

Complaint

IN THE MATTER OF
TRIFARI, KRUSSMAN & FISHEL, INC., ET AL.

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

Docket 7119. Complaint, Apr. 10, 1958—Decision, Sept. 23, 1958

Consent order requiring a manufacturer of costume jewelry products in Providence, R.I., to cease making payments as compensation for such services as newspaper advertising furnished in connection with the resale of its products, to the corporate operator of a chain of five retail jewelry stores in and around Philadelphia and one in Norfolk, and which purchased also for four other retail stores, without making proportional payments to its competitors; and requiring said corporate buyer to cease inducing or receiving such compensation from its supplier for advertising or other services.

COMPLAINT

The Federal Trade Commission, having reason to believe that Trifari, Krussman & Fischel, Inc., a corporation, has violated and is now violating the provisions of subsection (d) of Section 2 of the Clayton Act (U.S.C. Title 15, Sec. 13), as amended by the Robinson-Patman Act, and the Commission having further reason to believe that Associated Barr Stores, Inc., a corporation, and Myer B. Barr, as an individual, and as president of Associated Barr Stores, Inc., have violated, and are now violating the provisions of Section 5 of the Federal Trade Commission Act, 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 Trifari, Krussman & Fischel, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York with its principal office located at 16 East 40th Street, New York, N.Y.

PAR. 2. Respondent Trifari, Krussman & Fischel, Inc., is engaged in the business of manufacturing, distributing, and selling costume jewelry products. Said respondent sells the costume jewelry products, which it manufactures at its factory located in Providence, Rhode Island, to a large number of purchasers located throughout the various states of the United States and other places under the jurisdiction of the United States for use, consumption,

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or resale therein. Said respondent sells substantially all of its products directly to retail stores, which in turn sell to the consuming public. Said respondent is a major producer of costume jewelry in the United States with sales in excess of \$8,000,000 for the year 1955.

PAR. 3. In the course and conduct of its business, as aforesaid, respondent Trifari, Krussman & Fischel, Inc., is now engaged, and for many years has been engaged in commerce as "commerce" is defined in the Clayton Act, as amended, having sold and distributed its costume jewelry manufactured in its factory at Providence, Rhode Island, and transported or caused the same to be transported from its place of business in Rhode Island to purchasers located in other States of the United States and other places under the jurisdiction of the United States in a constant current of commerce.

PAR. 4. Respondent Associated Barr Stores, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, having its principal office and place of business at 1112-1114 Chestnut Street, Philadelphia, Pa.

PAR. 5. Respondent Associated Barr Stores, Inc., is now and for many years has been engaged in the operation of a chain of retail jewelry stores selling jewelry and a variety of other products to the consuming public. Said respondent operates six retail jewelry stores in and around Philadelphia, Pa., and one retail jewelry store in Norfolk, Va.

Respondent Associated Barr Stores, Inc., is affiliated with four other corporations, all of which are engaged in the retail jewelry business in the Delaware Valley area of Pennsylvania and New Jersey. It is the practice of said respondent to purchase the merchandise requirements for all these affiliates as well as for its own requirements. These affiliates are: Barr's Jewelers, located in Camden N.J.; Barr's Inc., located in Chester, Pa.; Gemcraft, Inc., located in and around Philadelphia, Pa.; and Gemcraft of New Jersey, Inc., located in and around Camden, N.J. For brevity these affiliates will hereinafter sometimes be referred to as affiliated corporations. In addition to acting as buyer for said affiliated corporations, respondent Associated Barr Stores, Inc., also handles substantially all advertising, including that of the products of respondent Trifari, Krussman & Fischel, Inc., sold in the stores of said affiliated corporations.

Sales made by respondent Associated Barr Stores, Inc., are

substantial, being approximately \$2,140,000 for the fiscal year ending June 30, 1955.

PAR. 6. Respondent Myer B. Barr, an individual, is president of respondent Associated Barr Stores, Inc., and personally directs and supervises its policies and operations. Substantially all the stock of respondent Associated Barr Stores, Inc., and its affiliated corporations, as hereinabove set out, is owned by the said Myer B. Barr and individual members of his family. The acts and practices of respondent Associated Barr Stores, Inc., as described herein have been and are now under the direct personal supervision of the said Myer B. Barr.

PAR. 7. In the course and conduct of its business in commerce as set forth in paragraphs 2 and 3 above, and more specifically during the years 1955 and 1956, respondent Trifari, Krussman & Fischel, Inc., has sold and distributed substantial quantities of its costume jewelry to a number of retail jewelry stores in Philadelphia and Chester, Pa., Norfolk, Va., and Camden, N.J., including respondent Associated Barr Stores, Inc., and its affiliated corporations. Respondent Trifari, Krussman & Fischel, Inc., has transported such products or caused the same to be transported from said respondent's factory in Rhode Island or from other places located outside the Commonwealths of Pennsylvania and Virginia and the State of New Jersey to such retailer customers, including respondent Associated Barr Stores, Inc., and its affiliated corporations located in the cities of Philadelphia and Chester, Pa., Camden, N.J., and Norfolk, Va.

PAR. 8. In the course and conduct of its business as aforesaid, respondent Associated Barr Stores, Inc., and its affiliated corporations are now and for many years have been in competition with other corporations, partnerships, firms, and individuals located in the cities of Philadelphia and Chester, Pa., Camden, N.J., and Norfolk, Va., who are also engaged in the selling at retail of costume jewelry manufactured, sold, and distributed by respondent Trifari, Krussman & Fischel, Inc.

PAR. 9. In the course and conduct of its business in commerce, as aforesaid, and more specifically within the years 1955 and 1956, respondent Trifari, Krussman & Fischel, Inc., has paid or contracted for the payment of money, goods, or other things of value to or for the benefit of respondent Associated Barr Stores, Inc., and affiliated corporations as compensation or in consideration for services or facilities, including newspaper advertising, furnished or agreed to be furnished by or through respondent

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Associated Barr Stores, Inc., and affiliated corporations in connection with the handling, sale, or offering for sale by respondent Associated Barr Stores, Inc., and its affiliated corporations of the costume jewelry manufactured, sold, and distributed by respondent Trifari, Krussman & Fischel, Inc.; and respondent Trifari, Krussman & Fischel, Inc., has not made or contracted to make, or authorized such payments, allowances, or consideration available on proportionally equal terms to all other customers competing with respondent Associated Barr Stores, Inc., and affiliated corporations in the handling, selling or offering for sale of the costume jewelry manufactured, sold, and distributed by respondent Trifari, Krussman & Fischel, Inc.

PAR. 10. The acts and practices of respondent Trifari, Krussman & Fischel, Inc., as alleged in paragraph 9 above, are in violation of subsection (d) of Section 2 of the aforesaid Clayton Act, as amended.

Count II

PAR. 11. Paragraphs 1 through 10 of count 1 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. 12. In the course and conduct of their business as aforesaid, and more specifically during the years 1955 and 1956, respondents Associated Barr Stores, Inc., and Myer B. Barr knowingly induced and received and knowingly contracted for the payment of money, goods, or other things of value to the said respondents and to the affiliated corporations of respondent Associated Barr Stores, Inc., and for the benefit of said respondents and said affiliated corporations from respondent Trifari, Krussman & Fischel, Inc., as compensation or in consideration for services or facilities furnished by or through said respondent Associated Barr Stores, Inc., and affiliated corporations in connection with the offering for sale or sale by said respondent and affiliated corporations of the costume jewelry sold and distributed by respondent Trifari, Krussman & Fischel, Inc., in the course of interstate commerce, which payments or considerations said respondents Associated Barr Stores, Inc., and Myer B. Barr knew or should have known were not made available on proportionally equal terms to all other customers of respondent Trifari, Krussman & Fischel, Inc., competing with said respondent Associated Barr Stores, Inc., and affiliated corporations in the retail sale of respondent Trifari, Krussman & Fischel, Inc.'s costume jewelry.

