shall charge for work done or parts supplied in excess of the written Estimate without ORAL or WRITTEN consent of the Customer, and if such consent is ORAL the Service Dealer shall make a notation on the invoice of the Date, Time, Name Of Person authorizing the additional repairs, Telephone Number called, if any, Name of Person receiving such ORAL CONSENT, Conditions of such consent, if any, together with a Specification of the Additional Parts and Labor AND THE TOTAL ADDITIONAL COST.

PROPOSAL FOR SB301

Place the Television and Electronics Industry under it's own Section in SB301, so that it is not grouped with other trades not associated in any way. Television and Electronics are separate Section under the California Codes.

PROPOSAL FOR SB301

Clarify the LIEN LAWS as it applies to the Television and Electronics Field under SB301.

SEC. 9, SEC. 16, P 1, 2, 3, 4, 5



BETTER BUSINESS BUREAU OF NORTHERN NEVADA, INC.

1890 LOCUST STREET - P. O. BOX 2932
RENO, NEVADA 89505 - PHONE 322-0657

January, 1975

1974 STATISTICAL ACTIVITY REPORT

Enclosed for your review is a statistical activity breakdown of BBB activities during 1974, detailing the number of Inquiries, Complaints, and Complaints Referred - each by business category.

An Inquiry is a request for a BBB report on a specific company; a Complaint is a written complaint received on a company; and a Complaint Referred is an instance where the BBB has referred a complaining customer to the store owner or manager, to a BBB in another city, to a governmental agency, Small Claims Court, or to the customer's own attorney.

1974 was the busiest year of our 12-year history, with a total of 12,499 consumer contacts recorded, broken down as follows:

Inquiries.....	5,388
Complaints processed.....	1,214
Complaints referred.....	642
Complaint forms sent.....	1,074
Customer/Business Services.....	<u>4,181</u>
	12,499

In addition, your BBB screened 333 applicants for door-to-door solicitor permits, responded to 14,480 phone calls and 6,909 pieces of mail, received 1,842 office visitors, and sent out 26,463 pieces of mail.

Following are the "Top Ten" categories of business according to the number of Inquiries and Complaints received during 1974:

INQUIRIES

1. Mobile Homes..... 365
2. Advertising Solicitations.... 355
3. Other Service Estab..... 330
4. Other Retail Estab..... 236
5. Insurance Companies..... 231
6. Photo Supply & Equip..... 217
7. Charity Solicitations..... 208
8. Auto Dealers..... 207
9. Appliance Stores..... 176
10. Auto Repair Shops..... 171

COMPLAINTS

1. Other Service Estab..... 108
2. Auto Dealers..... 86
2. Mobile Homes..... 86
3. Mail Order Co's..... 76
4. Department Stores..... 69
5. Hotels & Motels..... 53
6. Auto Repair Shops..... 51
7. Other Home Improv..... 43
8. Magazines-Direct Sales.. 36
9. Gas Stations..... 33
10. Home Furnishings..... 32

STATISTICAL ACTIVITY REPORT

1974

<u>TYPE OF BUSINESS</u>	<u>INQUIRIES</u>	<u>COMPLAINTS</u>	<u>COMPLAINTS REFERRED</u>
<u>AUTOMOTIVE</u>			
Dealers	207	86	27
Gas Stations	18	33	17
Repair Shops	171	51	5
Tire, Battery, Accessory	29	19	0
Transmission Shops	58	5	0
Other	72	19	4
TOTALS	555	213	53
<u>FINANCIAL</u>			
Apartment Houses	18	29	129
Banks	9	4	7
Business Opportunity Co's	22	1	0
Consumer Finance & Loan	46	6	4
Credit Card Co's	2	1	1
Credit/Collection Co's	11	5	2
Franchise Selling Co's	19	5	0
Insurance Co's	231	7	27
Land Development Co's	101	6	3
Multi-Level Selling Co's	6	1	0
Real Estate Sales/Rental Co's	66	6	2
Savings & Loan	19	1	2
Security Brokers/Dealers	13	0	3
Other	153	4	0
TOTALS	716	76	180
<u>FOOD</u>			
Bulk Meat Co's	25	1	2
Food Stores (Chain)	4	7	8
Food Stores (Independent)	1	0	0
Freezer Food Plan Co's	5	1	0
Other	0	0	0
TOTALS	35	9	10
<u>HEALTH & PERSONAL IMPROVEMENT</u>			
Dentists	15	1	25
Doctors	27	1	39
Drug Stores	2	1	0
Hair Products/Improvement	3	3	0
Health Studios	34	4	0
Hearing Aid Co's	3	0	0
Hospitals/Clinics	4	3	0
Other	16	12	4
TOTALS	104	25	68
<u>HOME REMOD., CONST. & MAINT.</u>			
Alarm Systems	19	0	0
Building Material/Supply Co's	8	7	0
Exterminating Service	8	0	0
Heating & Air Conditioning	15	3	1
Home Builders - New Construction	97	12	7
Home Remodeling Contractors	10	2	0
Mobile Home Dealers	365	86	17
(Continued)			

