



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Division of Enforcement

March 30, 2007

Stephen Mahinka, Esq.  
Morgan Lewis  
1111 Pennsylvania Avenue, NW  
Washington, DC 20004

Dear Mr. Mahinka:

Federal Trade Commission staff have conducted an inquiry to determine whether your client, Littleton Coin Company, LLC ("LCC"), violated Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Unordered Merchandise Statute, 39 U.S.C. § 3009, in connection with LCC's practice of sending additional coins-on-approval to consumers who ordered a particular coin or coin set or requested a free catalog. In particular, the inquiry focused on whether LCC adequately disclosed the fact that it would send additional coins (on an approval basis) to consumers responding to an ad by ordering a particular coin or coin set. As a result of the ambiguity in the advertisements, some consumers believed they were invoiced for unordered merchandise.

You have advised the staff of the following practices relevant to our inquiry. First, after sending the initial set of coins on approval, LCC does not send additional coin selections on an approval basis unless a consumer responds by purchasing some or all of the initial coins sent on approval. Second, LCC provides a postage-paid reply envelope along with coins sent on approval for consumers to return unwanted coins. Third, LCC does not refer to a collection agency those consumers who do not return or pay for the initial set of coins on approval.

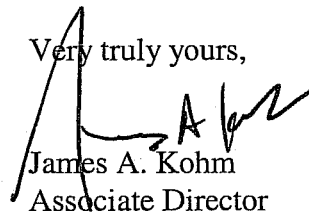
In addition, you have informed the staff that LCC has made the following revisions to its business practices:

1. LCC has revised its print advertisements to disclose more clearly that LCC will send additional coins on an approval basis to consumers responding to LCC's ads by ordering the coins or coin sets being advertised. Among other things, the revised ads will state clearly that consumers may purchase all or none of the additional coins on approval.
2. LCC has revised the welcome letter sent to consumers with the coins they ordered and the additional coins-on-approval to explain more clearly the coins-on-approval offer, particularly that consumers can return any or all of the additional coins if the consumer does not wish to purchase them.

3. LCC has revised the invoice sent to consumers with the coins they ordered and the additional coins-on-approval to state more clearly that consumers can return any or all of the additional coins and owe nothing if the consumer does not want to purchase them.
4. LCC will continue to provide postage-paid envelopes with the coins-on-approval for consumers to return coins they do not want.

The staff has concluded that no further action is warranted by the FTC at this time. Accordingly, the inquiry has been closed. This action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The FTC reserves the right to take such further action as the public interest may require. The opinions expressed in this letter are those of the staff and not necessarily those of the Commission or of any Commissioner.

Very truly yours,



James A. Kohm  
Associate Director