PAR. 13. As illustrative of the acts and practices alleged in paragraph 12 herein, respondents Associated Barr Stores, Inc., and Myer B. Barr, among other similar transactions, induced, solicited, and received from respondent Trifari, Krussman & Fischel, Inc., a \$1,225 contribution toward a page of advertising featuring respondent Trifari, Krussman & Fischel, Inc.'s costume jewelry and also publicizing respondent Associated Barr Stores, Inc.'s retail stores and the stores of its affiliated corporations in a special rotogravure insert section of the December 4, 1955, edition of the Philadelphia Inquirer, a newspaper published in Philadelphia, Pa. In soliciting said contribution respondents Associated Barr Stores, Inc., and Myer B. Barr informed respondent Trifari, Krussman & Fischel, Inc., that this particular advertisement was entirely separate and distinct from any cooperative program arrangements respondents Associated Barr Stores, Inc., or Myer B. Barr had at that time with respondent Trifari, Krussman & Fischel, Inc., and was to be considered only on that basis.

In inducing and receiving payment for this advertisement respondents Associated Barr Stores, Inc., and Myer B. Barr knew or should have known that they were receiving a payment or consideration from respondent Trifari, Krussman & Fischel, Inc., that was not offered or made available on proportionally equal terms to all other customers of respondent Trifari, Krussman & Fischel, Inc., competing with respondents Associated Barr Stores, Inc., and Myer B. Barr and their affiliated corporations in the sale at retail of the costume jewelry of respondent Trifari, Krussman & Fischel, Inc.

PAR. 14. The circulation of the Philadelphia Inquirer, referred to in paragraph 13 above is not limited to the Commonwealth of Pennsylvania, in which said newspaper is published, but also includes a substantial circulation in a number of other States of the United States.

PAR. 15. The acts and practices of respondents Associated Barr Stores, Inc., and Myer B. Barr as herein alleged are part of an extensive advertising program undertaken by said respondents in conjunction with a large number of suppliers. As a result of this program said respondents have achieved and continue to maintain a dominant position with regard to advertising on the part of retail jewelers in the market areas in which said respondents are engaged. Such acts and practices enabled said respondents in 1954 to place more advertising space in the three leading

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newspapers circulated in Philadelphia, Pa., than all other jewelers competing with said respondents combined.

PAR. 16. The methods, acts, and practices of respondents Associated Barr Stores, Inc., and Myer B. Barr, including the inducing and receiving of payments for the advertisement of the products of respondent Trifari, Krussman & Fischel, Inc., and the advertisement in the Philadelphia Inquirer of such products offered for sale and sold in the stores of respondent Associated Barr Stores, Inc., and affiliated corporations, knowing that said payments were not made available on proportionally equal terms to all other customers competing with respondent Associated Barr Stores, Inc., and affiliated corporations, as hereinbefore alleged, are methods, acts, and practices in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 17. The methods, acts and practices of respondents Associated Barr Stores, Inc., and Myer B. Barr, as alleged in Count II hereof, of knowingly inducing and receiving payments or allowances from respondent Trifari, Krussman & Fischel, Inc., that said respondents knew or should have known were made by respondents Trifari, Krussman & Fischel, Inc., in violation of subsection (d) of Section 2 of the aforesaid Clayton Act, as alleged in Count I hereof, are all to the prejudice and injury of the public and constitute unfair methods of competition and unfair acts and practices in commerce within the intent and meaning and in violation of Section 5 of the Federal Trade Commission Act.

Mr. William H. Smith and Mr. James R. Fruchterman for the Commission.

Sullivan, Donovan, Hanrahan, McGovern & Lane, by *Mr. William H. Coogan*, of New York, N.Y., for Trifari, Krussman & Fishel, Inc.; *Abrahams & Loewenstein*, by *Mr. Maurice J. Klein*, of Philadelphia, Pa., for Associated Barr Stores, Inc., and Myer B. Barr.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on April 10, 1958. Count I thereof alleges that respondent Trifari, Krussman & Fishel, Inc. (the name Fishel having been incorrectly spelled in the complaint as Fischel) is a major producer of costume jewelry in the United States, with sales, during the year 1955, in excess of eight million dollars. Said respondent is charged with violating

§2(d) of the Clayton Act as amended, by making payments or allowances, during the years 1955 and 1956, to, or for the benefit of, respondent Associated Barr Stores, Inc., and its affiliated corporations, as compensation or in consideration for services or facilities furnished by or through respondent Associated Barr Stores, Inc., including newspaper advertisements of costume jewelry manufactured by respondent Trifari, Krussman & Fishel, Inc., which payments or allowances were not made available on proportionally equal terms to all others of respondent Trifari's customers competing with respondent Associated Barr Stores, Inc.

Count II of the complaint charges respondent Associated Barr Stores, Inc., and its president, respondent Myer B. Barr, with unfair methods of competition and unfair acts and practices in commerce in violation of §5 of the Federal Trade Commission Act, by soliciting and receiving such unlawful payments and allowances, which "they knew or should have known" were not being offered on proportionally equal terms to all those of their competitors who were also customers of respondent Trifari.

On July 1, 1958, respondent Trifari, Krussman & Fishel, Inc., their counsel, and counsel supporting the complaint entered into an Agreement Containing Consent Order to Cease and Desist, and on July 23, 1958, respondents Associated Barr Stores, Inc., and Myer B. Barr, their counsel, and counsel supporting the complaint entered into a similar agreement. Both agreements were approved by the director and an assistant director of the Commission's Bureau of Litigation, and thereafter submitted to the hearing examiner for consideration.

The first agreement identifies respondent Trifari, Krussman & Fishel, Inc., as a New York corporation, with its office and principal place of business located at 16 East 40th Street, New York, N.Y. The second agreement identifies respondent Associated Barr Stores, Inc., as a Delaware corporation, having its principal office and place of business at 1112-1114 Chestnut Street, Philadelphia, Pa., and individual respondent Myer B. Barr as president thereof, and having the same address.

In both agreements, 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.

Respondents waive any further procedure before the hearing examiner and the Commission; the making of findings of fact

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and 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 the agreement. All parties agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and each agreement as to the parties signatory thereto; that the order to cease and desist, as contained in each agreement, when it shall have become a part of the decision of the Commission, 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; that the complaint herein may be used in construing the terms of said order; and that the agreement is for settlement purposes only, and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

After consideration of the allegations of the complaint, the provisions of the two agreements, each as to the parties signatory thereto, and the proposed orders, the hearing examiner is of the opinion that such orders constitute a satisfactory disposition of this proceeding. Accordingly, in consonance with the terms of the aforesaid agreements, the hearing examiner accepts the two Agreements Containing Consent Order to Cease and Desist; finds that the Commission has jurisdiction over the respondents and over their acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That respondent Trifari, Krussman & Fishel, Inc., its officers, employees, agents, and representatives, directly or through any corporate or other device in connection with the sale of costume jewelry in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

Making or contracting to make, to or for the benefit of Associated Barr Stores, Inc., or any other customer, any payment of anything of value as compensation or in consideration for advertising or other services or facilities furnished by or through such customer, in connection with the handling, offering for resale, or resale of the respondent's products, unless such payment is affirmatively offered or otherwise made available on proportionally equal terms to all other customers competing in the distribution or resale of such products.