TYPE OF BUSINESS	INQUIRIES	COMPLAINTS	COMPLAINTS REFERRED
Paving Contractors	2	0	1
Roofing Contractors	88	1	0
Siding Contractors	69	0	0
Swimming Pool Co's	10	2	0
Waterproofing Co's	2	0	0
Other	257	43	10
TOTALS	950	156	36

RETAIL

Apparel & Accessory Shops	29	23	9
Appliance Stores	176	28	3
Department Stores	21	69	31
Direct Selling - Encyclopedias	10	6	0
Direct Selling - Magazines	67	36	20
Direct Selling - Photographers	5	1	1
Direct Selling - Other	56	5	1
Floor Covering Stores	57	10	0
Gardening/Nursery Products	16	12	4
Home Furnishings Stores	74	32	2
Jewelry Stores	32	14	2
Magazines - Ordered by mail	3	0	0
Mail Order Co's	137	76	68
Music/Records	32	22	6
Photographic supplies & Equip.	217	22	1
Recreational Vehicle Dealers	4	1	0
Reupholstering Shops	23	1	0
TV/Radio/Phono Shops	63	10	1
Other	236	42	3
TOTALS	1,258	410	154

SERVICES

Advertising Soliciting Organizations	355	27	0
Airlines	8	6	0
Appliance Service Establishments	54	34	1
Charity Soliciting Organizations	208	5	2
Dry Cleaning/Laundry	38	28	0
Employment Services	82	0	3
Funeral Related Service Co's	52	2	0
Homework (Work-at-Home) Co's	170	5	1
Hotels/Motels	11	5	5
Legal Services	5	0	6
Market Research Co's	0	0	1
Moving/Storage Co's	78	8	4
Television Servicing Estab.	158	24	3
Tax Preparation Co's	11	0	0
Telephone Co's	3	4	2
Trade/Vocational Schools	110	6	1
Travel Agencies	18	1	1
Utility Co's (Elec. Gas-Water)	6	12	11
Vacation Certificate Co's	23	0	0
Other	330	108	99
TOTALS	1,720	323	140

MANUFACTURERS/PRODUCERS

17	1	1
----	---	---

WHOLESALE/DISTRIBUTORS

1	1	0
---	---	---

NOT ELSEWHERE CLASSIFIED

32	0	0
----	---	---

GRAND TOTALS

5,388	1,214	642
-------	-------	-----

CAKES

Chocolate

<u>Weight</u>	<u>Price</u>
13-1/2 oz	.82
12 oz	.49
12 oz	.66
12 oz	.50
17 oz	.83
13 oz	.58

Iced Yellow

14 oz	.81
12 oz	.52
12 oz	.51
17 oz	.85

Pecan Coffee

13 oz	.61
12 oz	.79
12.5 oz	.86

Pound & Marble

12 oz	.83
12 oz	.80
12 oz	.73
16 oz	.68
10.5 oz	.59

Cream Cheese

17 oz	.79
17 oz	.81
17 oz	.83

CLEANSING CREAMS/LOTIONS

Creams

<u>Weight</u>	<u>Price</u>
5.0 oz	.38
6.0 oz	.73
6.5 oz	1.91
5.0 oz	.55
16.0 oz	1.71
10.0 oz	1.15
12.0 oz	1.52
5.0 oz	.76
6.0 oz	.93
9.0 oz	1.50
6.1 oz	1.02
5.5 oz	1.11
3.5 oz	3.89
4.0 oz	5.00
3.75 oz	1.23
7.5 oz	2.50
8.0 oz	3.50
6.0 oz	3.00
8.0 oz	4.00
7.5 oz	4.00
8.0 oz	4.50
8.0 oz	8.50
7.0 oz	8.50
7.25 oz	10.00
3.3 oz	5.00
12.0 oz	1.50
6.0 oz	1.48
8.0 oz	3.50
4.0 oz	1.89
8.0 oz	5.00

Lotions

8.0 oz	5.50
6.0 oz(f)	1.20
6.0 oz(f)	1.25
12.0 oz(f)	2.29
6.25 oz(f)	1.75
8.0 oz(f)	2.50
8.0 oz(f)	3.50
8.0 oz(f)	6.00
8.0 oz(f)	3.00
4.0 oz(f)	3.50

Washes

<u>Weight</u>	<u>Price</u>
6.0 oz(f)	1.07
3.75 oz(f)	.90
9.0 oz	1.28
4.5 oz	.81
6.0 oz(f)	1.25
5 1/8 oz(f)	1.25
6.0 oz(f)	1.50
5.0 oz(f)	2.00
8.0 oz	4.00
5.0 oz(f)	4.00
6.0 oz(f)	2.50

