

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 4501  
OFFERED BY MR. RUSH OF ILLINOIS**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

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

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

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

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

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

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

4           (A) the amount the consumer insured the  
5 shipment of the jewelry or precious metals to  
6 the purchaser of precious metals, if the con-  
7 sumer provides the purchaser of precious metals  
8 with proof of such insurance; or

9           (B) 60 percent of the melt-value of the  
10 jewelry or precious metals, if the consumer does  
11 not provide the purchaser of precious metals  
12 with proof of such insurance.

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

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

18           (1) the term “purchaser of precious metals”  
19 means a person who is in the business of purchasing  
20 jewelry or other precious metals directly from con-  
21 sumers; and

22           (2) the term “melt-value” means the reasonable  
23 estimated value of any item of jewelry or precious  
24 metal, as determined by the purchaser of precious

1 metals, if such item were processed and refined by  
2 the purchaser of precious metals.

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

6 **SEC. 3. ENFORCEMENT BY THE FEDERAL TRADE COMMIS-**  
7 **SION.**

8 (a) UNFAIR AND DECEPTIVE ACT OR PRACTICE.—  
9 A violation of this Act or a regulation issued pursuant to  
10 this Act shall be treated as an unfair or deceptive act or  
11 practice in violation of a regulation under section  
12 18(a)(1)(B) of the Federal Trade Commission Act (15  
13 U.S.C. 57a(a)(1)(B)) regarding unfair or deceptive acts  
14 or practices.

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

1 **SEC. 4. EFFECTIVE DATE.**

2       The provisions of this Act shall take effect 60 days  
3 after the date of enactment of this Act.

Amend the title so as to read: “A bill to require certain return policies from businesses that purchase precious metals from consumers.”.