It is further ordered, That respondent Associated Barr Stores, Inc., a corporation, its officers, and Myer B. Barr, an individual,

and their respective representatives, agents, and employees, directly or through any corporate or other device, in or in connection with the purchase in commerce, as "commerce" is defined in the Federal Trade Commission Act, of jewelry or other products, do forthwith cease and desist from:

Knowingly inducing, receiving, or contracting for the receipt of, the payment of anything of value from any supplier as compensation or in consideration for advertising or other services or facilities furnished by or through the corporate respondent, its affiliates, subsidiaries, or successors, in connection with the handling, offering for resale, or resale by said corporate respondent, its affiliates, subsidiaries, or successors, of said products, when such payment or other consideration is not made available by such supplier on proportionally equal terms to all other customers competing with said corporate respondent, its affiliates, subsidiaries, or successors in the sale or 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 23d day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Trifari, Krussman & Fishel, Inc. (the name Fishel erroneously shown in the complaint as Fischel), Associated Barr Stores, Inc., and Myer B. Barr, as an individual and as president of Associated Barr Stores, Inc., 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
STANLEY LIEBERMAN ET AL.
TRADING AS WM. DEVITZ & CO.

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

Docket 7138. Complaint, May 7, 1958—Decision, Sept. 23, 1958

Consent order requiring a furrier in New York City to cease violating the Fur Products Labeling Act by failing to comply with the labeling and invoicing requirements.

Mr. John T. Walker, supporting the complaint.

Mr. Carl Schaeffer of the firm of *Schaeffer & Goldstein*, for respondents, New York, N.Y.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on May 7, 1958, charging them with having violated the Fur Products Labeling Act, the rules and regulations issued thereunder, and the Federal Trade Commission Act by misbranding and falsely and deceptively invoicing certain of their fur products.

After being served with the complaint respondents entered into an agreement, dated July 14, 1958, containing a consent order to cease and desist, disposing of all the issues in this proceeding without hearing, which agreement has been duly approved by the assistant director and 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 Section 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

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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 Sections 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. Respondents Stanley Lieberman and William Devitz are individuals and copartners, trading as Wm. Devitz & Co., with office and principal place of business located at 512 Seventh Avenue, New York, N.Y.

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 Fur 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 Stanley Lieberman and William Devitz, individually, and as copartners, trading as Wm. Devitz & Co., or under any other name, and respondents' 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 any fur product which is made in whole or in part of fur which has been shipped and received in

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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. 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 the fact;

(c) That the fur product contains or is composed of bleached, dyed or otherwise 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 or other identification registered by the Commission, of one or more persons who manufactured such fur product for introduction into commerce, introduced it in commerce, advertised, or offered it for sale in commerce;

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

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

2. Setting forth on labels affixed to fur products:

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

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 otherwise 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 invoice;

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

(g) 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 23d day of September 1958, 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
FAMOUS FURS, LTD., ET AL.

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

Docket 7157. Complaint, May 26, 1958—Decision, Sept. 23, 1958

Consent order requiring furriers in Jersey City, N.J., to cease violating the Fur Products Labeling Act by failing to disclose in advertisements and on labels and invoices when fur products contained "secondhand used fur"; by setting forth in advertisements and on invoices the name of an animal in addition to that producing the fur, and the names of fictitious animals; by failing in other respects to comply with the invoicing and labeling requirements; by failing in advertising to disclose the names of animals producing certain furs or that some fur products contained artificially colored furs; and by advertising in newspapers which represented prices of fur products as reduced from regular prices which were in fact fictitious, and as reduced due to fire, smoke, and water damage, and which made comparative and reduced price claims while failing to keep adequate records as a basis therefor.

Mr. John T. Walker for the Commission.

No appearance for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charges the respondents with certain violations of the Fur Products Labeling Act 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

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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 Famous Furs, Ltd., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey. Individual respondents Samuel Weinberg, Lawrence Weinberg and William Weinberg, are president, secretary-treasurer and vice president, respectively, of said corporation, and control, direct and formulate the acts, practices and policies of the corporate respondent. The office and principal place of business of said respondents is located at 384 Jackson Avenue, Jersey City, N.J.

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, Famous Furs, Ltd., a corporation, and its officers, and Samuel Weinberg, Lawrence Weinberg and William Weinberg, 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 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 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:

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;

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(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 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, 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, or transported or distributed it in commerce;

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

(g) That the product contains secondhand fur when such is the fact.

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 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 otherwise 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 invoice;

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

(g) That the fur product contains secondhand fur when such is the fact;

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

2. Setting forth the name or names of any animal or animals in addition to the name or names specified in Section 5(b)(1)(A) of the Fur Products Labeling Act.

3. Setting forth the name of an animal which is in fact fictitious or nonexistent.

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

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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 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 the fact;

(d) That the fur product contains or is composed of second-hand fur, when such is the fact.

2. Contains the name or names of any animal or animals in addition to the name or names specified in Section 5(a)(1) of the Fur Products Labeling Act.

3. Contains the name of an animal which is in fact fictitious or nonexistent.

4. Represents directly or by implication:

(a) That the regular or usual prices 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 their business;

(b) That the regular or usual price of any fur product is reduced due to damage by fire, smoke, water or any other cause, when contrary to fact.

D. Making pricing claims or representations in advertisements respecting comparative prices or reduced prices unless there is maintained by respondents 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 23d day of September 1958, 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.

Complaint

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IN THE MATTER OF
MIDWEST WAREHOUSE DISTRIBUTORS, INC., ET AL.

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

Docket 6888. Complaint, Sept. 17, 1957—Decision, Sept. 24, 1958

Consent order requiring a trade association in Kansas City, Mo., and its twenty-one jobber members in eleven Midwestern States from Illinois to Colorado, to cease violating Section 2(f) of the Clayton Act by inducing and accepting illegal price advantages from their suppliers of automotive products.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondents named in the caption hereof, and hereinafter more particularly designated and described, have violated and are now violating the provisions of subsection (f) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act, approved June 19, 1936 (U.S.C., Title 15, Sec. 13), hereby issues its complaint stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Midwest Warehouse Distributors, Inc., hereinafter sometimes referred to as respondent MWDI, is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 1801-05 Grand Avenue, Kansas City, Mo.

Respondent MWDI, although utilizing corporate form, is a membership organization, organized, maintained, managed, controlled, and operated by and for its members. The membership of respondent MWDI is composed of corporations, partnerships, and individuals whose business consists of the jobbing of automotive products and supplies.

Respondent MWDI, as constituted and operated, is known and referred to in the trade as a buying group.

Respondent Eugene T. Wanderer is the chief administrative officer of respondent MWDI, with the title of general manager. His office and principal place of business as general manager of respondent MWDI is located at 1801-05 Grand Avenue, Kansas City, Mo.

PAR. 2. The following respondent corporations and individuals,

sometimes hereinafter referred to as respondent jobbers, constitute respondent MWDI:

Respondent Auto Parts Company, is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 3201 Locust Street, St. Louis, Mo.

The following respondent individuals are principal officers of said respondent corporation:

Walter T. Mills, president,

W. Thomas Mills, vice president.

Respondent Auto Tire & Parts Co., Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 501 Broadway, Cape Girardeau, Mo.

The following respondent individual is a principal officer of said respondent corporation:

J. P. Tlapek, president.

Respondent Barron Motor, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Iowa, with its principal office and place of business located at 728 Third Avenue SE., Cedar Rapids, Iowa.

The following respondent individuals are principal officers of said respondent corporation:

William J. Barron, president,

William J. Barron, Jr., secretary-treasurer.