Exhibit #

CARPET CLEANERS

FROZEN FISH STICKS

312

	<u>Price</u>
30 fl oz	1.98
1 qt	1.59
1 qt	1.98
24 oz	1.34
1 pt	1.06
1 qt	1.38
1 qt	1.79
1 pt	.98
12 fl oz	.72
12 fl oz	.90
27 fl oz	1.59
1 qt	2.59
24 oz	1.19
22 oz	1.26
24 oz	1.46
1 qt	1.49
27 fl oz	1.39
1 qt	1.98
24 oz	1.85
24 oz	1.88
14 oz	1.26
28 oz	1.36

	<u>Price</u>
16 oz	.73
14 oz	.70
14 oz	.72
16 oz	.63
16 oz	.62
16 oz	.66
8 oz	.32
16 oz	.70
14 oz	.49
8 oz	.32
16 oz	.75
14 oz	.71
14 oz	.73
16 oz	.52
14 oz	.71
8 oz	.54
10 oz	.46
8 oz	.36
16 oz	.41

CARPET CLEANERS

	<u>Price</u>	<u>\$/Qt.</u>
30 fl oz	1.98	2.11
1 qt	1.59	1.59
1 qt	1.98	1.98
24 oz	1.34	1.79
1 pt	1.06	2.12
1 qt	1.38	1.38
1 qt	1.79	1.79
1 pt	.98	1.96
12 fl oz	.72	1.92
12 fl oz	.90	2.40
27 fl oz	1.59	1.88
1 qt	2.59	2.59
24 oz	1.19	1.59
22 oz	1.26	1.83
24 oz	1.46	1.95
1 qt	1.49	1.49
27 fl oz	1.39	1.65
1 qt	1.98	1.98
24 oz	1.85	2.47
24 oz	1.88	2.51
14 oz	1.26	2.88
28 oz	1.36	1.36

FROZEN FISH STICKS

	<u>Price</u>	<u>% Fish</u>	<u>Cost/# of Fish</u>
16 oz	.73	64	1.14
14 oz	.70	60	1.33
14 oz	.72	58	1.42
16 oz	.63	66	.95
16 oz	.62	63	.98
16 oz	.66	65	1.02
8 oz	.32	60	1.07
16 oz	.70	64	1.09
14 oz	.49	58	.97
8 oz	.32	56	1.14
16 oz	.75	57	1.32
14 oz	.71	59	1.37
14 oz	.73	58	1.44
16 oz	.52	60	.87
14 oz	.71	61	1.33
8 oz	.54	59	.92
10 oz	.46	63	1.17
8 oz	.36	66	.79
16 oz	.41	66	.62

CAKES.

<u>Chocolate</u>		
<u>Weight</u>	<u>Price</u>	<u>¢/lb</u>
13-1/2 oz	.82	.972
12 oz	.49	.653
12 oz	.66	.88
12 oz	.50	.667
17 oz	.83	.781
13 oz	.58	.714

