IN THE MATTER OF

FEDERATED DEPARTMENT STORES, INC.

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket 6836. Complaint, July 9, 1957—Decision, Jan. 8, 1959

Order requiring a department store in Cincinnati, Ohio, to cease violating the Fur Products Labeling Act by failing to comply with the labeling and invoicing requirements; by newspaper advertising which failed to disclose the names of animals producing certain furs, the country of origin of imported furs, or that some products contained artificially colored or cheap or waste fur, and which represented prices as reduced from regular prices which were in fact fictitious, misrepresented comparative prices and percentage savings claims, and fur products as being from a liquidating business; and by failing to keep adequate records as a basis for said pricing claims.

Mr. Morton Nesmith and *Mr. John J. Mathias* supporting the complaint.

Mr. Otis B. Gary of *Carrington, Gowan, Johnson, Bromberg & Leeds*, of Dallas, Tex. and *Mr. Norman Diamond* of *Arnold, Fortas & Porter*, of Washington, D.C., for respondent.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

PRELIMINARY STATEMENT

The complaint in this proceeding charges Federated Department Stores, Inc., hereinafter referred to as respondent, with violation of the Federal Trade Commission Act, the Fur Products Labeling Act, and the Rules and Regulations promulgated thereunder, in connection with the advertising and sale of furs. Specifically, respondent is charged with misbranding, false advertising, and false invoicing of furs.

After service of the complaint, respondent filed an answer denying all of the charges complained about. At the initial hearing held on June 6, 1958, a stipulation agreed to by respective counsel was received into the record. By the terms of the stipulation, it was agreed that counsel supporting the complaint had substantial evidence, both testimonial and documentary which, if offered in evidence, would sustain the allegations set forth in the complaint, which evidence respondent does not contradict, except that (1) Counsel supporting the complaint does not have

sufficient evidence to establish the allegation in subsection (f) of paragraph 8 of the complaint with respect to comparative prices and percentage savings claims, and (2) Counsel supporting the complaint does not have evidence to show that respondent has ever sold a fur product which contained or was composed of used fur.

Said stipulation further provides that:

(a) Counsel supporting the complaint agrees that all evidence concerning the charges set out in paragraph 6 with respect to invoicing relate to transactions at the retail level.

(b) Subject to respondent's right to brief, and to request oral argument on questions of law, the hearing examiner and the Commission may proceed to make findings of fact, draw conconclusions therefrom and enter an appropriate order as though such evidence sustaining the allegations of the complaint was in the record, and

(c) The respondent otherwise waives any further procedural steps before the hearing examiner and the Commission.

Counsel supporting the complaint and for the respondent have filed proposed findings of fact, conclusions, and order, and briefs thereon. All findings of fact and conclusions of law proposed by respective counsel, not hereinafter specifically found or concluded are hereby rejected. Upon the basis of the entire record the hearing examiner makes the following findings of fact and conclusions, and issues the following order:

FINDINGS OF FACT

1. Respondent, Federated Department Stores, Inc., is a corporation duly established under the laws of the State of Delaware with offices and principal place of business located at 707 Race Street, Cincinnati, Ohio.

2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, the respondent has been and is now engaged, at retail, in the introduction into commerce, and in the sale, advertising and offering for sale, in commerce, and in the transportation and distribution in commerce, of fur products, and has sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce," "fur," and "fur product" are defined in the Fur Products Labeling Act.

3. Certain of said fur products were misbranded in that labels affixed thereto contained fictitious prices and misrepresented the value of such fur products in violation of Section 4(1) of the Fur Products Labeling Act.

4. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

5. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was intermingled with nonrequired information in violation of Rule 29(a) of the said Rules and Regulations;

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not completely set forth on one side of the labels as required by Rule 29(a) of the said Rules and Regulations;

(c) Required item numbers or marks were not set forth on labels in violation of Rule 40(a) of the said Rules and Regulations.

6. It is found that the evidence does not show that respondent has ever sold a fur product which contained or was composed of used fur.

7. In sales of certain of said fur products, respondent did not issue invoices, or sales slips, to its customer purchasers which contained the information specified by Section 5(b)(1) of the Act and the regulations prescribed thereunder. Respondent's sales of fur products are limited and confined to retail sales.

8. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act, in that respondent caused the dissemination in commerce, as "commerce" is defined in said Act, of certain advertisements concerning said products, by means of newspapers and by various other means, which advertisements were not in accordance with the provisions of Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated under said Act, and which advertisements were intended to and did aid, promote, and assist, directly or indirectly, in the sale and offering for sale of said fur products.

9. Among and included in the advertisements as aforesaid, but not limited thereto, were advertisements of respondent which appeared in various issues of the Dallas Morning News, a newspaper published in Dallas, Tex., and having wide circulation in said state and various other States of the United States.

By means of the aforesaid advertisements and through others of the same import and meaning not specifically referred to herein, respondent falsely and deceptively advertised its fur products in that said advertisements;

(a) Failed to disclose the name or names of the animal or animals that produced the fur contained in the fur product as set forth in the Fur Products Name Guide, in violation of Section 5(a)(1) of the Fur Products Labeling Act;

(b) Failed to disclose that fur products contained or were composed of bleached, dyed, or otherwise artificially colored fur, when such was the fact in violation of Section 5(a)(3) of the Fur Products Labeling Act.

(c) Failed to disclose that fur products were composed in whole or in substantial part of paws, tails, bellies, or waste fur when such was the fact in violation of Section 5(a)(4) of the Fur Products Labeling Act.

(d) Failed to disclose the name of the country of origin of imported furs contained in such fur products in violation of Section 5(a)(6) of the Fur Products Labeling Act.

(e) Represented prices of fur products as having been reduced from regular or usual prices where the so-called regular or usual prices were in fact fictitious, in that they were not the prices at which said merchandise was usually sold by respondents in the recent regular course of their business in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the aforesaid Rules and Regulations.

(f) Misrepresented fur products as being the stock of a business in a state of liquidation in violation of Rule 44(g) of the aforesaid Rules and Regulations.

10. Respondent, in making the pricing claims and representations referred to in subparagraph (e) of paragraph 9 hereof failed to maintain full and adequate records disclosing the facts upon which such claims and representations were purportedly based in violation of Rule 44(e) of the aforesaid Rules and Regulations.

11. It is found that the allegations contained in subsection (f) of paragraph 8 of the complaint with respect to comparative prices and percentage savings claims have not been established.

CONCLUSIONS

12. The acts and practices found herein to have been committed by respondent are in violation of the Fur Products Labeling Act and the rules and regulations promulgated thereunder, and constitute unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

13. There is no evidence that respondent has ever sold a fur product which contained or was composed of used fur and, consequently, there is no evidence that respondent failed to observe the specific requirement of subdivision (B) of Section 4(2) of the Fur Act. Respondent did not disclose on labels affixed to certain products information required by other subdivisions of Section 4(2), however, and it has, therefore, misbranded such fur products in violation of that section. Since failure to attach to a fur garment an adequate label as prescribed by Section 4(2) constitutes misbranding, respondent should be prohibited from failing to observe all of the affirmative requirements of that section.

ORDER

It is ordered, That respondent, Federated Department Stores, Inc., a corporation, and its officers; and respondent's representatives, agents, and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, or in connection with the sale, advertising, offering for sale, transportation, or distribution of fur products which have been made in whole or in part of fur which had been shipped and received in commerce as "commerce," "fur," and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Affixing labels thereto which contain fictitious prices or prices in excess of those at which such products are usually and customarily sold, and which misrepresent the value of such fur products:

2. Failing to affix labels to fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide;

(b) That the fur product contains or is composed of used fur, when such is the fact;

(c) That the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is a fact;

(d) That the fur product is composed in whole or in substantial part of paws, bellies, tails, or waste fur, when such is a fact;

(e) The name or other identification issued and registered by the Commission of one or more persons who manufactured such fur product for introduction into commerce, sold it in commerce, advertised, or offered it for sale in commerce, or transported or distributed it in commerce;

(f) The name of the country of origin of any imported furs used in the fur product;

3. Setting forth on labels attached to fur products required information under Section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder, mingled with non-required information.

4. Failing to set forth on labels attached to fur product:

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder, on one side of the label;

(b) Item numbers or marks assigned to fur products under Rule 40(a) of the Rules and Regulations promulgated under the Fur Products Labeling Act.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the rules and regulations;

(b) That the fur product contains or is composed of used fur, when such is the fact;

(c) That the fur product contains or is composed of bleached, dyed, or artificially colored fur, when such is the fact;

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) The name and address of the person issuing such invoices;

(f) The name of the country of origin of any imported furs contained in the fur product.

C. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale or offering for sale of fur products, and which:

1. Fails to disclose:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) That the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is a fact;

(c) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is a fact;

(d) The name of the country of origin of imported fur contained in fur products.

2. Represents, directly or by implication that the regular or usual price of any fur product is any amount which is in excess of the price at which the respondent has usually and customarily sold such products in the recent regular course of its business.

3. Represents fur products as being the stock of a business in a state of liquidation, when such is not a fact.

D. Making price claims and representations of the type referred to in subparagraph C2 above, unless there are maintained by respondent full and adequate records disclosing the facts upon which such claims or representations are based, as required by Rule 44(e) of the Rules and Regulations, and Section 8(d)(1) of the Fur Products Labeling Act.

OPINION OF THE COMMISSION

By ANDERSON, Commissioner:

The complaint in this matter charges respondent with misbranding, false invoicing and false advertising of fur products in violation of the Fur Products Labeling Act and the rules and regulations promulgated thereunder. The hearing examiner found in his initial decision that respondent had, in certain respects, misbranded and falsely advertised fur products sold by it. Both sides have appealed from this decision.

Respondent contends on appeal that the Fur Act does not invest the Commission with any authority whatsoever over pricing prac-

tices or records concerning the same and that such authority cannot be asserted under the terms of the administrative rule-making provisions of the Act. Counsel in support of the complaint have appealed from the hearing examiner's holding that the invoicing requirements of the Act are not applicable to sales of fur products at retail and from his failure to require respondent to comply with all labeling requirements prescribed in Section 4(2) of the Act.

Turning first to respondent's contention that the Commission has no authority under the Fur Act to proscribe deceptive pricing practices in labeling or advertising of fur or fur products, it is our opinion that this point should be, and it hereby is, decided adversely to respondent. The issue presented under this appeal is essentially the same as that considered in *DeGorter* v. *Federal Trade Commission,* 244 F. 2d 270 (C.A. 9, 1957), and *Mandel Brothers, Inc.* v. *Federal Trade Commission,* 254 F. 2d 18 (C.A. 7, 1958). The courts in those cases upheld the Commission's position that Section 5(a)(5) of the Fur Act comprehends all forms of misrepresentation or deception in advertising, including those relating to prices and values, and that Rule 44 which pertains to misrepresentation of prices in advertising is a valid, substantive regulation with the full force and effect of the statute itself. We also hold that subsection (1) of Section 4 of the Act encompasses pricing misrepresentations in the labeling of fur products. As we stated in the *DeGorter* case, *supra*:

> . . . under that subsection, a fur product is misbranded when falsely or deceptively labeled and also when the label contains any form of misrepresentation or deception with respect to it.

Counsel supporting the complaint appeal from the hearing examiner's holding that a retail sales slip is not an invoice under the Act and also question the limited scope of the order pertaining to misbranding under Section 4(2). Both points raised on appeal by counsel supporting the complaint were considered in the *Mandel* case, *supra.* The Commission held in that case with respect to the first point that a retail sales slip is an invoice as that term is defined in Section 2(f) of the Act and that the invoicing requirements of the Act and rules and regulations promulgated thereunder are applicable to retail transactions. With respect to the second point, the Commission held in the same case that a fur product is misbranded under Section 4(2) of the Act if the requirements of that section are not fully complied with and that

where it is found that there has been a failure to disclose any of the information prescribed by Section 4(2), an appropriate order should require a disclosure of all information prescribed by that section. On review of the case, however, the Court of Appeals for the Seventh Circuit reversed the Commission on both issues. The case is now pending before the Supreme Court on a petition for a writ of certiorari.

In the matter now before us, the hearing examiner has found that respondent's sales of fur products are limited to retail sales and that, in some of these sales, it did not issue invoices, or sales slips, to its customer purchasers which contained the information specified by Section 5(b)(1) of the Act and the regulations promulgated thereunder. Relying on the court's decision in the *Mandel* case, the hearing examiner concluded that the invoicing requirements of the Act are not applicable to sales of fur products at retail and, consequently, that respondent's failure to issue invoices to purchasers of its fur products is not a violation of the Act.

The hearing examiner has also found that although certain fur products sold by respondent were misbranded in that they were not labeled as required under the provisions of Section 4(2)(1), the evidence did not show that respondent had ever sold a fur product which contained or was composed of used fur. He concluded from this finding that respondent had not violated subdivision (B) of Section 4(2) and he held on the basis of the court's decision in the *Mandel* case that he was not authorized to include in the order a prohibition with respect to used furs as specified in subdivision (B) of the aforementioned section.

The conclusions of the hearing examiner are in accord with the court's decision in the *Mandel* case and contrary to the views expressed by the Commission in that case. As previously stated, the foregoing issues are now before the Supreme Court and there has not been a final judicial determination thereof. Under these circumstances, the Commission feels compelled not to adopt a position inconsistent with that which it has taken on appeal. Consequently, the appeal of counsel supporting the complaint is granted and the initial decision will be modified to conform with this opinion.

FINAL ORDER

Respondent and counsel in support of the complaint having filed cross-appeals from the initial decision of the hearing ex-

aminer, and the matter having been heard on briefs, no oral argument having been requested; and the Commission having rendered its decision denying the appeal of respondent and granting the appeal of counsel in support of the complaint and directing modification of the initial decision:

It is ordered, That paragraph 7 of the initial decision be modified to read as follows:

7. In sales of certain of said fur products, respondent did not issue invoices, or sales slips, to its customer purchasers which contained the information specified by Section 5(b)(1) of the Act and the regulations prescribed thereunder. Respondent's sales of fur products are limited and confined to retail sales.

It is further ordered, That paragraphs 12 and 13 of the initial decision be modified to read as follows:

12. The acts and practices found herein to have been committed by respondent are in violation of the Fur Products Labeling Act and the rules and regulations promulgated thereunder, and constitute unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

13. There is no evidence that respondent has ever sold a fur product which contained or was composed of used fur and, consequently, there is no evidence that respondent failed to observe the specific requirement of subdivision (B) of Section 4(2) of the Fur Act. Respondent did not disclose on labels affixed to certain products information required by other subdivisions of Section 4(2), however, and it has, therefore, misbranded such fur products in violation of that section. Since failure to attach to a fur garment an adequate label as prescribed by Section 4(2) constitutes misbranding, respondent should be prohibited from failing to observe all of the affirmative requirements of that section.

It is further ordered, That the following order be, and it hereby is, substituted for the order contained in the initial decision:

It is ordered, That respondent, Federated Department Stores, Inc., a corporation, and its officers; and respondent's representatives, agents, and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, or in connection with the sale, advertising, offering for sale, transportation, or distribution of fur products which have been made in whole or in part of fur which had been shipped

and received in commerce as "commerce," "fur," and "fur product"are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Affixing labels thereto which contain fictitious prices or prices in excess of those at which such products are usually and customarily sold, and which misrepresent the value of such fur products:

2. Failing to affix labels to fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide;

(b) That the fur product contains or is composed of used fur, when such is the fact;

(c) That the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is a fact;

(d) That the fur product is composed in whole or in substantial part of paws, bellies, tails, or waste fur, when such is a fact;

(e) The name or other identification issued and registered by the Commission of one or more persons who manufactured such fur product for introduction into commerce, sold it in commerce, advertised, or offered it for sale in commerce, or transported or distributed it in commerce;

(f) The name of the country of origin of any imported furs used in the fur product;

3. Setting forth on labels attached to fur products required information under Section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder, mingled with non-required information.