Respondent Cummings & Emerson, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 424 South Washington Street, Peoria, Ill.

The following respondent individuals are principal officers of said respondent corporation:

David C. Cummings, president,

Arthur P. Johnson, vice president.

Respondents B. Scott Reardon, Jr., and Thomas M. Reardon are copartners doing business under the firm name and style of The Dakota Iron Store, a partnership with their office and principal place of business located at 431-33 North Main Avenue, Sioux Falls, S.Dak.

Respondent Eagle Machine Co., Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Indiana, with its principal office and place of business located at 635 East Market Street, Indianapolis, Ind.

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The following respondent individuals are principal officers of said respondent corporation:

Charles W. Yount, chairman of the board,
George W. Yount, president and general manager.

Respondent The Foster Auto Supply Company is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Colorado, with its principal office and place of business located at 550 Acoma Street, Denver, Colo.

The following respondent individuals are principal officers of said respondent corporation:

Thomas A. Foster, president,
John W. Foster, treasurer,
Robert L. Stanton, secretary.

Respondent Hermann-Brownlow Co., Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 633 College Street, Springfield, Mo.

The following respondent individuals are principal officers of said respondent corporation:

William A. Dyche, president,
W. R. Dyche, vice president.

Respondent Fred V. Kuehn is a partner doing business under the firm name and style of Kuehn Baymiller Co., a partnership, with his office and principal place of business located at 2410 Harney Street, Omaha, Neb.

Respondent Motor Equipment Company is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 214 West Douglas Avenue, Wichita, Kans.

The following respondent individual is a principal officer of said respondent corporation:

George W. Huston, president.

Respondent Harry B. Eck is a sole proprietor doing business under the firm name and style Motor Service Company, with his principal office and place of business at 604 Fourth Avenue S.W., Minot, N.Dak.

Respondent John G. Moffet is a sole proprietor doing business under the firm name and style Motor Supply Company, with his principal office and place of business located at 1315 West Locust Street, Des Moines, Iowa.

Respondent Motor Supply Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the

State of Colorado, with its principal office and place of business at 607 North Santa Fe Street, Pueblo, Colo.

The following respondent individual is a principal officer of said respondent corporation:

Carl B. Campbell, president.

Respondent National Bushing & Parts Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Minnesota, with its principal office and place of business located at 1221 Harmon Place, Minneapolis, Minn.

The following respondent individuals are principal officers of said respondent corporation:

Alme E. Pouliot, president,

J. Raymond Riley, secretary and treasurer,

W. H. Bitting, assistant treasurer.

Respondent Paul Automotive, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Michigan, with its principal office and place of business located at 207-223 North Larch Street, Lansing, Mich.

The following respondent individual is a principal officer of said respondent corporation:

Charles S. Phillips, president.

Respondent Quanrud, Brink & Reibold, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of North Dakota, with its principal office and place of business located at 122 First Street, Bismarck, N.Dak.

The following respondent individuals are principal officers of said respondent corporation:

Alden E. Brink, president,

Theodore S. Quanrud, vice president.

Respondent Red Rooster Sales Co., Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Nebraska, with its principal office and place of business located at 120 East Third Street, Grand Island, Nebr.

The following respondent individuals are principal officers of said respondent corporation:

George A. Miller, president,

Ralph Farrall, vice president,

Robert F. Day, treasurer.

Respondent Standard Battery & Electric Co., is a corporation organized, existing, and doing business under and by virtue of

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the laws of the State of Iowa, with its principal office and place of business located at 217-21 West Fifth Street, Waterloo, Iowa.

The following respondent individual is a principal officer of said respondent corporation:

Frank M. Wood, president.

Respondent Stickney's, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Colorado, with its principal office and place of business located at 101 Main Street, Sterling, Colo.

The following respondent individuals are principal officers of said respondent corporation:

Max W. Polland, president,

Ronald J. Kent, vice president,

Clem Hoffman, vice president.

Respondent Triangle Supply Co., Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 407 West Coates Street, Moberly, Mo.

The following respondent individuals are principal officers of said respondent corporation:

Raymond S. Eckles, secretary and treasurer,

Herbert E. Lawrence, president,

Harry Meinert, vice president.

Respondent United Wholesalers, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Iowa, with its principal office and place of business located at 623-37 Water Street, Sioux City, Iowa.

The following respondent individuals are principal officers of said respondent corporation:

Robert L. Terry, president,

Alvin U. Blackburn, secretary and treasurer.

PAR. 3. The respondent jobbers set forth in paragraph 2 have purchased and now purchase in commerce from suppliers engaged in commerce numerous automotive products and supplies for use, consumption, or resale within the United States. Respondent jobbers and said suppliers cause the products and supplies so purchased to be shipped and transported among and between the several States of the United States from the respective State or States of location of said suppliers to the respective different States or States of location of the said respondent jobbers.

PAR. 4. In the purchase and the resale of said automotive

products and supplies, respondent jobbers are in active competition with independent jobbers not affiliated with respondent MWDI; and the suppliers selling to respondent jobbers and to their independent jobber competitors are in active competition with other suppliers of similar automotive products and supplies.

PAR. 5. Respondent MWDI, since its formation in 1949, has been and is now maintained, managed, controlled, and operated by and for the respondent jobbers set forth in paragraph 2 and each said respondent has participated in, approved, furthered, and cooperated with the other respondents in the carrying out of the procedures and activities hereinafter described.

In practice and effect, respondent MWDI has been and is now serving as the medium or instrumentality by, through, or in conjunction with, which said respondent jobbers exert the influence of their combined bargaining power on the competitive suppliers hereinbefore described. As a part of their operating procedure, said respondent jobbers direct the attention of said suppliers to their aggregate purchasing power as a buying group and, by reason of such, have knowingly demanded and received, upon their individual purchases discriminatory prices, discounts, allowances, rebates, and terms and conditions of sale. Suppliers not acceding to such demands are usually replaced as sources of supply for the commodities concerned and such market is closed to them in favor of such suppliers as can be and are induced to afford the discriminatory prices, discounts, allowances, rebates, and terms and conditions of sale so demanded.

Respondent jobbers demand that those suppliers who sell their products pursuant to a quantity discount schedule shall consider their several purchases in the aggregate as if made by one purchaser and grant quantity discounts, allowances, or rebates on the resultant combined purchase volume in accordance with said suppliers' schedule. This procedure effects a discrimination in price on goods of like grade and quality between respondent jobbers and competing independent jobbers whose quantity discounts, allowances, or rebates from such suppliers are based upon only their individual purchase volumes. From other suppliers the respondent jobbers demand the payment or allowance of trade discounts, allowances, or rebates which such suppliers do not ordinarily pay or allow to jobber customers. This procedure effects a discrimination in price on goods of like grade and quality between respondent jobbers and competing independent jobbers who are not afforded such trade discounts, allowances, or rebates.

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When and if a demand is acceded to by a particular supplier, the subsequent purchase transactions between said supplier and the individual jobber respondents have been and are billed to, and paid for through, the aforesaid organizational device of respondent MWDI. Said corporate organization thus purports to be the purchaser when in truth and in fact it has been and is now serving only as agent for the several respondent jobbers and as a mere bookkeeping device for facilitating the inducement and receipt by the aforesaid respondent jobbers of the price discriminations concerned.

PAR. 6. Respondents have induced or received from their suppliers, in the manner aforesaid, favorable prices, discounts, allowances, rebates, terms and conditions of sale which they knew or should have known constituted discriminations in price prohibited by subsection (a) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

PAR. 7. The effect of the knowing inducement or receipt by respondents of the discriminations in price as above alleged has been and may be substantially to lessen, injure, destroy, or prevent competition between suppliers of automotive products and supplies and between respondent jobbers and independent jobbers.