Iced Yellow

14 oz	.81	.926
12 oz	.52	.693
12 oz	.51	.68
17 oz	.85	.80

Pecan Coffee

13 oz	.61	.751
12 oz	.79	1.05
12.5 oz	.86	1.10

Pound & Marble

12 oz	.83	1.11
12 oz	.80	1.07
12 oz	.73	.973
16 oz	.68	.68
10.5 oz	.59	.899

Cream Cheese

17 oz	.79	.744
17 oz	.81	.762
17 oz	.88	.828

CLEANSING CREAMS/LOTIONS

<u>Creams</u>			<u>Washes</u>		
<u>Weight</u>	<u>Price</u>	<u>Per lb.</u>	<u>Weight</u>	<u>Price</u>	<u>Per lb.</u>
5.0 oz	.38	1.22	6.0 oz(f)	1.07	2.85
6.0 oz	.73	1.95	3.75 oz(f)	.90	3.84
6.5 oz	1.91	4.70	9.0 oz	1.28	2.28
5.0 oz	.55	1.76	4.5 oz	.81	2.88
16.0 oz	1.71	1.71	6.0 oz(f)	1.25	3.33
10.0 oz	1.15	1.84	5 1/8 oz(f)	1.25	3.90
12.0 oz	1.52	2.03	6.0 oz(f)	1.50	4.00
5.0 oz	.76	2.43	5.0 oz(f)	2.00	6.40
6.0 oz	.93	2.48	8.0 oz	4.00	8.00
9.0 oz	1.50	2.67	5.0 oz(f)	4.00	12.80
6.1 oz	1.02	2.68	6.0 oz(f)	2.50	6.67
5.5 oz	1.11	3.23			
3.5 oz	.85	3.89			
4.0 oz	1.25	5.00			
3.75 oz	1.23	5.25			
7.5 oz	2.50	5.33			
8.0 oz	3.50	7.00			
6.0 oz	3.00	8.00			
8.0 oz	4.00	8.00			
7.5 oz	4.00	8.53			
8.0 oz	4.50	9.00			
8.0 oz	8.50	17.00			
7.0 oz	8.50	19.43			
7.25 oz	10.00	22.07			
3.3 oz	5.00	24.24			
12.0 oz	1.50	2.00			
6.0 oz	1.48	3.95			
8.0 oz	3.50	7.00			
4.0 oz	1.89	7.56			
8.0 oz	5.00	10.00			
<u>Lotions</u>					
8.0 oz	5.50	11.00			
6.0 oz(f)	1.20	3.20			
6.0 oz(f)	1.25	3.33			
12.0 oz(f)	2.29	3.05			
6.25 oz(f)	1.75	4.48			
8.0 oz(f)	2.50	5.00			
8.0 oz(f)	3.50	7.00			
8.0 oz(f)	6.00	12.00			
8.0 oz(f)	3.00	6.00			
4.0 oz(f)	3.50	14.00			

Getting Credit Cards Back From Deadbeats Is a Booming Business

As the Recession Deepens,
Mr. Stewart Finds Demand
For His Services on Rise

By DAVID P. GARINO

Staff Reporter of THE WALL STREET JOURNAL

CRESTWOOD, Mo. — Not long ago, an airline pilot who had been furloughed was explaining plaintively: "Look, I'm not a deadbeat. I'm not the type that doesn't pay his bills. I fly 747s and should be called back (to work) soon."

The pilot, by telephone, was talking with the National Credit Card Recovery Bureau, based in this suburb southwest of St. Louis. His explanation notwithstanding, the pilot was one of many thousands of victims of the recession who had become delinquent debtors. Thus, his credit card was being "repossessed."

Joseph C. Stewart Jr., president of the bureau, puns without a trace of shame, "Our business is picking up." Indeed his office staff of 63 here and a part-time field force of 625 have been busy. Orders to pick up credit cards have more than doubled since summer, Mr. Stewart reports.

In January, for the first time in the company's 17 years, it recovered more than 20,000 cards. February showed nearly a 10% increase from the figure, and there hasn't been any sign of a slowdown this month.

The bureau is one of a handful of companies in the business of retrieving credit cards. Others include Retail Credit Co. of Atlanta and Intercontinental Services Corp. of Kansas City. Credit-card issuers usually come to these companies after bills are delinquent for 90-days.

Over the Brink

There's little doubt in Mr. Stewart's mind that current economic troubles are largely responsible for the dramatic upturn in business. "Increased unemployment, combined with the rising cost of living, pushed over people who a year ago were on the brink of financial disaster," he explains. "Consumers just don't anticipate being laid off," he adds.

The majority of the bureau's business comes from oil companies and banks, although recently there has been a surge of orders from department stores as far away as Vancouver, British Columbia, Mr. Stewart says. Business from issuers of travel-and-entertainment cards "is also up but not as dramatically "as bank-card business," he observes.

Most orders come by mail. But anxious credit-card companies are increasingly making use of the bureau's four telephone "hot lines" to speed up the process.

Basically, the card issuer supplies a list of cards to be recovered with the name and address of each debtor and sometimes a telephone number and balance outstanding. The bureau then writes a letter to the cardholder and also telephones, asking for the card's return.

"Prompt follow-up is the key," Mr. Stewart asserts, and 6% of the cards are returned after these initial approaches.

However, there is another approach to the "chronic staller" or "belligerent" person who responds with "stick it in your ear" or worse. For such a person, a field agent, usually a moonlighting bailiff, policeman, detective or consumer-credit employe, is dispatched to the home, Mr. Stewart says.

"Durn, I Just Mailed It"

In these instances, "the most common occurrence" is for the consumer, who is "embarrassed," to respond, "Durn, I just mailed it in yesterday," Mr. Stewart says. Then, after the field agent leaves, the person rushes out and mails the card back. These procedures round up another 20% of the cards, the official reports. The bureau normally runs the cards through a shredder here, which has been working overtime lately. (The credit-card companies themselves can attempt to collect the remaining 20% by legal means.)

Field agents are usually paid \$5—for a statement that the card has been returned, destroyed or lost—to \$15—for its actual return. For its part, the bureau's fees generally range from \$7.50 to \$25, although the charge for a "super" account is \$75; for these, Mr. Stewart promises to have within 12 hours—"and usually within two"—a field agent on the debtor's doorstep. The largest fee ever received by the bureau was \$500 several years ago for tracking down an errant credit-card holder in Guadalajara, Mexico, who had an outstanding balance of \$18,000.