4. Failing to set forth on labels attached to fur product:

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder, on one side of the label;

(b) Item numbers or marks assigned to fur products under Rule 40(a) of the Rules and Regulations promulgated under the Fur Products Labeling Act.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the

Fur Products Name Guide and as prescribed under the rules and regulations;

(b) That the fur product contains or is composed of used fur, when such is the fact;

(c) That the fur product contains or is composed of bleached, dyed, or artificially colored fur, when such is the fact;

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) The name and address of the person issuing such invoices;

(f) The name of the country of origin of any imported furs contained in the fur product.

C. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale or offering for sale of fur products, and which:

1. Fails to disclose:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) That the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is a fact;

(c) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is a fact;

(d) The name of the country of origin of imported fur contained in fur products.

2. Represents, directly or by implication that the regular or usual price of any fur product is any amount which is in excess of the price at which the respondent has usually and customarily sold such products in the recent regular course of its business.

3. Represents fur products as being the stock of a business in a state of liquidation, when such is not a fact.

D. Making price claims and representations of the type referred to in subparagraph C2 above, unless there are maintained by respondent full and adequate records disclosing the facts upon which such claims or representations are based, as required by Rule 44(e) of the Rules and Regulations, and Section 8(d)(1) of the Fur Products Labeling Act.

It is further ordered, That the hearing examiner's initial decision as modified hereby be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That respondent, Federated Department Stores, Inc., shall, within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist contained herein.

IN THE MATTER OF

RONSON CORPORATION, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT AND OF SECS. 2(a) AND 2(d) OF THE CLAYTON ACT

Docket 7066. Complaint, Feb. 19, 1958—Decision, Jan. 8, 1959

Consent order requiring a major producer of cigar and cigarette lighters and electric shavers to cease entering into price-fixing agreements with its retail customers in States having Fair Trade laws, which were illegal in that it was in competition with some of such customers in its own retail operations; to cease discriminating in price among its customers through paying allowances for cooperative advertising to some of them but not to all, and granting such allowances on unequal terms; and requiring said producer and its 11 named "Service Subsidiaries" to cease discriminating in price by selling to some customers at higher net prices than to others.

COMPLAINT

The Federal Trade Commission, having reason to believe that the parties respondent, named in the caption hereof and more particularly designated and described hereinafter, have violated and are now violating the provisions of Section 5 of the Federal Trade Commission Act (U.S.C. Title 15, Sec. 45); and that respondent Ronson Corporation has violated and is now violating the provisions of subsections (a) and (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C. Title 15, Sec. 13), and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges with respect thereto as follows:

Count I

PARAGRAPH 1. Respondent Ronson Corporation, sometimes hereinafter referred to as respondent Ronson, is a corporation organized and existing under and by virtue of the laws of the State of New Jersey with its principal office and place of business located at 31 Fulton Street, Newark 2, N.J.

PAR. 2. Respondent Ronson Service of California is a corporation organized and existing under and by virtue of the laws of the State of California with its principal office and place of business located at 233 Post Street, San Francisco 8, Calif.

Respondent Ronson Service of Colorado, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Colorado with its principal office and place of business located at 1554 California Street, Denver 3, Colo.

Respondent Ronson Service of Georgia, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Georgia with its principal office and place of business located at 90 Forsyth Street, NW., Atlanta 3, Ga.

Respondent Ronson Service of Illinois, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Illinois with its principal office and place of business located at 22 West Madison Street, Chicago 2, Ill.

Respondent Ronson Service of Maryland, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Maryland with its principal office and place of business located at 16 Park Avenue, Baltimore 1, Md.

Respondent Ronson Service of Massachusetts, Inc., is a corporation organized and existing under and by virtue of the laws of the Commonwealth of Massachusetts with its principal office and place of business located at 44 School Street, Boston 8, Mass.

Respondent Ronson Service, Inc. (Michigan), is a corporation organized and existing under and by virtue of the laws of the State of Michigan with its principal office and place of business located at 149 Michigan Avenue, Detroit 26, Mich.

Respondent Ronson Service, Inc. (N.Y.) is a corporation organized and existing under and by virtue of the laws of the State of New York with its principal office and place of business located at 347 Fifth Avenue, New York 16, N.Y.

Respondent Ronson Service of Ohio, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Ohio with its principal office and place of business located in the Schofield Building, Ninth at Euclid Avenue, Cleveland 15, Ohio.

Respondent Ronson Service, Inc., of Pennsylvania, is a corporation organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania with its principal office and place of business located at 123 North Broad Street, Philadelphia 7, Pa.

Respondent Ronson Service of Washington, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Washington, with its principal office and place of

business located in the Joshua Green Building, Fourth and Pike Streets, Seattle 1, Wash.

The respondents named in paragraph 2 hereof and sometimes hereinafter collectively referred to as respondent Service Subsidiaries, are wholly owned and controlled by and are instrumentalities and agencies of respondent Ronson and are operated as divisions or branches of said respondent.

In addition to the foregoing locations, the California and New York Service Subsidiaries hereinbefore designated maintain and operate service stores located at 610 South Broadway, Los Angeles, Calif., and at 150 Fulton Street, New York, N.Y., respectively. In addition, respondent Ronson operates a service branch in its own name at 60 Park Place, Newark, N.J.

The main function of respondent Service Subsidiaries is to repair lighters and shavers sold by respondent Ronson but they also are engaged in the resale of such products to the consuming public at prices fixed and established by respondent Ronson.

PAR. 3. Respondent Ronson is a major producer of cigar and cigarette lighters and accessories and electric shavers in the United States. In 1956, the consolidated net sales of respondent Ronson and its wholly owned subsidiaries amounted to $31,951,000.

Said respondent owns and controls several subsidiary corporations in addition to respondent Service Subsidiaries, some of which manufacture the products which are sold by respondent Ronson. These are Ronson Corporation of Pennsylvania, a Pennsylvania corporation, which manufactures lighters and accessories and sells to respondent Ronson only; Ronson Electric Shaver Corporation, a Connecticut corporation, which manufactures shavers and sells to the parent, respondent Ronson, only; and New Process Metals, Inc., a New Jersey corporation, which manufactures flints, selling to respondent Ronson and also to others.

PAR. 4. In the course and conduct of its said business respondent Ronson is now and for many years past has been shipping "Ronson" electric shavers, lighters and accessories from the States where such products are manufactured, kept, or stored to customers located in other states and in the District of Columbia in a constant current of commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. Respondent Service Subsidiaries are also engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act in that they receive, for resale, shipments of Ronson products from outside the states in which such subsidiaries are

located and as such are engaged in and are a part of the current of commerce in such products between and among the several States and in the District of Columbia.

PAR. 6. In the course and conduct of its said business in commerce, respondent Ronson has been and is now in competition with persons, firms, and other corporations likewise engaged in the manufacture, sale, and distribution in commerce of lighters and accessories and electric shavers.

Respondent Service Subsidiaries in the course and conduct of their said business in commerce have been and are now in competition with others, some in commerce, in the resale of lighters and accessories and electric shavers to consumers.

Respondent Ronson sells its electric shavers, and lighters and accessories primarily through approximately 2,500 wholesale distributors, principally drug, jewelry, electrical, hardware and tobacco distributors. In addition, said respondent sells said products direct to many retail accounts, principally larger department stores, credit jewelers, chain stores, mail order houses, and certain other retail outlets. Respondent Service Subsidiaries sell Ronson products in their various stores and service shops to consumers and occasionally to retail dealers.

Many of the retail dealers to whom respondent Ronson and respondent Service Subsidiaries sell said products were and are in competition, some in commerce, with each other and with said respondents in the resale of such products to consumers.

PAR. 7. Respondent Ronson has entered into contracts with approximately 2,500 wholesale distributors, such contracts being designated as "Ronson Corporation-Distributor's Agreement" each of which provides for the appointment by said respondent of an authorized distributor of products bearing the "Ronson" trade name.

Such agreements provide further that respondent Ronson will sell Ronson products to the distributor at "the current distributor's prices," meaning list less wholesale discount; that said respondent will periodically supply the distributor with sales promotional advertising material; that the distributor will not sell Ronson products to retailers for resale to consumers unless such retailers have entered into Fair Trade contracts with respondent Ronson; and that the distributor will sell Ronson products which are Fair-Traded, only to those distributors who have signed Distributor Agreements with respondent Ronson and are authorized Ronson wholesale distributors.

PAR. 8. Respondent Ronson has, from time to time, entered into contracts with a substantial number of retail dealers purchasing direct from said respondent and from respondent's wholesale distributors, whereby the minimum retail prices of the trademarked electric shavers, lighters and accessories of respondent Ronson have been and are now fixed by said respondent and such prices have been and are now maintained in the resale of such products by said retail dealers in those states having Fair Trade laws. Such contracts or agreements are generally referred to as "Fair Trade contracts or agreements."

Respondent Ronson has enforced such contracts by policing the trade and by instituting injunctive proceedings in the courts and said respondent has at times obtained injunctions against retail dealers who have sold Ronson products at prices below those established by said respondent and set forth in such Fair Trade agreements.

Respondent Ronson has compelled many of its retail dealers who offer for sale and sell Ronson products, and who have not entered into any Fair Trade contracts or agreements with respondent regarding resale prices, to observe the minimum retail prices fixed by respondent for said products.

Said respondent has and does now further maintain the observance of the fixed resale prices of its said products by prohibiting in connection with the resale thereof the offering or giving of any article of value, or the offering or making of any other concession or privilege which has the practical result of reducing the selling price of such products below the minimum resale price fixed by said respondent.

PAR. 9. The said products for which respondent Ronson has fixed and maintained and now fixes and maintains the prices at which same are to be resold by retail stores, have been and are now sold by respondent Ronson and respondent Service Subsidiaries through the retail outlets of such subsidiaries in the various States having Fair Trade laws, in which they sell in competition with such retail dealers located in the same marketing areas as the outlets of respondent Service Subsidiaries.

PAR. 10. The agreements that respondent Ronson has entered into with retail dealers, referred to as "Fair Trade agreements," whereby it fixes and maintains the minimum retail prices of its trademarked products, are in unlawful restraint of trade in that said respondent and respondent Service Subsidiaries compete with some of the said retail dealers who have agreed with respondent

Ronson to maintain minimum retail prices for the resale of such products and as such constitute agreements between persons, firms, or corporations in competition with each other.

PAR. 11. The said distributors' agreements which respondent Ronson has entered into with its various wholesale distributors, providing for the appointment of authorized distributors of Ronson products, are in unlawful restraint of trade in that they require, among other things, that the authorized Ronson distributor will sell only to those retail dealers who have agreed by way of Fair Trade contracts to resell Ronson products at minimum prices fixed by respondent Ronson. Since it is alleged that such Fair Trade contracts are in restraint of trade the said distributors' agreements which require that retail dealers shall have entered into Fair Trade contracts with respondent Ronson before sales of Ronson trademarked products can be made to such retailers for resale, are likewise alleged to be unlawfully in restraint of trade.

PAR. 12. The acts, practices, methods, and agreements of respondents, as hereinbefore alleged and described, are all to the prejudice of the public, have a dangerous tendency to unduly hinder competition and create a monopoly in respondents in the sale of electric shavers, lighters, and accessories and constitute unfair methods of competition and unfair acts and practices in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

Count II

PAR. 13. Paragraphs 1 and 3 of Count I hereof are hereby set forth by reference and made a part of this Count as fully and with the same effect as if quoted here verbatim.

PAR. 14. In the course and conduct of its business respondent Ronson is now and for many years past has been shipping "Ronson" electric shavers, lighters, and accessories from the States where such products are manufactured, kept, or stored to customers located in other states and in the District of Columbia in a constant current of commerce, as "commerce" is defined in the Clayton Act, as amended.

PAR. 15. In the course and conduct of its business in commerce respondent Ronson has been and is now in competition with persons, firms, and other corporations likewise engaged in the manufacture, sale, and distribution in commerce of electric shavers, lighters, and accessories. Many of respondent's purchasers are

PAR. 8. Respondent Ronson has, from time to time, entered into contracts with a substantial number of retail dealers purchasing direct from said respondent and from respondent's wholesale distributors, whereby the minimum retail prices of the trademarked electric shavers, lighters and accessories of respondent Ronson have been and are now fixed by said respondent and such prices have been and are now maintained in the resale of such products by said retail dealers in those states having Fair Trade laws. Such contracts or agreements are generally referred to as "Fair Trade contracts or agreements."

Respondent Ronson has enforced such contracts by policing the trade and by instituting injunctive proceedings in the courts and said respondent has at times obtained injunctions against retail dealers who have sold Ronson products at prices below those established by said respondent and set forth in such Fair Trade agreements.

Respondent Ronson has compelled many of its retail dealers who offer for sale and sell Ronson products, and who have not entered into any Fair Trade contracts or agreements with respondent regarding resale prices, to observe the minimum retail prices fixed by respondent for said products.

Said respondent has and does now further maintain the observance of the fixed resale prices of its said products by prohibiting in connection with the resale thereof the offering or giving of any article of value, or the offering or making of any other concession or privilege which has the practical result of reducing the selling price of such products below the minimum resale price fixed by said respondent.

PAR. 9. The said products for which respondent Ronson has fixed and maintained and now fixes and maintains the prices at which same are to be resold by retail stores, have been and are now sold by respondent Ronson and respondent Service Subsidiaries through the retail outlets of such subsidiaries in the various States having Fair Trade laws, in which they sell in competition with such retail dealers located in the same marketing areas as the outlets of respondent Service Subsidiaries.

PAR. 10. The agreements that respondent Ronson has entered into with retail dealers, referred to as "Fair Trade agreements," whereby it fixes and maintains the minimum retail prices of its trademarked products, are in unlawful restraint of trade in that said respondent and respondent Service Subsidiaries compete with some of the said retail dealers who have agreed with respondent

Ronson to maintain minimum retail prices for the resale of such products and as such constitute agreements between persons, firms, or corporations in competition with each other.

PAR. 11. The said distributors' agreements which respondent Ronson has entered into with its various wholesale distributors, providing for the appointment of authorized distributors of Ronson products, are in unlawful restraint of trade in that they require, among other things, that the authorized Ronson distributor will sell only to those retail dealers who have agreed by way of Fair Trade contracts to resell Ronson products at minimum prices fixed by respondent Ronson. Since it is alleged that such Fair Trade contracts are in restraint of trade the said distributors' agreements which require that retail dealers shall have entered into Fair Trade contracts with respondent Ronson before sales of Ronson trademarked products can be made to such retailers for resale, are likewise alleged to be unlawfully in restraint of trade.

PAR. 12. The acts, practices, methods, and agreements of respondents, as hereinbefore alleged and described, are all to the prejudice of the public, have a dangerous tendency to unduly hinder competition and create a monopoly in respondents in the sale of electric shavers, lighters, and accessories and constitute unfair methods of competition and unfair acts and practices in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

Count II

PAR. 13. Paragraphs 1 and 3 of Count I hereof are hereby set forth by reference and made a part of this Count as fully and with the same effect as if quoted here verbatim.

PAR. 14. In the course and conduct of its business respondent Ronson is now and for many years past has been shipping "Ronson" electric shavers, lighters, and accessories from the States where such products are manufactured, kept, or stored to customers located in other states and in the District of Columbia in a constant current of commerce, as "commerce" is defined in the Clayton Act, as amended.