PAR. 8. The foregoing alleged acts and practices of respondents in knowingly inducing or receiving discriminations in price prohibited by subsection (a) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act, are in violation of subsection (f) of Section 2 of said Act.

Mr. Francis C. Mayer and *Mr. William W. Rogal* for the Commission.

Mr. Henry J. Plagens, of Kansas City, Mo., for respondents.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of subsection (f) of section 2 of the Clayton Act, as amended by the Robinson-Patman Act, approved June 19, 1936 (U.S.C., Title 15, Sec. 13), the Federal Trade Commission on September 17, 1957, issued and subsequently served its complaint in this proceeding against the above-named respondents.

On April 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 its 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 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 Midwest Warehouse Distributors, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 1801-05 Grand Avenue, in the city of Kansas City, State of Missouri.

Respondent Eugene T. Wanderer is the general manager of respondent Midwest Warehouse Distributors, Inc. His office and principal place of business as manager of respondent Midwest Warehouse Distributors, Inc., is located at 1801-05 Grand Avenue, Kansas City, Mo.

Respondent Auto Parts Company is a corporation existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 3201 Locust Street, in the city of St. Louis, State of Missouri.

Respondents Walter T. Mills and W. Thomas Mills are presi-

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dent and vice president, respectively, of respondent Auto Parts Company. Their office and principal place of business as officers of respondent Auto Parts Company is located at 3201 Locust Street, St. Louis, Mo.

Respondent Auto Tire & Parts Co., Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 501 Broadway, in the city of Cape Girardeau, State of Missouri.

Respondent J. P. Tlappek is the president of respondent Auto Tire & Parts Co., Inc. His office and principal place of business as president of respondent Auto Tire & Parts Co., Inc., is located at 501 Broadway, Capt Girardeau, Mo.

Respondent Barron Motor, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Iowa, with its office and principal place of business located at 728 Third Avenue SE, in the city of Cedar Rapids, State of Iowa.

Respondents William J. Barron and William J. Barron, Jr., are president and secretary-treasurer, respectively, of respondent Barron Motor, Inc. Their office and principal place of business as officers of respondent Barron Motor, Inc., is located at 728 Third Avenue SE, Cedar Rapids, Iowa.

Respondent Cummings & Emerson, Inc., 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 424 South Washington Street, in the city of Peoria, State of Illinois.

Respondents David C. Cummings and Arthur P. Johnson are president and vice president, respectively, of respondent Cummings & Emerson, Inc. Their office and principal place of business as officers of respondent Cummings & Emerson, Inc., is located at 424 South Washington Street, Peoria, Ill.

Respondents B. Scott Reardon, Jr., and Thomas M. Reardon are copartners doing business under the firm name and style of The Dakota Iron Store, a partnership, with their office and principal place of business located at 431-33 North Main Avenue, Sioux Falls, S. Dak.

Respondent Eagle Machine Co., Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Indiana, with its office and principal place of business located at 635 East Market Street, in the city of Indianapolis, State of Indiana.

Respondents Charles W. Yount and George W. Yount are chairman of the board, and president and general manager, respectively, of respondent Eagle Machine Co., Inc. Their office and principal place of business as officers of respondent Eagle Machine Co., Inc., is located at 635 East Market Street, Indianapolis, Ind.

Respondent The Foster Auto Supply Company is a corporation existing and doing business under and by virtue of the laws of the State of Colorado, with its office and principal place of business located at 550 Acoma Street, in the city of Denver, State of Colorado.

Respondents Thomas A. Foster, John W. Foster and Robert L. Stanton are president, treasurer and secretary, respectively, of respondent The Foster Auto Supply Company. Their office and principal place of business as officers of respondent The Foster Auto Supply Company is located at 550 Acoma Street, Denver, Colo.

Respondent Hermann-Brownlow Co., Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 633 College Street, in the city of Springfield, State of Missouri.

Respondents William A. Dyche and W. R. Dyche are president and vice president, respectively, of respondent Hermann-Brownlow Co., Inc. Their office and principal place of business as officers of respondent Hermann-Brownlow Co., Inc., is located at 633 College Street, Springfield, Mo.

Respondent Fred V. Kuehn is a partner doing business under the firm name and style of Kuehn Baymiller Co., a partnership, with his office and principal place of business located at 2410 Harney Street, Omaha, Nebr.

Respondent Motor Equipment Company is a corporation existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 214 West Douglas Avenue, in the city of Wichita, State of Kansas.

Respondent George W. Huston is the president of respondent Motor Equipment Company. His office and principal place of business as president of respondent Motor Equipment Company is located at 214 West Douglas Avenue, Wichita, Kans.

Respondent Harry B. Eck is a sole proprietor doing business under the firm name and style Motor Service Company, with his

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principal office and place of business at 604 Fourth Avenue SW, Minot, N. Dak.

Respondent John G. Moffet is a sole proprietor doing business under the firm name and style Motor Supply Company, with his principal office and place of business located at 1315 West Locust Street, Des Moines, Iowa.

Respondent Motor Supply Co. is a corporation existing and doing business under and by virtue of the laws of the State of Colorado, with its office and principal place of business located at 607 North Santa Fe Street, in the city of Pueblo, State of Colorado.

Respondent Carl B. Campbell is the president of respondent Motor Supply Co. His office and principal place of business as president of respondent Motor Supply Co. is located at 607 North Santa Fe Street, Pueblo, Colo.

Respondent National Bushing & Parts Co. is a corporation existing and doing business under and by virtue of the laws of the State of Minnesota, with its office and principal place of business located at 1221 Harmon Place, in the city of Minneapolis, State of Minnesota.

Respondents Alme E. Pouliot, J. Raymond Riley and W. H. Bitting are president, secretary and treasurer, and assistant treasurer, respectively, of respondent National Bushing & Parts Co. Their office and principal place of business as officers of respondent National Bushing & Parts Co. is located at 1221 Harmon Place, Minneapolis, Minn.

Respondent Paul Automotive, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Michigan, with its office and principal place of business located at 207-223 North Larch Street, in the city of Lansing, State of Michigan.

Respondent Charles S. Phillips is the president of respondent Paul Automotive, Inc. His office and principal place of business as president of respondent Paul Automotive, Inc., is located at 207-223 North Larch Street, Lansing, Mich.

Respondent Quanrud, Brink & Reibold, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of North Dakota, with its office and principal place of business located at 122 First Street, in the city of Bismarck, State of North Dakota.

Respondents Alden E. Brink and Theodore S. Quanrud are president and vice president, respectively, of respondent Quanrud,

Brink & Reibold, Inc. Their office and principal place of business as officers of respondent Quanrud, Brink & Reibold, Inc., is located at 122 First Street, Bismarck, N. Dak.

Respondent Red Rooster Sales Co., Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Nebraska, with its office and principal place of business located at 120 East Third Street, in the city of Grand Island, State of Nebraska.

Respondents George A. Miller, Ralph Farrall and Robert F. Day are president, vice president and treasurer, respectively, of respondent Red Rooster Sales Co., Inc. Their office and principal place of business as officers of respondent Red Rooster Sales Co., Inc., is located at 120 East Third Street, Grand Island, Nebr.

Respondent Standard Battery & Electric Co. is a corporation existing and doing business under and by virtue of the laws of the State of Iowa, with its office and principal place of business located at 217-21 West Fifth Street, in the city of Waterloo, State of Iowa.

Respondent Frank M. Wood is the president of respondent Standard Battery & Electric Co. His office and principal place of business as president of respondent Standard Battery & Electric Co., is located at 217-21 West Fifth Street, Waterloo, State of Iowa.