In recent weeks, the bureau has received orders for cards in Monrovia, Liberia; Villa Carolina, Puerto Rico; Hamburg; and Madrid. In these instances, Mr. Stewart plans to write to law-enforcement agencies in the area to recover the cards. He points out that in the case of a cardholder in a foreign land, "it takes six to eight weeks for a charge slip to come back to the U.S. and a person can do a lot of damage in that time." A major U.S. bank asserts that delinquent European charges "have risen sharply in recent months."

"Substantially more" corporate credit cards are being recovered, as many companies have developed a severe case of "the

Please Turn to Page 23, Column 4

Getting Credit Cards Back From Deadbeats Is a Booming Business

Continued From First Page

cash tight," Mr. Stewart says. That means, he adds, that "their cash flow isn't what it should be, so something has to give. There's an inclination to pay first those near you," often leaving national credit-card companies neglected.

There have also been noticeable increases in abuses by clergy and people in high-income brackets, such as sports personalities and entertainment celebrities, Mr. Stewart says.

Clergymen rarely are much trouble for the card repossessioners. But athletes and entertainers are often a different story showing great reluctance to relinquish cards, Mr. Stewart says. One incident concerned a prominent Spanish-speaking baseball player who had run up \$10,000 in debts. Mr. Stewart directed an employe who spoke Spanish to call the Dominican Republic and talk with the player. "We ended up with \$35 to \$40 in long-distance phone bills, but we got back the cards" after a bank had tried fruitlessly for months, he says.

Mr. Stewart himself tried to help recover a card from a well-known female singer appearing in the Lake Tahoe area. Mr. Stewart, in San Francisco at the time, phoned her and left a message that he would be in the audience the next night and that he wanted the card. The singer then ended her engagement, pleading ill health. Shortly thereafter, a field agent in Los Angeles retrieved the card at her home.

Today "for the first time, we have a major "skip" problem" as debtors change residences and, intentionally or not, fail to leave forwarding addresses, the official says. In these cases, he says, "time is the greatest ally" of the credit-card holder.

The bureau does have a sometimes-effective way to trace wandering debtors, Mr. Stewart says. On gasoline charges, there is a space for the attendant to write down the license number. If such a ticket is available, the bureau can go to the state department of motor vehicles and find out if a bank has a lien on the car. "You can be fairly sure the lien holder knows where the person is, and the debtor is greatly surprised to find us on his doorstep," the official says.

Mr. Stewart maintains that he is sensitive to the "age of consumerism" and that telephone calls to cardholders aren't permitted before 7 a.m. or after 9 p.m. or on Sundays, holidays or periods of religious observance. In addition, he instructs phone callers and field agents that "under no circumstances is foul, abusive or questionable language" to be used.

Even so, at times those returning cards are less than gracious. A not-uncommon reaction is a rubber-stamped "bull . . ." imprinted on returns.

Exhibit OLL

RECEIVED FOR ENTRY
3:00 P.M.

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE,
AT NASHVILLE

MAR 1 - 1971

BRANDON LEWIS, Clerk

[Handwritten signature]

GENERAL MOTORS CORPORATION)
)
)
)
-VS-)
)
)
)
)
)
GEORGE F. McCANLESS,)
ATTORNEY GENERAL, ETC., ET AL)

Civil Action
No. 5107

CONSENT DECREE

In this cause the court finds with the consent and agreement of the parties and upon stipulation of the parties, all as evidenced by the signatures of their respective counsel of record affixed hereto:

1. That plaintiff's compensation to its dealers for warranty service will be on and after the date of the entry of this decree in the manner set forth in the Schedule of Compensation filed herewith and made a part hereof by reference as Exhibit A.

Over

2. That said Schedule of **Compensation presently** constitutes compliance with the provisions of T.C.A. 59-1714 as amended by Chapter 426 of the Public Acts of 1968 of the General Assembly of the State of Tennessee and with the Rules of the Tennessee Motor Vehicle Commission.

3. That Rule Sixteen referred to in the amended complaint in this cause has been amended by the Tennessee Motor Vehicle Commission as set forth in Exhibit B, attached hereto.

4. That in view of the foregoing the parties have agreed that the complaint in this cause may be dismissed

to either party.

WHEREFORE, IT IS ORDERED, ADJUDGED AND DECREED by the court that, upon the stipulation of the parties, this cause is dismissed without prejudice and without costs or attorney's fees to any party hereto.

It is further ORDERED, ADJUDGED AND DECREED that the provisions of the Consent Order filed in this cause on May 27, 1968, are hereby vacated.

Dated this 21st day of February, 1971.