PAR. 15. In the course and conduct of its business in commerce respondent Ronson has been and is now in competition with persons, firms, and other corporations likewise engaged in the manufacture, sale, and distribution in commerce of electric shavers, lighters, and accessories. Many of respondent's purchasers are

in competition with one another at their respective levels of trade.

Said respondent sells "Ronson" electric shavers, lighters, and accessories to wholesalers, retailers, and through the stores and shops of its various service subsidiaries to consumers. Sales are made to wholesalers, retail chain stores, large department stores, mail order houses, and a number of other retail outlets direct from the factories of respondent's manufacturing subsidiaries located in the States of Connecticut, New Jersey, and Pennsylvania. Other sales are made to consumers, and occasionally to retail dealers, from the various stores and shops of respondent's service subsidiary companies named in Count I hereof.

The wholesale purchasers of respondent Ronson resell Ronson electric shavers, lighters, and accessories to retailers. It is alleged that such retailers are purchasers of respondent Ronson within the meaning of the Clayton Act, as amended. As illustrative of such relationship, respondent Ronson recognizes retailers buying through its wholesale distributor purchasers by personally soliciting them through its own sales representatives or field merchandizers, by drop-shipping Ronson products to them on orders by wholesalers, by making effective its price policies and schedules as applied to its wholesale purchasers and their retail customers in those states having Fair Trade laws, and by dealing directly with such retail customers with respect to its advertising programs promoting the sale of Ronson shavers, lighters, and accessories.

Many of the direct purchasers of respondent Ronson who purchase said respondent's electric shavers, lighters, and accessories, represent themselves to said respondent as being wholesalers, and are granted wholesalers' discounts when in truth and in fact said purchasers are retailers and not wholesalers, and are therefore competing purchasers with said respondent's indirect retail purchasers and with direct buying retail purchasers of respondent Ronson, as hereinbefore described. In many instances this is accomplished by the use of dummy or fictitious buying devices or instrumentalities often in the form of commonly owned or controlled corporations, subsidiaries, instrumentalities, or affiliates of large retail chains representing themselves to said respondent as doing a legitimate wholesale business when in truth and in fact their only business is to buy at wholesale for the particular retail chain with which they are so affiliated and identified.

PAR. 16. In the course and conduct of its business in commerce,

respondent Ronson has discriminated in price in the sale of Ronson electric shavers, and lighters and accessories by selling such products of like grade and quality at different prices to different and competing purchasers.

Illustrative of such sales at discriminatory prices are the following pricing practices of said respondent:

During the year 1956 respondent Ronson sold electric shavers to its direct buying retailer-purchasers at a discount of 49% off list price. Also during 1956 said respondent sold electric shavers of like grade and quality to competing indirect retailer-purchasers who bought through wholesale distributors at discounts of about 40% from list price.

Respondent Ronson during 1956 sold its cigar and cigarette lighters to direct buying retailer-purchasers at 50% off list price. Also during 1956 said respondent sold such lighters of like grade and quality to competing indirect retailer-purchasers who bought through wholesale distributors at discounts of about 40% from list price.

During 1957 respondent Ronson sold electric shavers to direct buying retailers at 53% off list price and during 1957 said respondent sold electric shavers of like grade and quality to competing indirect retail purchasers through wholesale distributors at about 40% off list price.

Also during 1957 said respondent sold its lighters to direct buying retail purchasers at 50% off list price and during 1957 said respondent sold such lighters of like grade and quality to competing indirect retail purchasers through wholesale distributors at about 40% off list price.

During 1956 and 1957, respondent Ronson sold accessories to its direct buying retail purchasers at discounts of 50% off list price. During 1956 and 1957 said respondent sold its accessories of like grade and quality to competing indirect retail purchasers who bought through wholesale distributors at discounts of about 40% off list price.

PAR. 17. The effect of said discriminations in price by respondent Ronson in the sale of electric shavers and lighters and accessories has been or may be substantially to lessen, injure, destroy, or prevent competition:

1. Between said respondent and its competitors in the manufacture, sale, and distribution of such products.

2. Between direct buying purchasers of said respondent who

are retailers in fact and competing indirect buying retailers of said respondent who purchase through wholesalers.

PAR. 18. The discriminations in price as herein alleged in Count II are in violation of subsection (a) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

Count III

PAR. 19. Paragraphs 1 and 3 of Count I hereof and paragraphs 14 and 15 of Count II hereof are hereby set forth by reference and made a part of this Count as fully and with the same effect as if quoted here verbatim.

PAR. 20. In the course and conduct of its business in commerce, as aforesaid, respondent Ronson has paid or contracted for the payment of money, goods, or other things of value to or for the benefit of some of its direct and indirect customers as compensation or in consideration for services or facilities furnished or agreed to be furnished by or through such customers in connection with the handling, sale or offering for sale of respondent's electric shavers, and lighters and accessories and said respondent has not made or contracted to make or offered to make such payments, allowances or consideration available on proportionally equal terms to all of its other direct and indirect customers competing in the sale and distribution of such products.

Respondent Ronson has executed, carried out, and put into effect its various discriminatory and disproportionate advertising practices in a variety of ways. The following practices are illustrative:

Respondent Ronson has in effect two principal plans whereby it grants allowances for cooperative newspaper, radio, television and "push money" advertising.

The first plan is for the benefit of direct buying retailers only, whereby respondent grants an allowance equal to a certain percentage of the customer's net purchases of all Ronson products, with the customer paying a given amount for advertising and respondent matching it in an amount not exceeding 8% of the retail selling price of the retailer's net purchases from Ronson in 1956, and 10% of such purchases in 1957. Under this plan such direct buying retail accounts were offered the Ronson Cooperative Advertising and Promotion Agreement to obtain the advertising allowance as aforementioned. Allowances for advertising under this plan have not been offered by respondent to its

indirect retail purchasers, many of whom compete with those receiving such allowances.

In this plan respondent agrees to share the cost of advertising with its direct retail customers on a 50-50 cooperative basis with such customers. Respondent has granted to some of such customers a larger percentage of allowance than 50% and at the same time has allowed no more than 50% to competing customers.

The second plan used by respondent Ronson for granting advertising allowances is called the "Extended Shaver Advertising Plan," and applies only to respondent's electric shavers. Through this plan respondent allows its retail purchasers an amount for advertising of $1.50 per shaver purchased and is only limited by the number of shavers purchased. In 1956 there were approximately 610 accounts who took advantage of this extended shaver plan.

In carrying out this plan each of respondent's salesmen is allowed a sum of money equivalent to the proportion that sales in his territory bears to total Ronson sales and such salesman then contacts wholesalers in his area who inform certain of the indirect accounts concerning such allowances. Payments of $1.50 per shaver purchased are made either in cash or as a credit to the retailer's account.

The aforesaid second plan used by respondent Ronson in granting allowances for advertising includes the use of application forms executed by those retail dealers who have been offered and who desire to avail themselves of the plan.

Respondent's direct accounts must choose between the two plans as there is no provision for the use by a retail purchaser of both plans simultaneously. A direct account may obtain the 10% allowance on its purchases of all Ronson products except shavers and take the $1.50 per shaver allowance in lieu of the 10%.

Respondent has never informed many of its indirect retail shaver purchasers of the existence of the Extended Shaver Plan and they have never been offered such $1.50 per shaver allowance.

Respondent does not have any advertising allowance program in effect and has not made any offer of allowances for advertising to those of its indirect retail purchasers who purchase respondent's lighters and accessories but who do not purchase electric shavers.

Since January 1, 1956, in addition to the aforementioned two principal plans of advertising allowances, said respondent also

has made payments or allowances for advertising based on other grounds or methods and has sometimes granted amounts for advertising in excess of the percentages heretofore set forth as maximum percentages. As an example of additional bases for granting advertising allowances, said respondent has done so on the volume of estimated future purchases to some accounts but not to others and has further deviated from the plans by granting over payments to some retailer-purchasers.

Respondent Ronson in the granting of advertising allowances to some customers has undertaken to spend and has spent disproportionate funds in relation to the cost or value of its products purchased by such customers, it being respondent's practice and policy to spend the bulk of its advertising funds on certain so-called "key accounts." At the same time respondent's advertising allowances were not made available on proportionally equal terms to all direct and indirect competing customers of respondent, selling its electric shavers, lighters, and accessories.

PAR. 21. The acts and practices as herein alleged in Count III are in violation of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

Mr. William H. Smith and *Mr. James R. Fruchterman* supporting the complaint.

Surrey, Karasik, Gould and Efron, of Washington, D.C., by *Mr. Monroe Karasik,* for respondents.

INITIAL DECISION BY JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on February 19, 1958, which complaint was amended by order of the undersigned filed August 15, 1958, charging respondents with having violated Section 5 of the Federal Trade Commission Act and subsections (a) and (d) of Section 2 of the Clayton Act, as amended. After being served with said complaint respondents appeared by counsel and thereafter entered into an agreement, dated October 2, 1958, containing a consent order to cease and desist purporting to dispose of all of this proceeding as to all parties. Said agreement, which has been signed by respondents, by counsel for said respondents, and by counsel supporting the complaint, and approved by the director and assistant director of the Commission's Bureau of Litigation, has been submitted to the above-named hearing exam-

iner for his consideration, in accordance with Section 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings.

Respondents, pursuant to the aforesaid agreement, have admitted all the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Said agreement further provides that respondents waive any further procedural steps before the hearing examiner and the Commission, the making of findings of fact or conclusions of law and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with such agreement. It has been agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as if entered after a full hearing and that the complaint may be used in construing the terms of said order. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, and that said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

The aforesaid agreement has been entered into subject to the express condition that the effective date of the initial decision based thereon shall be stayed by the Commission and shall not become the decision of the Commission in this matter until and unless the Commission issues orders to cease and desist under Counts I, II, and III in the matter of *Sperry Rand Corporation*, Docket 6701, under Counts I, II, and III in the matter of *North American Philips Company, Inc.*, Docket 6900, and under Counts I, II, III, and IV in the matter of *Schick Incorporated and Schick Service, Inc.*, Docket 6892. Said agreement is also subject to the further condition that the "Motion to Dismiss Part of Complaint Without Prejudice" in said matter filed by counsel supporting the complaint in the office of the Secretary of the Federal Trade Commission on September 24, 1958, be granted by the Commission, and that such parts of the complaint as are specified in said Motion be dismissed by the Commission without prejudice.

It appearing that the Motion to Dismiss Part of Complaint heretofore filed by counsel supporting the complaint is unopposed by respondents and that the agreement for consent order is expressly made subject to the granting of said motion, the undersigned is of the opinion that said motion may appropriately be granted at this time and, accordingly, provision for dismissal

of said portion of the complaint will be hereinafter included as part of the order contained in this Initial Decision.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing consent order, and it appearing that the order provided for in said agreement covers all the allegations of the complaint and provides for an appropriate disposition of this proceeding as to all parties, said agreement is hereby accepted and is ordered filed upon this decision's becoming the decision of the Commission pursuant to Sections 3.21 and 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, and the hearing examiner, accordingly, makes the following jurisdictional findings and order:

1. Respondent Ronson Corporation is a corporation organized and existing under and by virtue of the laws of the State of New Jersey with its principal office and place of business located at 31 Fulton Street, Newark 2, N.J.

Respondent Ronson Service of California is a corporation organized and existing under and by virtue of the laws of the State of California with its principal office and place of business located at 233 Post Street, San Francisco 8, Calif.

Respondent Ronson Service of Colorado, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Colorado with its principal office and place of business located at 1554 California Street, Denver 3, Colo.

Respondent Ronson Service of Georgia, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Georgia with its principal office and place of business located at 90 Forsyth Street, NW., Atlanta 3, Ga.

Respondent Ronson Service of Illinois, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Illinois with its principal office and place of business located at 22 West Madison Street, Chicago 2, Ill.

Respondent Ronson Service of Maryland, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Maryland with its principal office and place of business located at 16 Park Avenue, Baltimore 1, Md.

Respondent Ronson Service of Massachusetts, Inc., is a corporation organized and existing under and by virtue of the laws of the Commonwealth of Massachusetts with its principal office and place of business located at 44 School Street, Boston 8, Mass.

Respondent Ronson Service, Inc. (Michigan), is a corporation organized and existing under and by virtue of the laws of the

State of Michigan with its principal office and place of business located at 149 Michigan Avenue, Detroit 26, Mich.

Respondent Ronson Service, Inc. (N.Y.) is a corporation organized and existing under and by virtue of the laws of the State of New York with its principal office and place of business located at 347 Fifth Avenue, New York 16, N.Y.

Respondent Ronson Service of Ohio, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Ohio with its principal office and place of business located in the Schofield Building, Ninth at Euclid Avenue, Cleveland 15, Ohio.

Respondent Ronson Service, Inc., of Pennsylvania, is a corporation organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania with its principal office and place of business located at 123 North Broad Street, Philadelphia 7, Pa.

Respondent Ronson Service of Washington, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Washington, with its principal office and place of business located in the Joshua Green Building, Fourth and Pike Streets, Seattle 1, Wash.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the provisions of the Federal Trade Commission Act and the Clayton Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondent Ronson Corporation, its officers, representatives, agents, and employees, directly or through any corporate or other device, in connection with the sale of electric shavers, cigar and cigarette lighters, and accessories therefor, in commerce as "commerce" is defined in the aforesaid Federal Trade Commission Act, do forthwith cease and desist from:

Fixing, establishing, or maintaining by, or in accordance with the terms or conditions of, any contract, agreement, or understanding, the prices, terms or conditions of sale at which electric shavers, cigar and cigarette lighters and accessories therefor, produced, distributed, or sold, directly or indirectly, by respondent, are to be resold by any wholesaler or retailer when such

products are being sold or offered for sale in competition with any branch, retail, or service store, establishment, or business owned or controlled by any means or method by respondent.

It is further ordered, That respondent Ronson Corporation and respondents "Service Subsidiaries," their officers, representatives, agents, and employees, directly or through any corporate or other device in connection with the sale of electric shavers, cigar and cigarette lighters and accessories therefor in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, do forthwith cease and desist from:

Discriminating, directly or indirectly, in the price of such products of like grade and quality, by selling to any purchaser at net prices higher than the net prices charged any other purchaser competing in fact with such unfavored purchaser in the resale and distribution of such products.

It is further ordered, That respondent Ronson Corporation, its officers, representatives, agents, and employees, directly or through any corporate or other device, in the course of its business in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, do forthwith cease and desist from:

Making or contracting to make, to or for the benefit of any customer acquiring respondent's electric shavers, cigar and cigarette lighters, and accessories therefor from respondent, from wholesalers, or from any other source, any payment of anything of value as compensation or in consideration for any advertising or other services or facilities furnished by or through such customer, in connection with the handling, resale, or offering for resale of such products manufactured, sold, or offered for sale by respondent, unless such payment or consideration is made available on proportionally equal terms to all other such customers competing in fact with such favored customers in the resale or distribution of such products.

It is further ordered, That so much of the allegations contained in Count II of the complaint, as amended, as allege that respondent Ronson Corporation has violated Section 2(a) of the Clayton Act by reason of the fact that the customers of said respondent's wholesaler purchasers are purchasers of said respondent, be, and the same hereby are, dismissed, without prejudice; provided, however, that nothing contained in this paragraph shall be construed as limiting the meaning of the term "purchaser" contained in the second ordering paragraph of the order to cease and desist above provided for, nor as affecting or limiting in any manner

the adoption and reallegation of paragraphs 14 and 15 of Count II as a part of Count III of the Complaint in this proceeding.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

The hearing examiner, on October 30, 1958, having filed an initial decision in this proceeding based on an agreement containing a consent order to cease and desist theretofore executed by respondents and counsel supporting the complaint, and the Commission, on December 16, 1958, having extended until further order of the Commission the date on which said initial decision would otherwise become the decision of the Commission; and

It appearing that the aforesaid agreement is subject to the condition that an initial decision thereon shall not become the decision of the Commission until and unless the Commission issues an order to cease and desist under Counts I, II, and III the matter of *Sperry Rand Corporation,* Docket No. 6701, and under Counts I, II, and III in the matter of *North American Philips Company, Inc.,* Docket No. 6900, and under Counts I, II, III, and IV in the matter of *Schick Incorporated and Schick Service, Inc.,* Docket No. 6892, and the Commission having issued its decisions in those proceedings on November 3, 1958, and it appearing that the foregoing condition has been met; and

The Commission having determined that said initial decision is adequate in all respects to dispose of this proceeding:

It is ordered, That the aforesaid initial decision be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That the respondents named herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist contained in said initial decision.