Respondent Stickney's, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Colorado, with its office and principal place of business located at 101 Main Street, in the city of Sterling, State of Colorado.

Respondent Max W. Polland is the president and respondents Ronald J. Kent and Clem Hoffman are the vice presidents of respondent Stickney's, Inc. Their office and principal place of business as officers of respondent Stickney's, Inc., is located at 101 Main Street, Sterling, Colo.

Respondent Triangle Supply Co., Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 407 West Coates Street, in the city of Moberly, State of Missouri.

Respondents Raymond S. Eckles, Herbert E. Lawrence and Harry Meinert are secretary and treasurer, president and vice president, respectively, of respondent Triangle Supply Co., Inc. Their office and principal place of business as officers of respondent Triangle Supply Co., Inc., is located at 407 West Coates Street, Moberly, Mo.

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Respondent United Wholesalers, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Iowa, with its office and principal place of business located at 623-37 Water Street, in the city of Sioux City, State of Iowa.

Respondents Robert L. Terry and Alvin U. Blackburn are president, and secretary and treasurer, respectively, of respondent United Wholesalers, Inc. Their office and principal place of business as officers of respondent United Wholesalers, Inc., is located at 623-37 Water Street, Sioux City, Iowa.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents.

ORDER

It is ordered, That respondents Midwest Warehouse Distributors, Inc., a corporation, and Eugene T. Wanderer, individually and as general manager; Auto Parts Company, a corporation, and Walter T. Mills and W. Thomas Mills, individually and as officers; Auto Tire & Parts Co., Inc., a corporation, and J. P. Tlappek, individually and as an officer; Barron Motor, Inc., a corporation, and William J. Barron and William J. Barron, Jr., individually and as officers; Cummings & Emerson, Inc., a corporation, and David C. Cummings and Arthur P. Johnson, individually and as officers; B. Scott Reardon, Jr., and Thomas M. Reardon, copartners doing business under the firm name and style of The Dakota Iron Store; Eagle Machine Co., Inc., a corporation, and Charles W. Yount and George W. Yount, individually and as officers; The Foster Auto Supply Company, a corporation, and Thomas A. Foster, John W. Foster, and Robert L. Stanton, individually and as officers; Hermann-Brownlow Co., Inc., and William A. Dyche and W. R. Dyche, individually and as officers; Fred V. Kuehn, a partner trading under the firm name and style of Kuehn Baymiller Co., a partnership; Motor Equipment Company, a corporation, and George W. Huston, individually and as an officer; Harry B. Eck, doing business under the firm name and style of Motor Service Company, a sole proprietorship; John G. Moffet, doing business under the firm name and style of Motor Supply Company, a sole proprietorship; Motor Supply Co., a corporation, and Carl B. Campbell, individually and as an officer; National Bushing & Parts Co., a corporation, and Alme E. Pouliot, J. Raymond Riley and W. H. Bitting, individually and as officers; Paul Automotive, Inc., a corporation, and Charles S. Phillips, individually and as an officer; Quanrud,

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Brink & Reibold, Inc., a corporation, and Alden E. Brink, and Theodore S. Quanrud individually and as officers; Red Rooster Sales Co., Inc., a corporation, and George A. Miller, Ralph Farrall, and Robert F. Day, individually and as officers; Standard Battery & Electric Co., a corporation, and Frank M. Wood, individually and as an officer; Stickney's, Inc., a corporation, and Max W. Polland, Ronald J. Kent and Clem Hoffman, individually and as officers; Triangle Supply Co., Inc., a corporation, and Raymond S. Eckles, Herbert E. Lawrence, and Harry Meinert, individually and as officers; United Wholesalers, Inc., a corporation, and Robert L. Terry and Alvin U. Blackburn, individually and as officers, their officers, agents, representatives and employees in connection with the offering to purchase or purchase of any automotive products or supplies in commerce, as "commerce" is defined in the Clayton Act, do forthwith cease and desist from:

Knowingly inducing or knowingly receiving or accepting any discrimination in the price of such products and supplies, by directly or indirectly inducing, receiving, or accepting from any seller a net price known by respondents to be below the net price at which said products and supplies of like grade and quality are being sold by such seller to other customers, where the seller is competing with any other seller for respondents' business, or where respondents are competing with other customers of the seller.

For the purpose of determining "net price" under the terms of this order, there shall be taken into account discounts, rebates, allowances, deductions or other terms and conditions of sale by which net prices are effected.

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 24th day of September 1958, 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
THE AMERICAN NATIONAL RETAIL JEWELERS
ASSOCIATION ET AL.

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

Docket 6986. Complaint, Dec. 13, 1957—Decision, Sept. 24, 1958

Consent order requiring a trade association and its over 6,000 retail jeweler members throughout the United States, to cease concertedly fixing, maintaining, or enhancing profit margins or prices of silverware products.

Mr. Rufus E. Wilson, Mr. Ross D. Young, and Mr. James R. Fruchterman for the Commission.

Philip E. Hoffman, Esq., New York, N.Y., for respondents.

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 respondents with having violated the provisions of §5 of the Federal Trade Commission Act.

On July 30, 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 by and between respondents signatory thereto, their counsel, and counsel supporting the complaint, under date of July 29, 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 The American National Retail Jewelers Association, referred to herein sometimes as respondent ANRJA, is an incorporated trade association 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 551 Fifth Avenue in the city of New York, State of New York.

Respondent Charles M. Isaac is executive vice president of respondent The American National Retail Jewelers Association

and has his office at 551 Fifth Avenue in the city of New York, State of New York.

2. Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on December 13, 1957, issued its complaint in this proceeding against respondents, and a true copy was thereafter duly served on each respondent.

3. 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.

4. This agreement disposes of all of this proceeding as to all parties. Respondents Leo F. Henebry, Oscar Kind, Jr., Maurice Adelsheim, William H. Shreve, and Allen Davidson were named in the complaint as officers of the respondent association, and as individuals representative of the entire membership of said association. The order to cease and desist in this agreement is not directed to these named individual respondents or the membership of the respondent association as said association is being dissolved after being consolidated with a new association, as hereinafter described in paragraph 9. In the opinion of counsel supporting the complaint, adequate relief can be secured in this proceeding by an order directed to the respondent association, its successor association, their officers, respondent Charles M. Isaac as the executive vice president of both respondent association and its successor, and said respondents' agents, representatives and employees. Therefore, it is believed that the complaint herein should be dismissed as to respondents Leo F. Henebry, Oscar Kind, Jr., Maurice Adelsheim, William H. Shreve, and Allen Davidson, as individuals. The term respondent, as used hereinafter, will not include these named individual respondents.

5. Respondents waive:

(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 they 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

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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 respondents that they have violated the law as alleged in the complaint.

9. Respondent ANRJA is now in the process of being dissolved, such dissolution having been authorized and directed by its membership on or about January 31, 1958. Sometime prior thereto, on or about June 12, 1957, a tripartite agreement between respondent American National Retail Jewelers Association, National Jewelers Association, a Michigan corporation, and Retail Jewelers of America, Inc., was entered into whereby respondent ANRJA and the National Jewelers Association, with the consent of their memberships, would transfer all of their assets and entire memberships to, and become a part of, the Retail Jewelers of America, Inc. This agreement, calling for consolidation with the retail Jewelers of America, Inc., was ratified by two-thirds of respondent's membership and is now in effect. The Retail Jewelers of America, Inc., a New York corporation, has its headquarters and principal place of business located at 551 Fifth Avenue, New York, N.Y. The Retail Jewelers of America, Inc., hereby stipulates and agrees that it is the successor corporation to respondent The American National Retail Jewelers Association, and further stipulates and agrees that said corporation, as the successor to respondent corporation, will accept the terms and conditions of the consent settlement herein set forth and that it, together with its officers and assigns, are to be and will be bound by the provisions of the order to cease and desist contained herein, in all respects as is respondent The American National Retail Jewelers Association and authorizes its president to execute this consent agreement accordingly.