Harry Shelly
Circuit Judge

William E. ...
District Judge

Frank ...
District Judge

ENTERED BY CONSENT:

Walter P. ...
Attorney for Plaintiff,
General Motors Corporation

Paul ...
Counsel for Defendants

Joseph B. Harris
Special Counsel for Defendants

EXHIBIT ASCHEDULE OF COMPENSATIONDealer Compensation for Performance
of Warranty Adjustments

There are essentially three basic factors involved in determination of compensation rates applicable to warranty work.

The first factor relates to parts. On parts used for warranty work General Motors will credit the dealer's parts account with the actual cost to the dealer of said parts and in addition will pay the dealer a handling charge of 25% of said actual cost for the part."

The second factor relates to the time allowance for the performance of the repair or replacement of a part or the time allowance for an adjustment or labor-only operation not involving parts. General Motors vehicle divisions publish flat rate schedules of time allowance for each model vehicle, setting forth the time required for individual service operations which under the schedules now in effect afford sufficient time to perform the indicated service operations.

Dyer

The third factor considered is the warranty labor rate, in dollars, which when multiplied by the time allowance for a specific operation as contained in the flat rate schedule of time allowances determines the labor reimbursement on a warranty claim.

For performing a warranty order, a dealer shall be reimbursed at 220% of the productive mechanics' average base rate for the number of flat rate hours specified in the schedule. Moreover, under the formula, the dealer shall recover 150% of his average hourly fringe benefit

costs for the following fringe benefits applicable to such productive mechanics in the dealership:

1. Paid vacations
2. Pay in lieu of vacation
3. Holiday pay
4. Sick pay
5. Separation allowance
6. Hospital insurance
7. Retirement or pension plan
8. Uniforms and laundry
9. Group life insurance

This formula applies to all warranty work; however, the warranty labor rate so determined shall not exceed the dealer's stated customer retail labor rate.

TENNESSEE MOTOR VEHICLE COMMISSION

All charges made by a dealer to a manufacturer, distributor or representative for warranty claims shall be filed within thirty days after the work claimed for is completed. Any claims filed after thirty days shall be disallowed. All such claims for warranty charges duly filed shall be deemed approved and shall be paid, unless written reasons are given for the rejection thereof by the manufacturer, distributor or representative within sixty days after such claim shall have been filed with the manufacturer by the dealer. The manufacturer, distributor or representative shall have twelve months after the payment of a claim within which to review its action, audit the dealer's records and to disallow the claim for good cause. If the dealer does not agree to such disallowance, the dealer shall have the right to appeal to the Commission.

ATTEST: A TRUE COPY

Brandon Lewis, Clerk
U. S. District Court
Middle District of Tennessee
By: [Signature] D.C.

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 26

ASSEMBLY BILL NO. 26—ASSEMBLYMEN DEMERS,
BANNER, DREYER AND BROOKMAN

JANUARY 22, 1975

Referred to Committee on Commerce

SUMMARY—Requires health insurance policies to include coverage for services by practitioners of traditional Chinese medicine. Fiscal Note: No. (BDR 57-200)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to Oriental medicine; requiring health insurance policies to include coverage for services by persons licensed in Nevada to practice traditional Oriental medicine or a branch thereof; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 689A.380 is hereby amended to read as follows:
2 689A.380 As used in any policy of health insurance delivered, issued
3 for delivery or used in this state, unless otherwise provided in the policy or
4 in an endorsement thereon or in a rider attached thereto:
5 1. "Accidental death" means death by accident exclusively and inde-
6 pendently of all other causes.
7 2. "Confinement to house" or "house confinement" includes the activ-
8 ities of a convalescent not able to be gainfully employed.
9 3. "Medical or surgical services" includes also services within the
10 scope of his license rendered by any individual while duly licensed by the
11 State of Nevada under any of the following chapters of NRS: 631 (den-
12 tistry); 633 (osteopathy); 634 (chiropractic); *634A (Oriental medicine)*;
13 635 (podiatry); or 636 (optometry). No policy of health insurance shall
14 exclude coverage for services of any licensee provided for in this subsec-
15 tion.
16 4. "Total disability" means inability to perform the duties of any gain-
17 ful occupation for which the insured is reasonably fitted by training, expe-
18 rience and accomplishment.

S. B. 312**SENATE BILL NO. 312—COMMITTEE ON COMMERCE
AND LABOR**

MARCH 7, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Establishes unit pricing in sale of consumer commodities.
Fiscal Note: Yes. (BDR 52-234)EXPLANATION—Matter in *italics* is new; matter in brackets [] is
material to be omitted.

