

(Despite warnings, returns may be unloaded from whichever car it is in, and if from the rear car, equivalent credit may be shifted from front to rear car.)

5. Return to Step 1 at each successive toll gate.

What is the rate?

- There are two rates:
 - . Notification rate. (See instruction 3).
 - . Collection rate. (See instruction 1).
- Notification rate equals $1\frac{1}{2}\%$ per month or 18% per year. The free ride may be 1 day unit to 30 day units in the second car; and at his option up to another 29 days in the first car.
- Collection rate is equal to the sum of tolls at each of the 12 successive gates divided by total of the loads in the front cars as measured at each gate when the total is paid.
- Difference between notification and collection rates:
 - Case 1 - If there is no change in load, the notification rate of \$1.50 per \$100 would be 12×1.50 or \$18 per \$100 at end of 12 successive units, or equivalent to 18% for a 12-unit segment; (or 19.6% per year if not paid at each gate, but added to the load).
 - Case 2 - If there is total discharge of the front car before each of the 12 toll gates, collection rate equals 0, but notification rate equals 18%.
 - Case 3 - If there is partial unloading from the front car, notification rate is 18%; collection rate will vary between 0 and 18 depending on the use of unloading options.

S. 5 requires disclosure of the notification rate which is always 18%. The creditor may receive or the consumer may pay at any rate between 0% and 18% depending on the use of the unloading options:

Observations Regarding Penney's

1. Their "effective" rates assume toll keepers are stationed at every day unit along the route. This is not in accordance with the set-up, nor does it correspond to any present-day commercial practices.