10. The following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents. When so entered, it shall have the same force and effect as if entered after 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 jurisdiction of the subject matter of this proceeding and of the persons of each of the respondents herein; that the complaint states legal causes for complaint under the Federal Trade Commission Act against each of the respondents but as to respondents Leo F. Henebry, Oscar Kind, Jr., Maurice Adelsheim, William H. Shreve, and Allen Davidson, as individuals, the complaint should be dismissed in accordance with the said agreement; that this proceeding is in the interest of the public; and that said order, therefore, should be and hereby is entered as follows:

ORDER

It is ordered, That respondent, The American National Retail Jewelers Association, an incorporated trade association, and its successors and assigns, either directly or through their respective officers, agents, representatives and employees, and respondent Charles M. Isaac as executive vice-president of the American National Retail Jewelers Association or as an officer of said association's successors or assigns, in connection with the offering for sale, sale or distribution of silverware in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Entering into, maintaining, or carrying out any planned common course of action, agreement, understanding, combination or conspiracy, with each other or with any other person, persons, association or corporation, to fix, maintain, or enhance the profit margins or prices of silverware products.

It is further ordered, That the complaint in this matter be, and hereby is, dismissed as to the following named individuals: Leo F. Henebry, Oscar Kind, Jr., Maurice Adelsheim, William H. Shreve and Allen Davidson.

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 24th day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That the above-named respondents except respondents Leo F. Henebry, Oscar Kind, Jr., Maurice Adelsheim, William H. Shreve, and Allen Davidson, as individuals, shall,

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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.

Complaint

IN THE MATTER OF
GUARANTEED PARTS CO., INC.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 2(a) OF THE CLAYTON ACT*Docket 6987. Complaint, Dec. 13, 1957—Decision, Sept. 24, 1958*

Consent order requiring a manufacturer of automotive ignition replacement parts, in Seneca Falls, N.Y., which sold to some 300 wholesalers throughout the United States, many of them banded together in buying groups, to cease discriminating in price in violation of Section 2(a) of the Clayton Act by means of a discount schedule (ranging from 3 percent to 20 percent, depending on annual purchases) under which smaller independent wholesalers paid higher prices than their competitors buying in greater volume; and by giving members of buying groups discounts of 20 percent to 30 percent without regard to their annual purchases, thereby favoring them over the small independents.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof, and hereinafter more particularly designated and described has violated and is now violating the provisions of subsection (a) of Section 2 of the Clayton Act, as amended by the Robinson Patman Act, approved June 19, 1936, (U.S.C., Title 15, Sec. 13) hereby issues its complaint stating its charges with respect thereto as follows:

PARAGRAPH 1. Guaranteed Parts Co., Inc., respondent herein, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located in Seneca Falls, N.Y.

PAR. 2. Respondent is engaged in the business of manufacturing and selling automotive ignition replacement parts. Respondent's total sales in 1956 exceeded \$1,000,000.

Respondent sells and distributes said automotive replacement parts from its principal place of business in Seneca Falls, N.Y., to approximately 300 automotive replacement parts wholesalers located throughout the United States and in the District of Columbia. Respondent in the sale of such parts has at all times relevant herein been and now is engaged in commerce, as "commerce," is defined in the amended Clayton Act.

PAR. 3. Among respondent's approximately 300 wholesaler

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customers are many who have banded together into organizations commonly referred to as jobbers groups, buying groups or, simply, groups. Such customers are hereinafter referred to as group wholesalers and those not affiliated with a group are referred to as independent wholesalers.

Such group wholesalers and independent wholesalers are frequently located in the same trade area and compete each with the other in the resale of said automotive replacement parts.

PAR. 4. In the course and conduct of its business in commerce the proposed respondent has been and is now, in each of several trading areas, discriminating in price in the sale of its products of like grade and quality by selling them to some independent wholesalers at higher prices than it sells them to other independent wholesalers and group wholesaler who are competitively engaged each with the other in the resale of said products.

Respondent has effected said discriminations between independent wholesalers by charging such purchasers disparate net prices based upon total annual purchase volume in accordance with the following schedule:

<i>Annual Purchase Volume</i>	<i>Net Price</i>
\$ 1,200 to \$ 2,400.....	3% below distributors list price.
\$ 2,400 to \$ 3,600.....	5% below distributors list price.
\$ 3,600 to \$ 5,000.....	8% below distributors list price.
\$ 5,000 to \$ 6,500.....	10% below distributors list price.
\$ 6,500 to \$ 8,000.....	14% below distributors list price.
\$ 8,000 to \$10,000.....	17% below distributors list price.
\$10,000 and over.....	20% below distributors list price.

Through the operation of respondent's sales program as above described independent wholesalers buying in lesser volume are charged higher and less favorable net prices than are charged other competing independent wholesalers buying in greater volume.

Respondent has effected said discriminations between group wholesalers and some independent wholesalers by charging said group wholesalers off scale net prices which are 20% to 30% below distributors list prices. Said off scale lower prices are granted without regard to the annual purchase volume of said group wholesalers and constitute a discrimination against all independent wholesalers who, in accordance with the above schedule, are required to pay higher net prices.

PAR. 5. The effect of respondent's discriminations in price, as above alleged, may be substantially to lessen, injure, destroy or

prevent competition between respondent and competing sellers of automotive ignition replacement parts and between and among respondent's independent and group distributors in the resale of products purchased from respondent.

PAR. 6. The acts and practices of respondent as above alleged constitute violations of the provisions of subsection (a) of Section 2 of the Clayton Act (U.S.C., Title 15, Sec. 13), as amended by the Robinson-Patman Act, approved June 19, 1936.

Mr. Francis C. Mayer and *Mr. William W. Rogal* for the Commission.

Doyle & Midey of Seneca Falls, N.Y., for respondent.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of subsection (a) of Section 2 of the Clayton Act, as amended by the Robinson Patman Act, approved June 19, 1936 (U.S.C., Title 15, Sec. 13), the Federal Trade Commission on December 13, 1957, issued and subsequently served its complaint in this proceeding against respondent Guaranteed Parts Co., Inc., 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 in Seneca Falls, N.Y.

On July 16, 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 it 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

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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 it 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 Guaranteed Parts 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 in Seneca Falls, N.Y.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent.

ORDER

It is ordered, That respondent Guaranteed Parts Co., 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, for replacement purposes, of automotive products and supplies in commerce, as "commerce" is defined in the Clayton Act, do forthwith cease and desist from:

Discriminating, directly or indirectly, in the price of such products and supplies of like grade and quality:

1. By selling to any one purchaser at net prices higher than the net prices charged to any other purchaser who, in fact, competes with the purchaser paying the higher price in the resale and distribution of respondent's 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 24th

day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That the respondent herein 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.

IN THE MATTER OF
FLUIDLESS CONTACT LENSES, INC., ET AL.

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

Docket 7026. Complaint, Jan. 10, 1958—Decision, Sept. 24, 1958

Consent order requiring manufacturers in New York City to cease making a variety of misrepresentations in newspaper advertising and promotional materials concerning their "Airflo" contact lenses, including claims that the lenses could be fitted and worn all day without discomfort and irritation, were better than eyeglasses and other contact lenses, were unbreakable, were worn by prominent named actresses and athletes and over 100,000 persons, etc.