Decision

IN THE MATTER OF

FURS BY WEISS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket 7187. Complaint, July 11, 1958—Decision, Jan. 8, 1959

Consent order requiring a furrier in Cleveland, Ohio, to cease violating the Fur Products Labeling Act by naming on labels attached to fur products and in newspaper advertising, animals other than those producing certain furs; by failing in other respects to comply with the labeling and invoicing requirements; and by advertising in newspapers which failed to disclose the names of animals producing certain furs, the country of origin of imported furs, or the facts that certain products contained artificially colored or cheap or waste fur.

Charles W. O'Connell, Esq., for the Commission.
Emanuel H. Hecht, Esq., of Cleveland, Ohio, for respondents.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued July 11, 1958, charges the respondents above named with violation of the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated under the last named Act, in connection with the introduction into commerce, or offering for sale, sale, advertising, transportation or distribution of fur products, as the designations "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

After the issuance of said complaint respondents, on November 7, 1958, entered into an agreement for a consent order with counsel in support of the complaint, disposing of all of the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation of the Federal Trade Commission. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the respondents admitted all of the jurisdictional allegations of the complaint and agreed that the record herein may be taken as though the Commission had made findings of jurisdictional facts in accordance with such

allegations. By said agreement the parties expressly waived a hearing before the hearing examiner or the Commission, the making of findings of fact or conclusions of law by the hearing examiner or the Commission, the filing of exceptions and oral argument before the Commission, and all further and other procedure before the hearing examiner and the Commission to which the respondents may otherwise be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission.

By said agreement, respondents further agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as though made after a full hearing, presentation of evidence and findings and conclusions thereon, and specifically waived any and all right, power or privilege to challenge or contest the validity of such order.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that the said order may be altered, modified or set aside in the manner provided for other orders of the Commission.

Said agreement recites that respondent Furs By Weiss, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Ohio, with its office and principal place of business located at 1222 Huron Road, Cleveland, Ohio. Respondent Joseph Weiss, is president of said Furs by Weiss, Inc., and his office and place of business is the same as that of the corporate respondent.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted, and without further notice to respondents, is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, and in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein, and that this proceeding is in the interest of the public, wherefore he issues the following order:

ORDER

It is ordered, That the respondents, Furs by Weiss, Inc., a

corporation, and its officers, and Joseph Weiss, individually and as an officer of said corporation, and respondents' representatives, agents or employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of fur products, or in connection with the sale, advertising, offering for sale, transportation or distribution of fur products which are made in whole or in part of fur which has been shipped and received in commerce, as "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

(a) Failing to affix labels to fur products showing:

(1) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(2) That the fur product contains or is composed of used fur, when such is the fact;

(3) That the fur product contains or is composed of bleached, dyed, or artificially colored fur, when such is the fact;

(4) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(5) The name, or other identification issued and registered by the Commission, of one or more persons who manufactured such fur product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(6) The name of the country of origin of any imported furs used in the fur product.

(b) Setting forth on labels the name of an animal in addition to the name of the animal that produced the fur.

(c) Setting forth on labels attached to fur products:

(1) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form;

(2) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder which is mingled with non-required information;

(3) Information required under Section 4(2) of the Fur Prod-

ucts Labeling Act and the Rules and Regulations promulgated thereunder in handwriting.

(d) Failing to set forth on labels all the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder on one side of the labels.

(e) Failing to set forth separately on labels attached to fur products composed of two or more sections containing different animal furs the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder with respect to the fur comprising each section.

2. Falsely or deceptively invoicing fur products by:

(a) Failing to furnish invoices to purchasers of fur products showing:

(1) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(2) That the fur product contains or is composed of used fur, when such is the fact;

(3) That the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

(4) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(5) The name and address of the person issuing such invoices;

(6) The name of the country of origin of any imported furs contained in the fur product.

(7) The item number or mark assigned to the fur product.

3. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote, or assist, directly or indirectly, in the sale or offering for sale of fur products, and which:

(a) Fails to disclose the name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the said Rules and Regulations.

(b) Fails to disclose that the fur products contain or are composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact.

(c) Fails to disclose that the fur products are composed in

whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact.

(d) Contains the name of an animal other than the name of the animal that produced the fur.

(e) Fails to disclose the name of the country of origin of the imported furs contained in fur products.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 8th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they has complied with the order to cease and desist.

IN THE MATTER OF

CORAL STONE CONSTRUCTION COMPANY, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket 7309. Complaint, Nov. 19, 1958—Decision, Jan. 8, 1959

Consent order requiring a seller of building materials in Chicago to cease representing falsely in advertising to obtain home improvement and repairs contracts, that monthly payments on remodeling jobs were smaller than was the fact; that governmental authorities regularly inspect homes for violations of building codes and levy fines therefor; that valuable gifts would be given to prospects who allowed it to bid on a job; and that its "Coral Stone" was backed by a lifetime guarantee not to chip or crack.

Mr. Brockman Horne for the Commission.
Mr. Morton I. Kovin, of Chicago, Ill., for respondents.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding issued November 19, 1958 charges that respondents have violated the provisions of the Federal Trade Commission Act in the sale and distribution of building materials.

Respondent Coral Stone Construction Company is a corporation existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 1533 West Devon Avenue, Chicago, Ill.

Individual respondents, Norman Stone, Theodore T. Stone, Betty Stone and Morton I. Kovin, are officers of said corporate respondent, and they formulate, direct, and control its policies, acts, and practices. Their business address is the same as that of the corporate respondent.

After issuance of the complaint, respondents and their attorney entered into an agreement containing a consent order to cease and desist with counsel in support of the complaint, disposing of all the issues in this proceeding, which agreement was duly approved by the Assistant Director and the Acting Director of the Bureau of Litigation.

It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the respondents admitted all the jurisdictional facts alleged in the complaint and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with the allegations.

By said agreement, the respondents expressly waived any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law; and all the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

Respondents further agreed that the order to cease and desist, issued in accordance with said agreement, shall have the same force and effect as if made after a full hearing.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that said order may be altered, modified or set aside in the manner prescribed by the statute for orders of the Commission.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, and, in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein, that this proceeding is in the interest of the public, and issues the following order:

It is ordered, That respondents Coral Stone Construction Company, a corporation, and its officers, and Norman Stone, Theodore T. Stone, Betty Stone, and Morton I. Kovin, individually and as officers of said corporation, and respondents' agents, representatives, and employees directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of building materials required in the execution of contracts for repairs or other improvements on homes or other structures, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(a) Representing, directly or by implication, that certain periodic payments may be made to liquidate the amount due on

contracts with respondents unless it is expressly stated that such payments may be made only by those who can qualify.

(b) Representing, directly or by implication, that governmental authorities make inspections of homes or other structures, to find violations of building codes or other laws and levy fines for violations, unless restricted to the particular areas in which such inspections are actually made.

(c) Representing, directly or by implication, that respondents give articles of merchandise as a gift to persons who merely permit them to submit a bid for repairs or other work on homes or other buildings and improvements or for any other reason that is not in accordance with the facts.

(d) Representing, directly or by implication, that a product is guaranteed unless the terms and nature of the guarantee and the manner in which the guarantor will perform are clearly set forth.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 8th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF

COAST TO COAST SERVICE CORPORATION, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket 7103. Complaint, Apr. 2, 1958—Decision, Jan. 10, 1959

Consent order requiring a concern in New York City—formerly of Chicago—engaged in the listing for sale and advertising of real estate and other property, to cease making written and oral misrepresentations for the purpose of obtaining listings of real estate and inflated excessive fees therefor, including false claims that they were bona fide business brokers, that they had prospects interested in specific properties listed and would sell a property in a short time, that they would furnish expert appraisers to evaluate a property, that a property was underpriced and the asking price should be raised, that they maintained a finance department and would finance purchase of listed properties, and that the listing fee was only an advance on the selling commission and would be refunded if the property was not sold in a short time.

John W. Brookfield, Jr., and *Thomas A. Sterner*, Esqs., supporting the complaint.

Irven Gilbert, Esq., of Chicago, Ill., for Coast to Coast Service Corporation, William Maurice and Anna M. Lombard Maurice.

Caplan, Ehrlich & Pastin, by *Max Pastin*, Esq., of Chicago, Ill., for Lewis Grombacher.

Ralph P. O'Neal and *Emelia Leuta Promisco*, respondents *in propria persona*.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued April 2, 1958, charges the respondents Coast to Coast Service Corporation, a corporation, and William Maurice (also known as William Muchnick), Ralph P. O'Neal, Anna M. Lombard Maurice, Lewis Grombacher and Emelia Leuta Promisco, individually and as officers of said corporation, with violation of the Federal Trade Commission Act in connection with representations by them made in soliciting the listing for sale and advertising of real estate and other property. Said complaint was duly served on all of the respondents as required by law.

After issuance of the complaint the respondents, (except Emelia Leuta Promisco hereinafter separately considered), entered into an agreement for a consent order with counsel in support of the

complaint, disposing of all of the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation of the Federal Trade Commission. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by the signatory respondents that they have violated the law as alleged in the complaint.

Said agreement recites:

Coast to Coast Service Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, formerly conducting its business at Suite 905, No. 6 North Michigan Avenue, Chicago, Ill., with its present address in care of its president, Anna M. Lombard Maurice, 63 East Ninth Street, Apartment 7 R, New York, N.Y.

Anna M. Lombard Maurice is an individual and president of the corporate respondent.

William Maurice, also known as William Muchnick, (erroneously referred to in the complaint as president of Coast to Coast Service Corporation) is an individual and officer of the corporate respondent.

That the former address of the last two named respondents was No. 12 West 72d Street, New York, N.Y., and presently is No. 63 East Ninth Street, Apartment 7 R, New York, N.Y.

Ralph P. O'Neal is an individual, formerly an officer of respondent corporation but no longer such, as to whom (in accordance with the agreement, supported by affidavit of Ralph P. O'Neal thereto attached and made part thereof), the order hereinafter passed will bind him solely in his individual capacity but not as an officer of the corporate respondent. His present address is No. 6952 West Diversey Street, Chicago (35), Ill., with a former address at 2316 Belleview Avenue, Chicago, Ill.

Lewis Grombacher is an individual and an officer of the corporate respondent whose address is No. 1607 West Farwell Street, Chicago, Ill.

By the terms of said agreement, the respondents admitted all of the jurisdictional allegations of the complaint and agreed that the record herein may be taken as though the Commission had made findings of jurisdictional facts in accordance with such allegations. By said agreement the parties expressly waived a hearing before the hearing examiner or the Commission, the making of findings of fact or conclusions of law by the hearing examiner or the Commission, the filing of exceptions and oral

argument before the Commission, and all further and other procedure before the hearing examiner and the Commission to which the respondents may otherwise be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission.

By said agreement, respondents further agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as though made after a full hearing, presentation of evidence and findings and conclusions thereon, and specifically waived any and all right, power or privilege to challenge or contest the validity of such order.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that the said order may be altered, modified or set aside in the manner provided for other orders of the Commission.

Attached to, and forming a part of the aforesaid agreement is an affidavit executed by the respondent, Ralph P. O'Neal, asseverating the termination of his official capacity as an officer of the corporate respondent and that he now has no further connection with said corporation or its activities wherefore the complaint, as against him in his official capacity, should be dismissed, all of which is recited in said agreement and confirmed and assented to by all of the signatory parties thereto.

Under date of July 10, 1958, the attorneys in support of the complaint filed in this proceeding a motion to dismiss the complaint as to the respondent Emelia Leuta Promisco, citing as reasons therefor that:

> There is no evidence available to show that this respondent was other than a paid secretarial worker employed by the corporate respondent, nor that she participated in the management of or in the direction of the policies of the corporate respondent.

By formal order heretofore filed herein, the hearing examiner granted said motion and, pursuant to the provisions of Rule 3.8(e) takes such action into account in this, his initial decision, and causes such dismissal to be finalized by an appropriate provision in the appended order. The aforedescribed action of the hearing examiner is specifically referred to and confirmed by all signatory parties to the agreement forming the basis for the order hereto appended.

The hearing examiner has considered such agreement and the order therein contained and its appearing that said agreement

and order provide for an appropriate disposition of this proceeding, the same is hereby accepted and, without further notice to respondents, is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21, 3.24 and 3.25 of the Rules of Practice. In consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of all the respondents named herein, and that this proceeding is in the interest of the public, wherefore he issues the following order:

ORDER

It is ordered, That respondents Coast to Coast Service Corporation, a corporation, and its officers, and William Maurice, also known as William Muchnick, Anna M. Lombard Maurice and Lewis Grombacher, individually and as officers of the corporate respondent, and Ralph P. O'Neal, individually, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale or sale of advertising in newspapers and in other advertising media, or of other services and facilities in connection with the offering for sale, selling, buying or exchanging of business or any other kind of property, in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

1. Respondents are bona fide business brokers.

2. Respondents have available prospective buyers who are interested in the purchase of specific property.

3. Property listed with them will be sold as a result of respondents' efforts.

4. Respondents furnish qualified, experienced or expert appraisers to evaluate property listed with them.

5. The property sought to be listed is underpriced or that the asking price should be increased, or that respondents can or will sell the property at the increased price.

6. Respondents maintain a financial department, or that they finance the purchase of listed property.

7. The listing fee is an advance on the selling commission or will be refunded to the property owner.

It is further ordered, That the complaint be, and it is hereby, dismissed as to Ralph P. O'Neal as an officer of respondent, Coast to Coast Service Corporation and as to Emelia Leuta Promisco,

without prejudice to the right of the Commission to take such action in the future as may be warranted by the existing conditions.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall on the 10th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents Coast to Coast Service Corporation, a corporation, William Maurice, also known as William Muchnick, Anna M. Lombard Maurice, and Lewis Grombacher, individually and as officers of Coast to Coast Service Corporation, and Ralph P. O'Neal, individually, shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF

RUDBAN COATS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket 7213. Complaint, Aug. 1, 1958—Decision, Jan. 10, 1959

Consent order requiring operators of some 70 women's apparel retail stores in New York, New Jersey, Pennsylvania, Massachusetts, and other States, to which they distributed merchandise already tagged and priced, to cease preticketing its products including belts, with exaggerated and fictitious prices which were lined out and followed by the real selling price, thereby misrepresenting the usual selling price, the quality of the product, and savings realized by purchasers.

Mr. Terral A. Jordan for the Commission.
Mr. George Nodelman, of New York, N.Y., for respondents.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on August 1, 1958, issued and subsequently served its complaint in this proceeding against the above-named respondents.

On November 25, 1958, their was submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, respondents admit all the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. By such agreement, respondents waive any further procedural steps before the hearing examiner and the Commission; waive the making of findings of fact and conclusions of law; and waive all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

Such agreement further provides that it disposes of all of this proceeding as to all parties; that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission. This agree-

ment is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint; and the following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents, and, when so entered, it shall have the same force and effect as if entered after a full hearing, and may be altered, modified, or set aside in the manner provided for other orders; and that the complaint may be used in construing the terms of the order. Paragraphs 5(1) and (3) and 6(1) and (3) of the complaint shall be interpreted to refer to the price tag first quoted in paragraph 4, and paragraphs 5(2) and 6(2) to the price tag second quoted in paragraph 4.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued.