AN ACT relating to trade regulations and practices; establishing requirements for unit pricing in the sale of consumer commodities; providing penalties; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Chapter 598 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 6, inclusive, of this act.
- 3 SEC. 2. *As used in sections 2 to 6, inclusive, of this act:*
- 4 1. *"Commissioner" means the commissioner of consumer affairs.*
- 5 2. *"Consumer commodity" means any food, drug, device, cosmetic*
6 *or other article, product or commodity of any other kind or class, except*
7 *drugs sold only by prescription, which is customarily produced for sale to*
8 *retail sales agencies or instrumentalities for consumption by individuals,*
9 *or use by individuals for purposes of personal care or in the performance*
10 *of services ordinarily rendered in or around the household, and which*
11 *usually is consumed or expended in the course of such consumption or*
12 *use.*
- 13 3. *"Unit price" means the retail price of a consumer commodity*
14 *expressed in terms of the retail price of such commodity per unit of*
15 *weight, measure or count, computed to the nearest whole cent or fraction*
16 *thereof.*
- 17 SEC. 3. 1. *Any person who sells or offers or exposes for sale at*
18 *retail any consumer commodity designated by the commissioner, in*
19 *accordance with the provisions of section 4 of this act, shall disclose to*
20 *the consumer the unit price and total price of such commodity as provided*
21 *in subsection 2.*
- 22 2. *Persons subject to the requirements of subsection 1 shall disclose*
23 *the unit price and total price to consumers by one or more of the follow-*
24 *ing means:*

S. B. 313**SENATE BILL NO. 313—COMMITTEE ON COMMERCE
AND LABOR**

MARCH 7, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Specifies conditions constituting default for failure to pay in retail installment contracts. Fiscal Note: No. (BDR 8-228)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to retail installment sales; specifying conditions under which seller with security interest in goods may accelerate or otherwise proceed against buyer on basis of default for failure to pay; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Chapter 97 of NRS is hereby amended by adding thereto
2 a new section which shall read as follows:
3 *Notwithstanding any term or agreement to the contrary, where a retail
4 buyer has given a retail seller a security interest in goods under a retail
5 installment contract, the seller or his assignee shall not be entitled to
6 accelerate the buyer's obligation, pursue remedies for default under a
7 security agreement pursuant to chapter 104 of NRS, or otherwise pro-
8 ceed against the buyer on the basis of default for failure to pay, unless:*
9 1. *The first installment payment has remained unpaid for more than
10 15 days after its due date;*
11 2. *Two or more installment payments have remained unpaid for more
12 than 15 days after their due dates; or*
13 3. *The last installment payment has remained unpaid for more than
14 15 days after its due date.*

S. B. 51**SENATE BILL NO. 51—SENATOR HILBRECHT**

JANUARY 29, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Provides that deductions from employee's wages may be authorized by labor contract. Fiscal Note: No. (BDR 53-390)



EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to withholding of wages; providing that deductions from an employee's wages may be authorized by provisions of a labor contract; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. NRS 608.110 is hereby amended to read as follows:
 2 608.110 1. [Nothing in this chapter shall be so construed as to]
 3 *This chapter does not* preclude the withholding from the wages or com-
 4 pensation of any employee of any dues, rates or assessments becoming
 5 due to any hospital association or to any relief, savings or other depart-
 6 ment or association maintained by the employer or employees for the
 7 benefit of the employees, or other deductions authorized by written order
 8 of an employee [.] *or by the provisions of a labor contract governing the*
 9 *bargaining unit to which the employee belongs.*
 10 2. At the time of payment of such wages or compensation, the
 11 employee shall be furnished by the employer an itemized list showing the
 12 respective deductions made from the total amount of such wages or
 13 compensation.

S. B. 83

 SENATE BILL NO. 83—COMMITTEE ON COMMERCE
 AND LABOR

JANUARY 29, 1975

 Referred to Committee on Commerce and Labor

 SUMMARY—Deletes definition of “designer” and clarifies exemptions pertaining to
 practice of architecture. Fiscal Note: No. (BDR 54-642)

 EXPLANATION—Matter in *italics* is new; matter in brackets [] is
 material to be omitted.

 AN ACT relating to architects; deleting “designer” from definitions; clarifying the
 exemption of certain persons from the provisions of chapter 623 of NRS; and
 providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
 do enact as follows:*

- 1 SECTION 1. NRS 623.015 is hereby amended to read as follows:
 2 623.015 As used in this chapter, unless the context otherwise
 3 requires:
 4 1. “Architect” means any person who engages in the practice of
 5 architecture.
 6 2. “Board” means the Nevada state board of architecture.
 7 3. “Certificate of registration” means the certificate of annual regis-
 8 tration issued by the board.
 9 4. [“Designer” means any person who produces a sketch or outline
 10 showing the main features of a building plan which may be used in the
 11 construction of a completed building.
 12 5.] The “practice of architecture” consists of holding out to the
 13 public, and rendering, services embracing the scientific, esthetic and
 14 orderly coordination of all the processes which enter into the production
 15 of a completed building, performed through the medium of plans, specifi-
 16 cations, [supervision] *administration* of construction, preliminary studies,
 17 consultations, evaluations, investigations, contract documents and advice
 18 and direction.
 19 SEC. 2. NRS 623.330 is hereby amended to read as follows:
 20 623.330 1. The following persons are exempt from the provisions of
 21 this chapter:
 22 [1.] (a) A person engaging in architectural work as an employee of
 23 a registered architect, if the work does not include responsible charge of
 24 design or supervision, or a consultant retained by a registered architect.