1. Respondent Rudban Coats, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New York. Respondents Joseph Norban and Abraham Norban are individuals and are respectively president and vice president of said corporate respondent. The office and principal place of business of the respondents is located at 601 West 26th Street, New York, N.Y.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents, Rudban Coats, Inc., a corporation, and its officers, and Joseph Norban and Abraham Norban, individually and as officers of said corporation and their agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of women's wearing apparel, accessories, or other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from directly or indirectly:

1. Representing that the regular and usual retail selling price of said merchandise is any amount other than that at which respondents have sold said merchandise in the recent regular course of business.

2. Representing that any price for said merchandise is a reduced price unless it is in fact a reduction from the price at which respondents have sold said merchandise in the recent regular course of business.

3. Representing that the retail value of said merchandise is any amount in excess of the usual and customary retail selling price of merchandise of like grade, quality, design, and workmanship contemporaneously sold in the same general trade area by other retailers and dealers selling such merchandise.

4. Representing that any savings from respondents' usual and customary retail selling prices for said merchandise are afforded to purchasers thereof when the price designated constitutes respondents' usual and customary retail selling price for said merchandise.

5. Furnishing to other persons, firms, or corporations the said merchandise preticketed so as to misrepresent the regular retail selling price, the reduced price, value or the amount of savings in the purchase thereof in the manner aforesaid.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 10th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Decision

IN THE MATTER OF

FURS BY GARTENHAUS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket 7251. Complaint, Sept. 11, 1958—Decision, Jan. 10, 1959

Consent order requiring a furrier in Washington, D.C., to cease violating the Fur Products Labeling Act by labeling fur products with fictitious prices represented as usual selling prices; by failing to comply with the invoicing requirements of the Act; by newspaper advertisements representing prices of furs as reduced from purported usual prices which were in fact fictitious, and representing false percentage savings; and by failing to maintain adequate records as a basis for such pricing claims.

John T. Walker, Esq., for the Commission.
Irving R. Pressman, Esq., for respondents.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding issued September 11, 1958, charges the respondents above named with violation of the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated under the last named Act, in connection with the introduction into commerce, manufacturing, or offering for sale, sale, advertising, transportation or distribution of fur products, as the designations "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

After the issuance of said complaint respondents, on November 12, 1958, entered into an agreement for a consent order with counsel in support of the complaint, disposing of all of the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation of the Federal Trade Commission. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the respondents admitted all of the jurisdictional allegations of the complaint and agreed that the record herein may be taken as though the Commission had made findings of jurisdictional facts in accordance with such allegations. By said agreement the parties expressly waived a hear-

ing before the hearing examiner or the Commission, the making of findings of fact or conclusions of law by the hearing examiner or the Commission, the filing of exceptions and oral argument before the Commission, and all further and other procedure before the hearing examiner and the Commission to which the respondents may otherwise be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission.

By said agreement, respondents further agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as though made after a full hearing, presentation of evidence and findings and conclusions thereon, and specifically waived any and all right, power or privilege to challenge or contest the validity of such order.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement, and that the said order may be altered, modified or set aside in the manner provided for other orders of the Commission.

Said agreement recites that respondent Furs by Gartenhaus, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its office and principal place of business located at 1789 Columbia Road, NW., Washington, D.C. The individual respondents Isidore Gartenhaus, Bertram Gartenhaus, and Donald D. Gartenhaus are president, vice president and secretary, respectively, of said corporate respondent, and have the same address as that of the said corporate respondent.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted and, without further notice to respondents, is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, and in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein, and that this proceeding is in the interest of the public, wherefore he issues the following order:

ORDER

It is ordered, That Furs by Gartenhaus, Inc., a corporation,

and its officers, and Isidore Gartenhaus, Bertram Gartenhaus and Donald D. Gartenhaus, individually and as officers of said corportion, and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the introduction, manufacture for introduction, or the sale, advertising or offering for sale, in commerce, or the transportation or distribution, in commerce, of fur products, or in connection with the sale, manufacture for sale, advertising, offering for sale, transportation or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

A. Falsely or deceptively labeling or otherwise identifying such products as to the regular prices thereof by any representation that the regular or usual prices of such products are any amounts in excess of the prices at which respondents have usually and customarily sold such products in the recent regular course of business.

2. Falsely or deceptively invoicing fur products by:

A. Failing to furnish invoices to purchasers of fur products showing:

(1) The name or names of the animal or animals producing the fur or furs contained in the fur products as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations.

(2) That the fur product contains or is composed of used fur, when such is the fact;

(3) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(4) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(5) The name and address of the person issuing such invoice;

(6) The name of the country of origin of any imported furs contained in a fur product;

(7) The item number or mark assigned to a fur product.

B. Setting forth information required under Section 5(b)(1) of the Fur products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

C. Failing to set forth the term "Persian Lamb" in the manner required by law.

D. Failing to set forth the term "Dyed Mouton processed Lamb" in the manner required by law.

E. Failing to set forth the term "Dyed Broadtail processed Lamb" in the manner required by law.

3. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of fur products, and which:

A. Represents, directly or by implication, that the regular or usual price of any fur product is any amount which is in excess of the price at which respondents have usually and customarily sold such products in the recent regular course of business.

B. Represents, directly or by implication, through percentage savings claims that the regular or usual retail prices charged by respondents for fur products in the recent regular course of business were reduced in direct proportion to the amount of savings stated, when contrary to fact.

4. Making price claims and representations of the types referred to in paragraph 3A above unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims or representations are based.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 10th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF

H. STEIN & SONS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACTS

Docket 7268. Complaint, Oct. 1, 1958—Decision, Jan. 10, 1959

Consent order requiring manufacturers in Chicago to cease violating the Wool Products Labeling Act by such practices as labeling and invoicing as "70% Wool, 30% Rayon," "65% Wool, 35% other fibers," "100% Wool," etc., woolen stocks which contained substantially less woolen fibers than the percentages given; by failing to label wool products as required and by furnishing false guaranties that certain of their wool products were not misbranded.

William A. Somers, Esq., for the Commission.

James M. Goff, Esq., of *Sonnenschein, Lautmann, Levinson, Rieser, Carlin & Nath*, of Chicago, Ill., for respondents.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on October 1, 1958, charging them with having violated the Wool Products Labeling Act, the rules and regulations issued thereunder, and the Federal Trade Commission Act, by misbranding, misrepresenting, and falsely guaranteeing their wool products. Respondents appeared by counsel and entered into an agreement, dated November 7, 1958, containing a consent order to cease and desist, disposing of all the issues in this proceeding without further hearings, which agreement has been duly approved by the director of the Bureau of Litigation. Said agreement has been submitted to the undersigned, heretofore duly designated to act as hearing examiner herein, for his consideration in accordance with §3.25 of the Rules of Practice of the Commission.

Respondents, pursuant to the aforesaid agreement, have admitted all of the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been made duly in accordance with such allegations. Said agreement further provides that respondents waive all further procedural steps before the hearing examiner or the Commission, including the making of findings of fact or conclusions of law and the right to challenge or contest the validity of the

order to cease and desist entered in accordance with such agreement. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, that said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint, that said order to cease and desist shall have the same force and effect as if entered after a full hearing and may be altered, modified, or set aside in the manner provided for other orders, and that the complaint may be used in construing the terms of the order.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing the consent order, and it appearing that the order and agreement cover all of the allegations of the complaint and provide for appropriate disposition of this proceeding, the agreement is hereby accepted and ordered filed upon this decision and said agreement becoming part of the Commission's decision pursuant to §§3.21 and 3.25 of the Rules of Practice, and the hearing examiner accordingly makes the following findings, for jurisdictional purposes, and order:

1. Respondent H. Stein & Sons, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois. Respondents Max Stein, Hyman Stein and Milton Stein, are individuals and officers of said corporate respondent. Said corporate and individual respondents have their office and principal place of business at 1250 South Union Street, in the City of Chicago, State of Illinois.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Wool Products Labeling Act and the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondents H. Stein & Sons, Inc., a corporation, and its officers, and Max Stein, Hyman Stein and Milton Stein, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction into commerce, or the of-

fering for sale, sale, transportation, or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, and the Wool Products Labeling Act of 1939, of woolen stocks, or other "wool products," as such products are defined in, and subject to, said Wool Products Labeling Act, do forthwith cease and desist from:

A. Misbranding such products by:

1. Falsely or deceptively tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers contained therein;

2. Failing to securely affix to, or place on, each such product a stamp, tag or label or other means of identification showing in a clear and conspicuous manner:

(a) The percentage of the total fiber weight of such wool product exclusive of ornamentation not exceeding five percentum of said total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber is five per centum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool product of any nonfibrous loading, filling or adulterating matter;

(c) The name or the registered identification number of the manufacturer of such wool product or one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

B. Furnishing false guaranties that wool waste or other wool products (as "wool products" are defined in the Wool Products Labeling Act) are not misbranded under the provisions of the Wool Products Labeling Act, when there is reason to believe that the wool products so guaranteed may be introduced, sold, transported or distributed in commerce.

It is further ordered, That H. Stein & Sons, Inc., a corporation, and its officers, and Max Stein, Hyman Stein, and Milton Stein, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of woolen stocks, or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Misrepresenting the character or amount of the constituent

fibers contained in such products on invoices or shipping memoranda applicable thereto or in any other manner.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 10th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the above-named respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Decision

IN THE MATTER OF

FELIX FRIEDMAN

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket 7250. Complaint, Sept. 11, 1958—Decision, Jan. 14, 1959

Consent order requiring a furrier in Cincinnati, Ohio, to cease violating the Fur Products Labeling Act by labeling fur products with fictitious prices represented as the usual retail selling prices; by failing to label and invoice certain products as required; and by advertising in newspapers which failed to disclose the names of animals producing the fur in certain products or that products were artificially colored, or failed in other respects to comply with requirements of the Act.

Mr. S. F. House for the Commission.
Mr. Joseph Brueggeman, of Cincinnati, Ohio, for respondent.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, the Federal Trade Commission on September 11, 1958, issued and subsequently served its complaint in this proceeding against respondent Felix Friedman, an individual trading as Felix Friedman, with his office and principal place of business located at 18 West Seventh Street, Cincinnati, Ohio.

On November 26, 1958 there was submitted to the undersigned hearing examiner an agreement between respondent and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, respondent admits all the jurisdictional facts alleged in the complaint and agrees that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. By such agreement, respondent waives any further procedural steps before the hearing examiner and the Commission; waives the making of findings of fact and conclusions of law; and waives all of the rights he may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

Such agreement further provides that it disposes of all of this proceeding as to all parties; that the record on which this initial decision and the decision of the Commission shall be based shall

consist solely of the complaint and this agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that the agreement is for settlement purposes only and does not constitute an admission by respondent that he has violated the law as alleged in the complaint; and that the following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondent, and, when so entered, it shall have the same force and effect as if entered after a full hearing, and may be altered, modified, or set aside in the manner provided for other orders; and that the complaint may be used in construing the terms of the order.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued.

1. Respondent Felix Friedman is an individual trading as Felix Friedman, with his office and principal place of business located at 18 West Seventh Street, Cincinnati, Ohio.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That the respondent, Felix Friedman, an individual trading as Felix Friedman, or under any other name, and his representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, offering for sale, transportation or distribution of fur products in commerce, or in connection with the sale, advertising, offering for sale, transportation, or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

(a) Representing on labels affixed to the fur products or in any other manner, that certain amounts are the regular and usual prices when such amounts are in excess of the prices at which

respondent has usually and customarily sold such products in the recent regular course of business.

(b) Failing to affix labels to fur products showing:

(1) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(2) That the fur product contains or is composed of used fur, when such is the fact;

(3) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(4) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(5) The name, or other identification issued and registered by the Commission, of one or more persons who manufactured such fur product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(6) The name of the country of origin of any imported furs contained in a fur product;

(7) The item number or mark assigned to a fur product.

(c) Setting forth on labels affixed to fur products:

(1) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form;

(2) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations thereunder, mingled with nonrequired information;

(3) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting.

(d) Failing to set forth the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in the required sequence.

2. Falsely or deceptively invoicing fur products by:

(a) Failing to furnish invoices to purchasers of fur products showing:

(1) The name or names of the animal or animals producing the fur or furs contained in the fur products as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(2) That the fur product contains or is composed of used fur, when such is the fact;

(3) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(4) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(5) The name and address of the person issuing such invoice;

(6) The name of the country of origin of any imported furs contained in a fur product.

3. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of fur products, and which:

(a) Fails to disclose:

(1) The name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide, and as prescribed under the Rules and Regulations;

(2) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact.

(b) Fails to set forth the information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in type of equal size and conspicuousness and in close proximity with each other.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 14th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with the order to cease and desist.

IN THE MATTER OF

K & K QUILTING AND BATTING CORP., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACTS

Docket 7256. Complaint, Sept. 12, 1958—Decision, Jan. 14, 1959

Consent order requiring manufacturers in New York City to cease violating the Wool Products Labeling Act by tagging as "100% Reprocessed Wool," interlinings which contained a substantial quantity of fibers other than wool; and by failing to stamp or label certain wool products as required by the Act.

Mr. Alvin D. Edelson supporting to complaint.
Mr. Hyman Jacobs, of New York City, for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On September 12, 1958, the Federal Trade Commission issued a complaint charging that K & K Quilting and Batting Corp., a corporation, Jacob Krumholz, Benjamin Krumholz, and Meyer Krumholz, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated under said Wool Products Labeling Act by misbranding the wool products which they manufacture.

After issuance and service of the complaint, the respondents, their counsel, and counsel supporting the complaint entered into an agreement for a consent order. The order disposes of the matters complained about. The agreement has been approved by the director and assistant director of the Bureau of Litigation.

The pertinent provisions of said agreement are as follows: Respondents admit all jurisdictional facts; the complaint may be used in construing the terms of the order; the order shall have the same force and effect as if entered after a full hearing and the said agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission; the record herein shall consist solely of the complaint and the agreement; respondents waive the requirement that the decision must contain a statement of findings of fact and conclusions of law; respondents waive further procedural steps before the hearing examiner and the Commission,

and the order may be altered, modified, or set aside in the manner provided by statute for other orders; respondents waive any right to challenge or contest the validity of the order entered in accordance with the agreement and the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

The undersigned hearing examiner having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

JURISDICTIONAL FINDINGS

1. Respondent K & K Quilting and Batting Corp. is a corporation, organized and existing under and by virtue of the laws of the State of New York, with its principal office and place of business located at 59 Scholes Street, Brooklyn, New York, N.Y.

2. Individual respondents Jacob Krumholz, Benjamin Krumholz, and Meyer Krumholz are president, treasurer and secretary, respectively, of the corporate respondent. Each of the individual respondents maintains a business address at the same address as the corporate respondent.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That respondents, K & K Quilting & Batting Corp., a corporation, and its officers, and Jacob Krumholz, Benjamin Krumholz, and Meyer Krumholz, individually, and as officers of the corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction, into commerce, or the offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, and the Wool Products Labeling Act of 1939, of woolen interlinings or other "wool products," as such products are defined in and subject to the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling, or other-

wise identifying such products as to the character or amount of the constituent fibers contained therein;

2. Failing to securely affix to or place on each such product a stamp, tag, label or other means of identification showing in a clear and conspicuous manner;

(a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five percentum of said total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber is five percentum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool products, of any non-fibrous loading, filling, or adulterating matter;

(c) The name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 14th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF

MUTUAL BENEFIT HEALTH & ACCIDENT ASSOCIATION

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket 6248. Complaint, Oct. 14, 1954—Order, Jan. 16, 1959

Dismissal, for lack of jurisdiction following decision of the Supreme Court of the United States in the combined cases of *Federal Trade Commission* v. *National Casualty Company* and *Federal Trade Commission* v. *The American Hospital and Life Insurance Company*, 357 U.S. 560 (1958), of complaint charging an insurance company in Omaha, Nebr., with misrepresenting the benefits provided by its accident and health policies.

Before *Mr. Abner E. Lipscomb*, hearing examiner.

Mr. Paul R. Dixon, Mr. William A. Somers and *Mr. R. D. Young, Jr.* for the Commission.

Mr. L. E. Thorngren, of Omaha, Nebr., *Mr. Horace E. Pascal*, of New York City, and *Mr. Burton K. Wheeler*, of Washington, D. C., for respondent.

FINAL ORDER

This matter having come before the Commission upon the appeal of respondent from the hearing examiner's initial decision and upon briefs and oral argument in support of and in opposition thereto; and

The Commission having considered the record and the ruling of the Supreme Court of the United States in its *per curiam* opinion of June 30, 1958, in the combined cases of *Federal Trade Commission* v. *National Casualty Company* and *The American Hospital and Life Insurance Company*, 357 U.S. 560 (1958), entered subsequent to the filing of the instant appeal, and having concluded that the complaint herein should be dismissed:

It is ordered, That the initial decision herein, filed February 11, 1957, be, and it hereby is, vacated and set aside.

It is further ordered, That the complaint herein be, and it hereby is, dismissed.

Commissioner Kern not participating.

IN THE MATTER OF

JANTZEN, INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2(d) OF THE CLAYTON ACT

Docket 7247. Complaint, Sept. 4, 1958—Decision, Jan. 16, 1959

Consent order requiring a clothing manufacturer in Portland, Ore., with annual sales in 1957 in excess of $44,000,000, to cease discriminating in price by paying advertising allowances to certain favored customers—such as 50% of newspaper advertising costs for its summer wear and sweater lines, to the limit of 5% of purchases where the initial order for a season amounted to $5,000 or more—without making such payments available to their competitors on proportionally equal terms.

COMPLAINT

The Federal Trade Commission, having reason to believe that the above-named respondent has violated Section 2(d) of the amended Clayton Act (U.S.C. Title 15, Sec. 13), hereby issues its complaint as follows:

PARAGRAPH 1. Respondent Jantzen, Inc., is a Nevada corporation with its offices and place of business located at Jantzen Center, 411 NE. 19th Avenue, Portland 8, Oreg.

PAR. 2. Respondent is principally engaged in the manufacture, distribution, and sale of clothing such as summer wear, sweaters, and children's wear.

PAR. 3. These products are sold by respondent for use, or resale within the United States. Respondent causes them to be shipped and transported from the State of location of their principal place of business to purchasers located in States other than the State wherein shipment or transportation originated.

Respondent maintains a course of trade in commerce in such products among and between the States of the United States.

PAR. 4. Respondent ships and sells throughout the United States and world markets to some twelve thousand active accounts. Respondent is licensed to do business in eight States, four in the Western United States and four in the Eastern United States. Distribution is exclusively to retailers located in the various market areas throughout respondent's territories, and sales to retailers are made direct.

Respondent's annual volume of sales for the fiscal year ending August 31, 1957 was in excess of $44 million dollars.

PAR. 5. Respondent, in the course and conduct of its business in commerce, has been paying advertising allowances to certain favored purchasers without making the allowances available on proportionally equal terms to all other purchasers competing in the distribution of its products.

For example, respondent has for several years utilized standard printed cooperative newspaper agreements covering summer wear lines and sweater lines under which, in accordance with specified conditions, respondent pays fifty percent of advertising costs to the limit of five percent of the favored purchasers' total net purchases provided the initial order of a season for the merchandise involved amounts to $5,000 or more.

Such allowances were not made available on proportionally equal terms by respondent to other purchasers competing in the resale of respondent's products with those receiving the allowances.

PAR. 6. The foregoing acts and practices of respondent, as alleged, violate Section 2(d) of the amended Clayton Act (U.S.C. Title 15, Sec. 13).

Mr. Franklin A. Snyder for the Commission.
Mr. Lee Finders, of Portland, Oreg., for respondent.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) issued its complaint herein, charging the above-named respondent with having violated the provisions of the Federal Trade Commission Act in certain particulars.

On November 25, 1958, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "Agreement Containing Consent Order to Cease and Desist," which had been entered into and between respondent and the attorneys for both parties, under date of November 10, 1958, subject to the approval of the Bureau of Litigation of the Commission, which had subsequently duly approved the same.

On due consideration of such agreement, the hearing examiner finds that said agreement, both in form and in content, is in accord with §3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, and that by said agreement the parties have specifically agreed to the following matters:

1. Respondent Jantzen, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Nevada, with its office and principal place of business located at Jantzen Center, 411 NE. 19th Avenue, Portland 8, Oreg.

2. Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on September 4, 1958, issued its complaint in this proceeding against respondent, and a true copy was thereafter duly served on respondent.

3. Respondent admits all the jurisdictional facts alleged in the complaint and agrees that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations.

4. This agreement disposes of all of this proceeding as to all parties.

5. Respondent waives:

a. Any further procedural steps before the hearing examiner and the Commission;

b. The making of findings of fact or conclusions of law; and

c. All of the rights it may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

6. The record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement.

7. This agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

8. This agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint.

9. The following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondent. When so entered it shall have the same force and effect as if entered after a full hearing. It may be altered, modified or set aside in the manner provided for other orders. The complaint may be used in construing the terms of the order.

Upon due consideration of the complaint filed herein and the said "Agreement Containing Consent Order to Cease and Desist," said agreement is hereby approved and accepted and is ordered filed if and when said agreement shall have become a part of the Commission's decision. The hearing examiner finds from the complaint and the said agreement that the Commission has juris-

diction of the subject matter of this proceeding and of the person of the respondent; that the complaint states legal causes for complaint under the Clayton Act,[1] both generally and in each of the particulars alleged therein; that this proceeding is in the interest of the public; that the following order as proposed in said agreement is appropriate for the just disposition of all the issues in this proceeding as to all of the parties hereto; and that said order, therefore, should be and hereby is entered as follows:

ORDER

It is ordered, That respondent Jantzen, Inc., a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in, or in connection with, the sale of clothing in commerce, as "commerce" is defined in the amended Clayton Act, do forthwith cease and desist from paying or contracting for the payment of anything of value to, or for the benefit of, any customer of respondent as compensation, or in consideration, for any services or facilities furnished by or through such customer in connection with the offering for sale, sale or distribution of any of respondent's products, unless such payment or consideration is made available on proportionally equal terms to all other customers competing in the distribution of such products.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 16th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That respondent Jantzen, Inc., a corporation, shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist.

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[1] The Commission on Mar. 26, 1959 issued an order granting motion, reopening and modifying decision by substituting the words "the Clayton Act" for the words "the Federal Trade Commission Act".

IN THE MATTER OF

LITCHFIELD WOOLEN MILLS CO., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACTS

Docket 7257. Complaint, Sept. 12, 1958—Decision, Jan. 20, 1959

Consent order requiring a manufacturer in Litchfield, Minn., to cease violating the Wool Products Labeling Act by labeling and invoicing as "90% wool, 10% reprocessed wool" and "30% wool, 70% reused wool," blankets which contained substantially less wool than thus represented and substantial quantities of other fibers.

Mr. William A. Somers for the Commission.
Firestone & Firestone, of St. Paul, Minn., for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charges the respondents with violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder and the Federal Trade Commission Act. An agreement has now been entered into by respondents and counsel supporting the complaint which provides, among other things, that respondents admit all of the jurisdictional allegations in the complaint; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and agreement; that the inclusion of findings of fact and conclusions of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission; that the order hereinafter set forth may be entered in disposition of the proceeding, such order to have the same force and effect as if entered after a full hearing, respondents specifically waiving any and all rights to challenge or contest the validity of such order; that the order may be altered, modified, or set aside in the manner provided for other orders of the Commission; that the complaint may be used in construing the terms of the order; and that the agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

The hearing examiner having considered the agreement and proposed order and being of the opinion that they provide an adequate basis for appropriate disposition of the proceeding, the

agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

1. Respondent Litchfield Woolen Mills Company is a corporation organized, existing and doing business under the laws of the State of Minnesota. Respondent Plymouth T. Nelson is an individual and officer of said corporation. The address and place of business of said respondents is located at Litchfield, Minn.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Litchfield Woolen Mills Company, a corporation, and its officers, and Plymouth T. Nelson, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation, or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, and the Wool Products Labeling Act of 1939, of woolen blankets or other "wool products" as such products are defined in, and subject to, said Wool Products Labeling Act, do forthwith cease and desist from:

A. Misbranding such products by:

1. Falsely or deceptively tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers contained therein;

2. Failing to securely affix to, or place on, each such product a stamp, tag or label or other means of identification showing in a clear and conspicuous manner:

(a) The percentage of the total fiber weight of such wool product exclusive of ornamentation not exceeding five per centum of said total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber is five per centum or more, and (5) the aggregate of all other fibers.

(b) The maximum percentage of the total weight of such wool product of any nonfibrous loading, filling or adulterating matter.

(c) The name or the registered identification number of the manufacturer of such wool product or one or more persons en-

gaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

It is further ordered, That Litchfield Woolen Mills Company, a corporation, and its officers, and Plymouth T. Nelson, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of woolen blankets or any other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Misrepresenting the character or amount of the constituent fibers contained in such products on invoices or shipping memoranda applicable thereto or in any other manner.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 20th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF

WORLD WIDE WATCH CO., INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket 7076. Complaint, Feb. 28, 1958—Decision, Jan. 21, 1959

Consent order requiring distributors in New York City to cease misrepresenting their "Harvester" brand watches by imprinting on dials and cases the words "jeweled," "17 jewels," "water resistant," and "waterproof," and using the same terms, as well as the words "Fully guaranteed," on circulars, display cards, posters, and tags distributed to jobbers and dealer for use in resale of the watches; and to cease attaching to the watches, or furnishing to dealers for use in resale, tags bearing fictitious and excessive prices represented thereby as the usual selling prices.

Mr. Ames W. Williams for the Commission.
Mr. Jacob Steinberg, of Brooklyn, N.Y., for respondents.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on February 28, 1958, issued and subsequently served its complaint in this proceeding against respondents World Wide Watch Co., Inc., a corporation existing and doing business under and by virtue of the laws of the State of New York, and Jack Bloom, Nettie Bloom, Bernard Bloom and Harriet Bloom, individually and as officers of said corporation.

On November 26, 1958, there was submitted to the undersigned hearing examiner an agreement between respondents World Wide Watch Co., Inc., Bernard Bloom, and Harriet Bloom, and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, respondents admit all the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. By such agreement, respondents waive any further procedural steps before the hearing examiner and the Commission; waive the making of findings of fact and conclusions of law; and waive all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement. Such agreement further provides that it disposes of all of this proceeding as to all parties, except those charges set

out in paragraph 5 of the complaint, which counsel in support of the complaint states cannot be sustained. Attached to and made a part of said agreement is an affidavit attesting to the fact that Nettie Bloom, named as respondent in the complaint, does not now and never has formulated, directed, or controlled the acts, practices, and policies of the corporate respondent and has never in any manner participated in the business of said corporate respondent. There is also attached to and made a part of said agreement a certificate attesting to the death of respondent Jack Bloom.

Said agreement further provides that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that the agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint; and that the following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents, and, when so entered, it shall have the same force and effect as if entered after a full hearing, and may be altered, modified, or set aside in the manner provided for other orders; and that the complaint may be used in construing the terms of the order.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued.

1. Respondent World Wide Watch Co., Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 1178 Broadway, New York, N.Y.

Individual respondents Bernard Bloom and Harriet Bloom are officers of said corporation. These individuals formulate, direct, and control the policies, acts, and practices of the corporate respondent. Their address is the same as that of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents World Wide Watch Co., Inc., a corporation, and its officers; Bernard Bloom and Harriet Bloom, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of watches, or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or indirectly:

(a) That a watch is a jeweled watch, or that it contains a jeweled movement, unless it contains at least seven jewels, including a jeweled lever and unless each of said jewels serves a mechanical purpose as a frictional bearing;

(b) That a watch contains seven or more jewels unless it contains a jeweled lever and unless each of the claimed number of jewels serves a mechanical purpose as a frictional bearing;

(c) That their watches are either waterproof or water resistant;

(d) That their watches are guaranteed or fully guaranteed unless all of the conditions of the guarantee are fully and clearly set out and if a service charge is imposed, the amount of such charge.

2. Attaching tickets to merchandise showing prices which are in excess of the prices at which such merchandise is usually and regularly sold at retail or misrepresenting in any manner the usual and regular retail prices of merchandise.

3. Furnishing tickets or other materials to dealers, or others, which may be attached to or exhibited in connection with merchandise sold to them by respondents, which show prices that are in excess of the prices at which such merchandise is usually and regularly sold at retail; or furnishing any other means or instrumentality by which dealers may misrepresent the usual and regular retail price of merchandise.

It is further ordered, That the complaint be, and the same hereby is dismissed as to the respondents Jack Bloom and Nettie Bloom and as to the charges set out in paragraph five, 5, thereof.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall on the 21st

day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents World Wide Watch Co., Inc., a corporation, and Bernard Bloom and Harriet Bloom, individually and as officers of said corporation shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF

CHESTER H. ROTH COMPANY, INC., ET AL.

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket 7100. Complaint, Mar. 28, 1958—Order, Jan. 29, 1959

Order dismissing without prejudice—for the reason that, before the date of the initial hearing, the hosiery business of the corporate respondent was acquired by a large manufacturer of lingerie, hosiery, gloves, etc., and the challenged practices discontinued—complaint charging a corporate manufacturer of hosiery in New York City with making use of a deceptive scheme to establish a fictitious retail price solely for use in promoting the sale of its hosiery at a lesser price, and with falsely representing that the hosiery was created by famous fashion designers.

Mr. Edward F. Downs and *Mr. Eugene Kaplan* for the Commission.

Mr. Harold L. Glasser and *Mr. Milton Handler*, of New York, N.Y., for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

1. This matter is now before the hearing examiner upon a motion filed by respondents to dismiss the complaint on the ground that all of the challenged practices have been discontinued and will not be resumed. Counsel supporting the complaint have filed an answer in opposition to the motion. No hearings in the case have been held, the initial hearing being set for September 25, 1958.

2. Respondents are charged with the fictitious pricing of women's hosiery, the complaint (par. 5) alleging that:

* * * respondents attached to certain hosiery the names "Jacques Heim," "Mr. John" and "John Frederics," and to some of such hosiery respondents affixed the price of $1.95 per pair. This hosiery was advertised by respondents in magazines of national circulation at the retail price of $1.95 per pair. The retail stores buying the aforesaid hosiery from respondents were required, by respondents, to purchase a basic stock thereof at a wholesale price of $12.00 per dozen pair and offer it to the consuming public at a retail price of $1.95 per pair. However, respondents permitted such retail stores to hold special sales of this hosiery, selling it at retail at one-half price or ninety-nine cents per pair, and for these special sales respondnts sold this hosiery to the retail stores at wholesale prices ranging from $7.25 to $7.75 per dozen. In addition, repondents supplied the retail stores with "mailers" for use in promoting such sales, which "mailers" stated that the aforesaid hosiery was

being offered for a limited time only at one-half price, that it was nationally advertised and sold at $1.95 per pair and that the regular price of it was $1.95 per pair, and respondents otherwise assisted such retail stores in promoting these so-called "half price" sales.