S. B. 246**SENATE BILL NO. 246—SENATOR NEAL**

FEBRUARY 21, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Reduces maximum interest rate for retail charge agreements. Fiscal Note: No. (BDR 8-949)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT reducing the maximum interest rate for retail charge agreements; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 97.245 is hereby amended to read as follows:
 2 97.245 1. At or prior to the time a retail charge agreement is made
 3 the seller shall advise the buyer in writing, on the application form or
 4 otherwise, or orally, that a time price differential will be computed on the
 5 outstanding balance for each month (which need not be a calendar
 6 month) or other regular period agreed upon, the schedule or rate by
 7 which the time price differential will be computed, and that the buyer may
 8 at any time pay his total unpaid balance. If such information is given
 9 orally, the seller shall, upon approval of the buyer's credit, deliver to the
 10 buyer or mail to him at his address a memorandum setting forth such
 11 information.
- 12 2. The seller or holder of a retail charge agreement shall promptly
 13 supply the buyer with a statement as of the end of each monthly period
 14 (which need not be a calendar month) or other regular period agreed
 15 upon, in which there is any unpaid balance thereunder, which statement
 16 shall set forth the following:
- 17 (a) The unpaid balance under the retail charge agreement at the
 18 beginning and at the end of the period;
- 19 (b) Unless otherwise furnished by the seller to the buyer by sales slip,
 20 memorandum or otherwise, a description or identification of the goods or
 21 services purchased during the period, the cash sale price and the date of
 22 each purchase;
- 23 (c) The payments made by the buyer to the seller and any other credits
 24 to the buyer during the period;

S. B. 266

SENATE BILL NO. 266—COMMITTEE ON COMMERCE
AND LABOR

FEBRUARY 26, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Changes state board of architecture to state board of architecture and building design, and provides for qualification, registration and regulation of building designers. Fiscal Note: No. (BDR 54-942)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to architects and building designers; changing the state board of architecture to state board of architecture and building design; providing for qualification, registration and regulation of building designers; providing penalties; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. Chapter 623 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 5, inclusive, of this act.
3 SEC. 2. 1. *Any person who is a resident of this state, 21 years of age*
4 *or over and of good moral character and who has engaged in the practice*
5 *of building design as his principal activity for at least 5 years immediately*
6 *prior to January 1, 1975, may apply to the board for registration as a*
7 *building designer.*
8 2. *The following education and experience shall be considered as 5*
9 *years in the practice of building design:*
10 (a) *Three years as a principal in independent practice as a building*
11 *designer in this state plus 2 years' employment with an architect or build-*
12 *ing designer;*
13 (b) *Five years of independent practice as a building designer, not less*
14 *than 2 years of which have been in this state;*
15 (c) *Two years of independent practice as a building designer in this*
16 *state plus 3 years of educational experience acceptable to the board; or*
17 (d) *Comparable experience deemed by the board to be the equivalent*
18 *of 5 years in the practice of building design.*
19 SEC. 3. 1. *An applicant for registration as a building designer shall*
20 *furnish the following evidence of his qualifications:*
21 (a) *Copies of two or more separate agreements executed between the*
22 *applicant and the owner or owners of two or more buildings, or affidavits*

A. B. 280

ASSEMBLY BILL NO. 280—ASSEMBLYMEN
ROBINSON AND BANNER

FEBRUARY 14, 1975

Referred to Committee on Commerce

SUMMARY—Abolishes the shorthand reporters' fund and permits certified shorthand reporters board of Nevada to deposit funds with banks or savings and loan institutions. Fiscal Note: No. (BDR 54-904)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to certified shorthand reporters; abolishing the shorthand reporters' fund; permitting the executive secretary of the certified shorthand reporters board of Nevada to deposit funds in Nevada banks or savings and loan institutions; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 656.230 is hereby amended to read as follows:
 2 656.230 [1. All fees and other revenues received by the board shall
 3 be deposited in the state treasury in the shorthand reporters' fund, which
 4 is hereby created.
 5 2. Claims against such fund shall be made by the board and paid
 6 as other claims against the state are paid.] *All moneys coming into the*
 7 *possession of the board shall be kept or deposited by the executive secre-*
 8 *tary of the board in banks or savings and loan institutions in the State*
 9 *of Nevada to be expended for payment of compensation and expenses*
 10 *of board members and for other necessary or proper purposes in the*
 11 *administration of this chapter.*