The complaint further alleges (par. 7) that:

* * * While respondents did, by reason of the aforesaid plan or scheme, sell some of such hosiery at $12.00 per dozen wholesale, which was in turn sold at $1.95 per pair retail, sales at $1.95 per pair were so limited in number that they did not in fact establish the customary and usual retail price, therefore such price was fictitious.

An additional charge in the complaint is that respondents have falsely represented that the hosiery in question was created, designed or fashioned by famous fashion designers.

3. Respondents' motion is supported by affidavits executed by one of their attorneys of record and by two of the individual respondents who are also president and executive vice president, respectively, of the corporate respondent.

In substance, the papers state that all of the practices challenged by the complaint have been completely discontinued and will not be resumed; that immediately upon the institution of the Commission's investigation, respondents sought to ascertain from the Commission's staff information as to any practices of respondents considered objectionable, a number of interviews for that purpose being held by respondents' attorney with staff members; that such efforts were at first largely unsuccessful, but that just as fast as the necessary information was obtained the practices were discontinued; that the practice of preticketing was discontinued on September 1, 1957, some six months before issuance of the complaint in March 1958; that in February 1958, all references to prices in respondents' magazine advertisements were discontinued; that that in May 1958, shortly after service of the complaint, respondents discontinued the use of the challenged "mailers" and also discontinued advertising that the hosiery was created, designed or fashioned by famous fashion designers.

4. The most recent cases in which the Commission has passed upon the matter of dismissing a complaint because of discontinuance of the challenged practices appear to be those of Ward Baking Company, Docket No. 6833, decided June 23, 1958, and Sheffield Merchandise, Inc., Docket No. 6627, decided July 7, 1958. In the light of the holdings in those cases, the present motion must be denied insofar as the ground of discontinuance is concerned. Here there appear to be no unusual circumstances at-

tending the discontinuance which meet the standard set up by the two cases cited.

5. There is, however, another circumstance in the present case which presents a much more serious question. That is the fact, set forth by the affidavits accompanying respondents' motion, that on August 1, 1958, the hosiery business of the corporate respondent was acquired by another company, Julius Kayser & Co. a large manufacturer and distributor of lingerie, hosiery, gloves, etc. In view of this acquisition it appears that further proceedings in the present case would serve no useful purpose; that the case is without public interest.

Accepting at face value the statements in the motion and affidavits, it is evident that the practices challenged by the complaint have been discontinued, and if there should be any resumption of the practices such resumption presumably would not be by the respondents but by the Kayser company, which is not a party to the present proceeding. In the circumstances, the practical and sensible course would seem to be to dismiss the complaint without prejudice, leaving open for future consideration the question as to what further action, if any, should be taken by the Commission in the premises.

ORDER

It is therefore ordered, That the complaint be, and it hereby is, dismissed, without prejudice to the right of the Commission to take such further action in the matter in the future as may be warranted by the then existing circumstances.

OPINION OF THE COMMISSION

By TAIT, Commissioner:

Counsel in support of the complaint has appealed from the initial decision of the hearing examiner which dismissed the complaint as to all respondents herein.

The complaint was issued on March 28, 1958, and charged Chester H. Roth Company, Inc., a corporation, and ten of its named officers, individually and as officers, with violation of the Federal Trade Commission Act. It alleged that respondents had fictitiously priced women's hosiery and had falsely represented that the hosiery was created, designed, or fashioned by famous fashion designers.

Counsel for respondents subsequently filed with the hearing examiner a motion to dismiss the complaint, accompanied by two

supporting affidavits. One affidavit was executed by the corporate respondent's president and executive vice president, who are among those officers named as respondents in their individual and official capacities; the other was executed by respondents' counsel of record. In addition to furnishing assurances of discontinuance and stating an intention not to resume the practices, the affidavits asserted, inter alia, that on August 1, 1958, the hosiery business of the corporate respondent was acquired by another company, Julius Kayser & Co., a manufacturer and distributor of sportswear, lingerie, sleepwear, gloves, hosiery and related apparel. The affidavits of the corporate respondent's president and executive vice president also averred that they had nothing to do with conceiving or executing the practices in question and that upon being apprised of the Commission's objections they "promptly and unequivocally caused the corporate respondent to abandon all the promotional features complained of." These two affiants further stated that they were to be employed in principal executive capacities by the acquiring firm and gave assurances that the latter would not engage in any of the practices covered by the complaint.

Counsel supporting the complaint filed answer opposing the motion on grounds that the alleged discontinuance of the challenged practices did not warrant a dismissal of the complaint. No hearings were held and no evidence was otherwise taken in the proceeding.

Based upon this record, the hearing examiner concluded that the practices challenged in the complaint had been discontinued and that further proceedings would serve no useful purpose. His conclusion was premised upon the disclosures in the affidavits that the hosiery business of the corporate respondent had been sold. In this connection, the hearing examiner stated that "* * * if there should be any resumption of the practices such resumption presumably would not be by the respondents but by the Kayser Company, which is not a party to the present proceedings." He thereupon dismissed the complaint as to both the corporate respondent, Chester H. Roth Company, Inc., and the individual respondents "without prejudice to the right of the Commission to take such further action in the matter in the future as may be warranted by the then existing circumstances."

In his appeal brief, counsel supporting the complaint questions the basis for dismissal, and in oral argument before the Com-

mission attempted to introduce and enlarge upon alleged factual matters apart from the established record.

It is elementary that Commission decisions are to be founded upon the established record. Administrative Procedure Act. Counsel is not to depart from such record on appeal in an effort to argue before the Commission factual claims and allegations outside the record. At no stage in this proceeding did counsel supporting the complaint take any steps to supplement the record herein with additional record evidence.

The record to be considered by the Commission is thus the same as that considered by the hearing examiner. The hearing examiner accepted the respondents' moving papers and accompanying affidavits at face value. He had little reason to do otherwise. These documents still stand uncontroverted in the record. We therefore concur in his view that, under the particular circumstances revealed here, the corporate respondent's sale of its hosiery business is a factor sufficient to render further procedure against the corporation unnecessary at this time and to warrant dismissal of the instant complaint as to said corporation.

To the extent that the hearing examiner appears to have based his dismissal as to the additionally named respondents upon this same factor, however, he was in error. The complaint charged these named respondents not only in their capacities as officers of the corporate respondent, Chester H. Roth Company, Inc., but also in their capacities as individuals. The mere sale of a corporation's business is, without more, insufficient to resolve the issue of alleged individual liability. However, the Commission has wide discretion in determining the necessity of attaching individual liability in any instance. The Commission's purpose is to stop the unlawful practice. We conclude that "the public interest will best be served by allowing the initial decision to stand undisturbed." *R. H. White Corporation,* Docket No. 6884, June 9, 1958.

Except as modified by the views expressed herein, the initial decision, including the order of dismissal without prejudice, is adopted as the decision of the Commission.

FINAL ORDER

This matter having been heard on an appeal filed by counsel in support of the complaint from the hearing examiner's initial decision dismissing the complaint without prejudice; and

The Commission, for the reasons set forth in its accompanying

opinion, having concluded that the initial decision, as modified by said opinion, constitutes an appropriate disposition of this proceeding and having adopted as its own decision the initial decision as so modified:

It is ordered, That except to the extent noted in the aforesaid opinion the appeal of counsel in support of the complaint be, and it hereby is, denied.

IN THE MATTER OF

CHARLTON PRESS, INC., ET AL.

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket 6628. Complaint, Sept. 11, 1956—Decision, Jan. 30, 1959

Order requiring a publisher and a distributor in Derby, Conn., to cease selling comic books consisting largely of material previously published by others without conspicuously disclosing on the front cover the fact of such previous publication.

Mr. Charles S. Cox for the Commission.

Eastman, Bronstein & Van Veen, of New York, N.Y., by *Mr. Lee V. Eastman*, for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

1. The Commission's complaint in this matter charges the respondents with violation of the Federal Trade Commission Act through the publication and sale of "comic" books or magazines consisting in large part of material previously published by others, without disclosing such fact to prospective purchasers. After the filing of respondents' answer, hearings were held at which evidence both in support of and in opposition to the complaint was received. Proposed findings and conclusions have been submitted by all parties and the case is now before the hearing examiner for final consideration. Any proposed findings and conclusions not included herein have been rejected.

2. Respondents Charlton Press, Inc., and Capital Distributing Company are corporations organized and doing business under the laws of the State of Connecticut. Respondent John Santangelo is president and general manager of Charlton Press, Inc., and president of Capital Distributing Company. Respondent Edward Levy is treasurer of both corporations. Respondent Burton N. Levy is vice president of Charlton Press, Inc. Respondent Allan Adams is vice president and general manager of Capital Distributing Company. The address of all of the respondents is Charlton Building, Derby, Conn. The individual respondents formulate the policies and direct and control the acts and practices of the corporate respondents of which they are officers.

3. Respondents are engaged in the publication, sale and distribution of comic books or magazines. The term comic books

includes also western stories, adventure stories, animal stories, etc. The books are printed by respondent Charlton Press, Inc., in Derby, Conn., and distributed by respondent Capital Distributing Company to wholesalers who sell to retailers who in turn sell to the public.

Respondent Capital Distributing Company causes the books or magazines, when sold, to be transported from its place of business in the State of Connecticut to purchasers located in various other States of the United States and in the District of Columbia.

4. In the course and conduct of their business respondents are in substantial competition with other corporations and individuals and with firms engaged in the sale and distribution of comic books in interstate commerce.

5. The record establishes beyond question that respondents' publications consist in substantial part of material which has previously been published and sold by others. Not only is this evident from a comparison of certain of respondents' books with those of other publishers, but there is extended, uncontradicted testimony to this effect from two former employees of respondents who were well acquainted with respondents' methods of operation. In fact, respondents' answer to the complaint virtually admits the practice. The amount of previously published material used in the books varies, ranging from a few pages to almost the entire book.

6. The following instances are illustrative of respondents' practice:

(a) Respondents' publication "Gabby Hayes" dated August 1955 (Commission Exihibit 1) contains seven pages (pages 25–31) of story and drawings titled "Gabby Hayes and the Human Porcupine" which are identical with a story and drawings appearing in a publication of Fawcett Publications, Inc., dated April 1951, (Commission Exhibit 83) pages 28–34. The title of the Fawcett publication was "Gabby Hayes Western."

(b) Respondents' publication "Lash LaRue Western," dated September 1955, (Commission Exhibit 2) contains approximately ten pages (pages 1–10) of story and drawings titled "Lash LaRue, the Frontier Phantom Rides Again," which are identical with a story and drawings appearing in a publication of Fawcett Publications, Inc., dated October 1951 (Commission Exhibit 85), pages 24–32. The title of the Fawcett publication was "Lash LaRue Western," and the particular story and pictures carried

the same title as the story and pictures appearing in respondent's book.

This same publication of respondents carried a story two pages in length (pages 22–23) which was identical with a story appearing in the Fawcett publication at pages 14–15.

Also in this same book of respondents, at pages 25–31, was a story and drawings titled "Lash LaRue, in Target for Highwaymen" which was essentially the same as a story and pictures appearing in a Fawcett publication dated October 1952 (Commission Exhibit 84), pages 1–8.

(c) Respondents' book "Rocky Lane Western" dated September 1955 (Commission Exhibit 3), contained ten pages (pages 1–10) of story and pictures titled "Rocky Lane in Trouble Trail," which were identical with the first ten pages of a Fawcett publication dated January 1951 (Commission Exhibit 87), the story and drawings being titled exactly as in respondents' book.

(d) Respondents' book titled "Atomic Mouse" dated Summer 1957 (Commission Exhibit 104), contained eight pages (48–55) of story and drawings titled "Hoppy, the Magic Bunny," which were essentially the same as a story and drawings appearing in a Fawcett publication dated Winter 1948–49 (Commission Exhibit 143), pages 1–8.

(e) Another book of respondents titled "Atomic Mouse," dated May 1956 (Commission Exhibit 31), contains six pages (pages 20–25) titled "Happy, the Magic Bunny, in the Camera Menace," which are almost identical with a story and drawings appearing in a Fawcett publication dated Winter 1949–1950 (Commission Exhibit 135), pages 2–7.

(f) A book of respondents titled "Lash LaRue Western," dated December 1956 (Commission Exhibit 141), contained six pages (pages 17–23) of story and pictures titled "Lash LaRue—the General's Last Stand," which are essentially the same as a story and drawings in a Fawcett publication dated October 1950 (Commission Exhibit 142), pages 26–31, the title being identical with that in respondents' book.

(g) Respondents' publication "Romance" dated Fall 1957 (Commission Exhibit 105), contained thirteen pages (pages 33–47) of story and drawings titled "Love Walks in Truth," which were identical with a story and pictures bearing the same title which appeared in a Fawcett publication, "Sweethearts," dated April 1949 (Commission Exhibit 144), pages 2–14.

(While in the publications of respondents referred to above

the name of the publisher is given as "Charlton Comics Group," this is in fact a trade name used by respondents.)

7. There is no disclosure of any kind on respondents' books that the publications contain previously published material. Obviously, members of the public purchasing comic books understand, in the absence of clear disclosure to the contrary, that such publications consist of new, original material, not old material previously published by others. The failure of respondents to disclose the fact of such prior publication constitutes a representation that the books consist entirely of new material.

8. Respondents insist that they are not responsible for any books which were published prior to December 1955 or January 1956. Their position is that respondent Charlton Press, Inc., (which was organized in 1946) did not enter the business of publishing comic books until August 1955, when it purchased the assets of a company known as Derby Color Press, of Derby, Conn., which was engaged in that business. They further say that due to heavy floods in the Derby, Conn., area in the summer and fall of 1955, it was the last of that year or first of 1956 before Charlton Press, Inc., was able to publish any comic books.

The record establishes, however, that even though Charlton Press, Inc., may not have actually published any comic books before the last of 1955, it was selling and distributing them prior to that time. There is testimony from a wholesale news dealer in Elizabeth, N.J., that he received deliveries of comic books from Charlton Press, Inc., in May, June, July and August 1955. And there are also in evidence delivery tickets showing delivery of comic books by Charlton Press, Inc., to news dealers in Brooklyn, N.Y., in June, July and August 1955 (Commission Exhibits 90–93).

Moreover, the case in support of the complaint is not dependent upon these early publications or deliveries. The instances cited in paragraph 6 above include books published in 1956 and 1957, and it is also clear from other evidence in the record that the practice was continued during those years.

9. With respect to the matter of jurisdiction, admittedly respondent Capital Distributing Company is engaged in interstate commerce. And, as shown above, Charlton Press, Inc., has made at least some interstate sales. Moreover, there is such close connection and community of interest between the two corporations that as a practical matter the acts of one are in effect the acts of the other. As already stated, respondent John Santangelo is

president of both corporations and respondent Edward Levy is treasurer of both. The two corporations are located in the same building and operate virtually as a single enterprise. The comic books are supplied by Charlton Press, Inc., to Capital Distributing Company with full knowledge that they are to be sold and distributed in interstate commerce. Charlton Press, Inc., thereby furnishes to Capital Distributing Company means and instrumentalities whereby misleading practices may be carried on in such commerce. It is therefore concluded that jurisdiction is present as to both of the corporate respondents, and also as to the individual respondents inasmuch as they formulate the policies and direct and control the acts and practices of the corporations.

10. The sale and distribution by respondents of comic books consisting in whole or in substantial part of material which has been previously published by others, without disclosure of the fact of such previous publication, has the tendency and capacity to mislead and deceive dealers and members of the public as to the nature, content and identity of such books or parts thereof, and to cause them to purchase substantial quantities of such books as a result of the erroneous and mistaken belief so engendered. In consequence, trade is unfairly diverted to respondents from their competitors. The present proceeding is therefore in the public interest.

CONCLUSION

The acts and practices of respondents as herein found are all to the prejudice of the public and of respondents' competitors, and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER

It is ordered, That the respondents, Charlton Press, Inc., a corporation, and Capital Distributing Company, a corporation, and their officers, and John Santangelo and Edward Levy, individually and as officers of said corporations, and Burton N. Levy, individually and as an officer of Charlton Press, Inc., and Allan Adams, individually and as an officer of Capital Distributing Company, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of comic books or magazines or other publications in commerce, as "com-

merce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Offering for sale, selling or distributing any book or magazine consisting in whole or in substantial part of material previously published by others, without clearly and conspicuously disclosing on the front cover of such book or magazine the fact of such previous publication.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

The respondents having filed an appeal from the hearing examiner's initial decision requiring them to forthwith cease and desist the practice of selling or offering for sale in commerce "comic" books or other publications consisting in whole or in substantial part of material which has been previously published by others, without disclosing the fact of such previous publication; and

The Commission having considered the matter and having determined that the findings and conclusions of the hearing examiner are supported in all respects by the record and that the order contained in the initial decision is fully justified:

It is ordered, That the respondents' appeal be, and it hereby is, denied.

It is further ordered, That the hearing examiner's initial decision filed July 2, 1958, be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That the respondents, Charlton Press, Inc., and Capital Distributing Company, corporations, John Santangelo and Edward Levy, individually and as officers of said corporations, Burton N. Levy, individually and as an officer of Charlton Press, Inc., and Allan Adams, individually and as an officer of Capital Distributing Company, shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist contained in the aforesaid initial decision.

IN THE MATTER OF

R. H. MACY & CO., INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket 7219. Complaint, Aug. 5, 1958—Decision, Jan. 30, 1959

Consent order requiring a corporate operator of retail stores in New York, together with the licensee of one of its departments, to cease advertising falsely in newspapers that automobile seat covers offered for $15.94 and $10.99, respectively, had sold recently at $29.94 to $39.94, and $22.94.

Mr. Harry E. Middleton, Jr. for the Commission.
Howrey & Simon, by *Mr. William Simon,* of Washington, D.C., for respondents.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on August 5, 1958, issued and subsequently served its complaint in this proceeding against the above-named respondents.

On December 16, 1958, there was submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, respondents admit all the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. By such agreement, respondents waive any further procedural steps before the hearing examiner and the Commission; waive the making of findings of fact and conclusions of law; and waive all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement. Such agreement further provides that it disposes of all of this proceeding as to all parties; that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission. This agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint; and that the following order to cease

and desist may be entered in this proceeding by the Commission without further notice to respondents, and, when so entered, it shall have the same force and effect as if entered after a full hearing, and may be altered, modified, or set aside in the manner provided for other orders; and that the complaint may be used in construing the terms of the order.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued.

1. Respondent R. H. Macy & Co., Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 151 West 34th Street, New York, N.Y.

Respondents The Tire Mart, Inc., and The Tire Mart Stores Corp. are corporations organized and existing by virtue of the laws of the State of New York, with their executive offices located at 404 Fifth Avenue, New York, N.Y. The individual respondents are officers of said corporate respondents and have their principal place of business at the same address as the corporate respondents.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That the respondents R. H. Macy & Co., Inc., a corporation, The Tire Mart, Inc., a corporation, and The Tire Mart Stores Corp., a corporation, and their officers and respondents Harold Leitman, Hyman Kaufman and Max L. Leitman, individually and as officers of The Tire Mart, Inc., and The Tire Mart Stores Corp., and respondents' representatives, agents and employees directly or through any corporate or other device in connection with the offering for sale, sale or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of automobile seat covers, automotive parts, accessories, and related products, do forthwith cease and desist from:

1. Representing directly or by implication that any amount is the price at which such merchandise is ordinarily or usually sold by respondents when such amount is in excess of the price at

which such merchandise has been regularly sold by respondents in the recent regular course of business.

2. Representing directly or by implication that savings from respondents' ordinary or usual price will result from the purchase of such merchandise unless based upon the price at which such merchandise has been sold by respondents in the recent regular course of business.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 30th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF

NEW JERSEY RESEARCH BUREAU ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket 7224. Complaint, Aug. 6, 1958—Decision, Jan. 30, 1959

Consent order requiring a collection agency in Newark, N.J., to cease using misrepresentations to obtain current information concerning delinquent debtors, including use of such terms as "World-Wide Inheritance Service," "Tracers of Missing Heirs," etc.

Mr. Brockman Horne for the Commission.
Mr. Louis C. Selenfriend, of Newark, N.J., for respondents.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on August 6, 1958, issued and subsequently served its complaint in this proceeding against the above-named respondents.

On December 3, 1958, there was submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, respondents admit all the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. By such agreement, respondents waive any further procedural steps before the hearing examiner and the Commission; waive the making of findings of fact and conclusions of law; and waive all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement. Such agreement further provides that it disposes of all of this proceeding as to all parties; that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that this agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint; and that the following order to cease and desist may be entered in this proceeding by the Commis-

sion without further notice to respondents, and, when so entered, it shall have the same force and effect as if entered after a full hearing, and may be altered, modified, or set aside in the manner provided for other orders; and that the complaint may be used in construing the terms of the order.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued.

1. Respondent New Jersey Research Bureau is a corporation existing and doing business under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located at 24 Branford Place, Newark, N.J. The individual respondent Aaron C. Selenfriend is president of said corporation and directs, formulates, and controls its policies, acts and practices. His address is the same as that of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents New Jersey Research Bureau, a corporation, and its officers, and Aaron C. Selenfriend, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with obtaining information concerning delinquent debtors, or in the collection of monies from such persons, in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication:

(a) That respondents are engaged in the business of locating heirs, next-of-kin, devisees, or legatees entitled to share in the estates of deceased persons.

(b) That a likelihood or possibility exists that the debtor, if he furnishes requested information, will share in the estate of a deceased person.

2. Using the words "World-Wide Inheritance Service" or any other words of similar import or meaning, or misrepresenting, in any manner, the territorial extent of their operations.

3. Using, or placing in the hands of others for use, any forms, questionnaires, or other materials, printed or written, which do not clearly reveal that the purpose for which the information is requested is that of obtaining information concerning delinquent debtors.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 30th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF

JAMES BUGG TRADING AS KIRBY CENTER OF WASHINGTON

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket 7259. Complaint, Sept. 12, 1958—Decision, Jan. 30, 1959

Consent order requiring a dealer in Washington, D.C., engaged in selling vacuum cleaners by door-to-door salesmen and in his retail store, to cease selling used machines as new.

Mr. Michael J. Vitale for the Commission.

Mr. Jules H. Sigal, of Washington, D.C., for respondent.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding issued September 12, 1958, charges the respondent with violation of the Federal Trade Commission Act in the sale and distribution of vacuum cleaners.

Respondent James Bugg is an individual, trading and doing business as Kirby Center of Washington. His office and principal place of business is located at 5511 14th Street, NW., Washington, D.C.

After the issuance of the complaint, respondent and his attorney entered into an agreement containing consent order to cease and desist with counsel in support of the complaint, disposing of all the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation.

It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondent that he has violated the law as alleged in the complaint.

By the terms of said agreement, the respondent admitted all the jurisdictional facts alleged in the complaint and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with the allegations.

By said agreement, the respondent expressly waived any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law;

and all the rights he may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

Respondent further agreed that the order to cease and desist, issued in accordance with said agreement, shall have the same force and effect as if made after a full hearing.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that said order may be altered, modified or set aside in the manner prescribed by the statute for orders of the Commission.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, and, in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent named herein, that this proceeding is in the interest of the public, and issues the following order:

ORDER

It is ordered, That respondent James Bugg, an individual, trading and doing business as Kirby Center of Washington, or trading and doing business under any other name or names, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of vacuum cleaners, or any other merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing that vacuum cleaners, or any other merchandise, which have been repossessed, exchanged, used for teaching purposes or as rentals, are new.

2. Failing to clearly reveal that vacuum cleaners, or any other merchandise, which have been repossessed, exchanged, used for teaching purposes, or as rentals, are repossessed, exchanged, have been used for teaching purposes or as rentals, as the case may be.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 30th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with the order to cease and desist.

IN THE MATTER OF

WHITLEY TAILLEURS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket 7168. Complaint, May 29, 1958—Decision, Feb. 3, 1959

Consent order requiring a furrier in New York City to cease violating the Fur Products Labeling Act by labeling dyed fur as natural and imported furs as domestic, and by failing to comply with other labeling requirements of the Act.

John T. Walker, Esq. for the Commission.

Kaye, Scholer, Fierman, Hays & Handler, of New York, N.Y., for respondents.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued May 29, 1958, charges the respondents above named with violation of the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated under the last named Act, in connection with the introduction into commerce, manufacturing, sale, offering for sale, transportation or distribution in commerce, of fur and fur products, as the designations "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

After the issuance of said complaint respondents, on December 3, 1958, entered into an agreement for a consent order with counsel in support of the complaint, disposing of all of the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation of the Federal Trade Commission. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the respondents admitted all of the jurisdictional allegations of the complaint and agreed that the record herein may be taken as though the Commission had made findings of jurisdictional facts in accordance with such allegations. By said agreement the parties expressly waived a hearing before the hearing examiner or the Commission, the making of findings of fact or conclusions of law by the hearing

examiner or the Commission, the filing of exceptions and oral argument before the Commission, and all further and other procedure before the hearing examiner and the Commission to which the respondents may otherwise be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission.

By said agreement, respondents further agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as though made after a full hearing, presentation of evidence and findings and conclusions thereon, and specifically waived any and all right, power or privilege to challenge or contest the validity of such order.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that the said order may be altered, modified or set aside in the manner provided for other orders of the Commission.

Said agreement recites that respondent Whitley Tailleurs, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business at 500 Seventh Avenue, New York, N.Y. The individual respondent Charles A. Leeds is president of said corporate respondent, and individual respondent Sidney Levy is vice president, secretary and treasurer of said corporate respondent, and their address is the same as that of the corporate respondent.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted and, without further notice to respondents, is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21, 3.24 and 3.25 of the Rules of Practice, and in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein, and that this proceeding is in the interest of the public, wherefore he issues the following order:

ORDER

It is ordered, That respondents, Whitley Tailleurs, Inc., a corporation, and its officers, and Charles A. Leeds and Sidney Levy,

individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or manufacture for introduction into commerce, or the sale, advertising, or offering for sale, transportation or distribution in commerce, of any fur product, or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

A. Falsely or deceptively labeling or otherwise identifying any such fur product as "natural" furs, when they are, in fact, bleached, dyed or otherwise artificially colored;

B. Falsely or deceptively labeling or otherwise identifying any such fur products as to the name of the country of origin of the imported furs contained therein;

C. Failing to affix labels to fur products showing:

(1) The name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(2) That the fur product contains or is composed of used fur, when such is the fact;

(3) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(4) That the fur product is composed, in whole or in substantial part of paws, tails, bellies or waste fur, when such is the fact;

(5) The name or other identification registered by the Commission of one or more persons who manufactured such fur products for introduction into commerce, introduced into commerce, and advertised, or offered for sale in commerce;

(6) The name of the country of origin of any imported furs used in the fur products; and

(7) The item number or mark assigned to a fur product.

D. Setting forth on the labels affixed to fur products:

(1) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations thereunder mingled with nonrequired information.

2. Falsely or deceptively invoicing fur products by:

A. Failing to furnish invoices to purchasers of fur products showing:

(1) The name or names of the animal or animals producing the fur or furs contained in the fur products as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(2) That the fur product contains or is composed of used fur, when such is the fact;

(3) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(4) That the fur product is composed, in whole or in substantial part, of paws, tails, bellies or waste fur, when such is the fact;

(5) The name and address of the person issuing such invoice;

(6) The name of the country of origin of any imported furs used in a fur product;

(7) The item number or mark assigned to a fur product.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 3d day of February 1959, become the decision of the Commission; and accordingly:

It is ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF

DEIN-BACHER, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket 7241. Complaint, Aug. 28, 1958—Decision, Feb. 3, 1959

Consent order requiring a furrier in New York City to cease violating the Fur Products Labeling Act by failing to label certain fur products as required; by improper use of the term "blended" in labeling and advertising; and by advertising in newspapers which failed to disclose the names of animals producing certain furs, the country of origin of imported furs, or the fact that some products contained artificially colored fur, and represented sale prices as reduced from purported regular prices which were in fact fictitious.

Mr. John J. Mathias supporting the complaint.
Respondents, Pro Se.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

The complaint in this proceeding charges Dein-Bacher, Inc., a corporation, and Louis J. Bacher, individually and as an officer of said corporation, hereinafter called respondents, with misbranding and false advertising of fur products in violation of the Federal Trade Commission Act and the Fur Products Labeling Act.

After issuance and service of the complaint, the respondents and counsel supporting the complaint entered into an agreement for a consent order. The order disposes of the matters complained about. The agreement has been approved by the director and assistant director of the Bureau of Litigation.

The pertinent provisions of said agreement are as follows: Respondents admit all jurisdictional facts; the complaint may be used in construing the terms of the order; the order shall have the same force and effect as if entered after a full hearing and the said agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission; the record herein shall consist solely of the complaint and the agreement; respondents waive the requirement that the decision must contain a statement of findings of fact and conclusions of law; respondents waive further procedural steps before the hearing examiner and the Commission, and the order may be altered, modified, or set aside in the manner

provided by statute for other orders; respondents waive any right to challenge or contest the validity of the order entered in accordance with the agreement and the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

The undersigned hearing examiner having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

JURISDICTIONAL FINDINGS

1. Respondent, Dein-Bacher, Inc., is a corporation organized and existing under and by virtue of the laws of the State of New Jersey with its office and principal place of business located at 829 Third Avenue, New York, N.Y.

2. Respondent Louis J. Bacher is an officer of the corporate respondent and controls, directs, and formulates the acts, practices, and policies of the corporate respondent. His address is the same as that of the corporate respondent.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Dein-Bacher, Inc., a corporation, and its officers, and Louis J. Bacher, individually and as an officer of said corporation, and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or manufacture for introduction into commerce, or the sale, offering for sale, advertising, transportation, or distribution of fur products in commerce, or in connection with the sale, offering for sale, advertising, transportation, or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as the term "commerce," "fur," and "fur products" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Failing to affix labels to fur products showing:

(a) The name or names of the animal or animals producing the

fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) That the fur product contains or is composed of used fur, when such is a fact;

(c) That the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is a fact;

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is a fact;

(e) The name or other identification issued and registered by the Commission, of one or more persons who manufactured such fur product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(f) The name of the country of origin of any imported furs used in the fur product.

2. Setting forth on labels attached to fur products the term "blended" as a part of the required information to describe the pointing, dyeing, or tip-dyeing of furs.

B. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote, or assist, directly or indirectly, in the sale or offering for sale of fur products and which:

1. Fails to disclose:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur products, as set forth in the Fur Products Name Guide and as prescribed by the Rules and Regulations;

(b) That the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

(c) The name of the country of origin of imported furs contained in fur products.

2. Uses the term "blended" to describe the pointing, dyeing, or tip-dyeing of furs.

3. Represents that the regular or usual price of any fur product is in an amount which is in excess of the price at which the respondents have usually and customarily sold such products in the regular course of their business.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 3d day of February 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.