Mr. Frederick McManus for the Commission.

Paskus, Gordon & Hyman, by *Mr. Lenard H. Mandel*, 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 January 10, 1958, issued and subsequently served its complaint in this proceeding against respondents Fluidless Contact Lenses, Inc., a corporation existing and doing business under and by virtue of the laws of the State of New York, and Donald L. Golden and Norma Golden, individually and as officers of the corporate respondent.

On July 24, 1958, there was submitted to the undersigned hearing examiner an agreement between respondents Fluidless Non-Tact Lenses, Inc., formerly known as Fluidless Contact Lenses, Inc., and Donald L. Golden, 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, but the order does not absolutely prohibit the representation that the use of respondents' lenses will correct defects in vision that require bifocal lenses since satisfactory evidence indicates that contact lenses are now being constructed that will correct defects in vision in the cases of some persons who require bifocal lenses. 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 Fluidless Non-Tact Lenses, Inc., formerly known as Fluidless Contact Lenses, 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 11 West 42d Street, in New York, N.Y.

Individual respondent Donald L. Golden is president of said corporation and as such formulates, directs and controls the acts, practices and policies of the corporate respondent. His address is 19285 Canterbury Road, Detroit 21, Mich.

Respondent Norma Golden (as shown by an affidavit which is attached to such agreement and made a part thereof) does not now and never has had any part in directing, formulating or controlling the acts, practices and policies 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.

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ORDER ¹

It is ordered, That respondent Fluidless Non-Tact Lenses, Inc., formerly known as Fluidless Contact Lenses, Inc., a corporation, and its officers, and respondent Donald L. Golden, 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 and distribution of their contact lenses known as "Airflo" or any other contact lenses of substantially the same construction or properties, do forthwith cease and desist from directly or indirectly:

1. Disseminating, or causing to be disseminated, any advertisement, by means of the United States mails, or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents directly or by implication that:

(a) Respondents' contact lenses can be fitted without discomfort.

(b) There is never irritation or discomfort from wearing respondents' lenses.

(c) All persons can wear respondents' lenses all day without discomfort; or that any person can wear respondents' lenses all day without discomfort except after that person has become fully adjusted thereto.

(d) Respondents' contact lenses will adhere to the eyes under all conditions and circumstances of use.

(e) Respondents' contact lenses will provide more protection to the eyes than eyeglasses under all circumstances.

(f) Respondents' contact lenses will provide more ventilation to the eyes than all other contact lenses.

(g) Respondents' contact lenses will correct all defects in vision.

(h) Respondents' contact lenses will correct defects in vision in all cases which require bifocal lenses.

(i) Respondents' contact lenses are unbreakable.

(j) Respondents' contact lenses are revolutionary or are a new type of corneal lenses.

(k) Respondents' contact lenses will give better correction of vision than eyeglasses, in all cases.

(l) Respondents' contact lenses can be tried without financial risk unless such is the fact.

¹ Published as modified by Commission order of August 28, 1959.

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(m) Any named actresses, athletes or other persons wear and recommend respondents' contact lenses, unless such is the fact.

(n) Eyeglasses can always be discarded upon the purchase of respondents' contact lenses.

(o) Purchasers are protected as to safety of respondents' lenses by a policy of insurance.

(p) Grooving or channeling in contact lenses increases their weight or interferes with vision.

(q) The number of persons who have been fitted by respondents' lenses is greater than is the fact.

(r) Respondents' lenses are safer, more comfortable or better fitting than other contact lenses for the reason that they do not rest upon the pupil of the eye.

2. Disseminating, or causing to be disseminated, any advertisement, by any means for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase in commerce, as "commerce" is defined in the Federal Trade Commission Act, of said contact lenses, which advertisement contains any of the representations prohibited in paragraph 1 hereof.

It is further ordered, That the complaint be, and the same hereby is, dismissed as to the respondent Norma Golden.

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 24th day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents Fluidless Non-Tact Lenses, Inc., formerly known as Fluidless Contact Lenses, Inc., a corporation, and Donald L. Golden, individually and as an officer of corporate respondent, 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
GENERAL MOWER CORPORATION ET AL.

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

Docket 7059. Complaint, Feb. 7, 1958—Decision, Sept. 24, 1958

Consent order requiring distributors of power lawn mowers in Buffalo, N.Y., to cease—in newspaper advertising and in letters, price lists, brochures, and circulars mailed to retailers in various States—representing as the prices at which their mowers were regularly sold at retail, “list prices” which were in fact fictitious.

Mr. Ames W. Williams supporting the complaint.

Jaekle, Fleischmann, Kelly, Swart & Augspurger by *Mr. John B. Walsh*, of Buffalo, N.Y., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On February 7, 1958, the Federal Trade Commission issued a complaint alleging that General Mower Corporation, a corporation, Louis Faxstein, Harry Faxstein, Max Faxstein and Arthur Ganger, individually and as officers of said corporation, herein-after referred to as respondents, had violated the provisions of the Federal Trade Commission Act by making fictitious pricing and savings claims for its power lawn mowers.

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

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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 General Mower Corporation, 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 1670 Jefferson Avenue, Buffalo 8, N.Y.

2. Respondents Louis Faxstein, Harry Faxstein, Max Faxstein and Arthur Ganger are individuals and officers of the said corporate respondent, serving respectively as president, vice-president, treasurer and vice-president with their office and principal place of business located at the same place 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 respondents General Mower Corporation, a corporation, and its officers and Louis Faxstein, Harry Faxstein, Max Faxstein and Arthur Ganger, individually and as officers of said corporation, their representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of power lawn mowers, or any other product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using prices, whether identified as "list prices" or otherwise identified, which are in excess of the prices at which their products are regularly and customarily sold at retail.

2. Providing retailers and distributors of their products with material by and through which they may mislead and deceive

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the purchasing public as to the regular and customary retail prices of their 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 24th day of September 1958, 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
CAPITOL FUR SHOP, INC., ET AL.

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

Docket 7111. Complaint, Apr. 9, 1958—Decision, Sept. 24, 1958

Consent order requiring a furrier in Washington, D.C., to cease violating the Fur Products Labeling Act by labeling fur products with fictitious prices, by failing to comply with the invoicing requirements of the Act, and by advertising in newspapers which represented prices as reduced from regular prices which were, in fact, fictitious.

Mr. S. F. House for the Commission.

Mr. Donald Cefaratti, Jr., of Washington, D.C., for respondents.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges respondents with misbranding and with falsely and deceptively invoicing and advertising certain of their fur products, in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, and of the Federal Trade Commission Act.

After the issuance of the complaint, respondents, their counsel, and counsel supporting the complaint entered into an agreement containing consent order to cease and desist, which was approved by the director and an assistant director of the Commission's Bureau of Litigation, and thereafter transmitted to the hearing examiner for consideration.

The agreement states that respondent Capitol Fur Shop, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 1208 G Street NW., Washington, D.C., and that respondent Norman Silverman is president and treasurer of said corporation and formulates, directs and controls the acts, policies and practices thereof, his address being the same as that of the corporate respondent.

The agreement provides, among other things, that the 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; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of

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the complaint and this 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 the complaint may be used in construing the terms of the order agreed upon, which may be altered, modified or set aside in the manner provided for other orders; 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 order set forth in the agreement and hereinafter included in this decision shall have the same force and effect as if entered after a full hearing.

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 the agreement.

The order agreed upon fully disposes of all the issues raised in the complaint, and adequately prohibits the acts and practices charged therein as being in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, and of the Federal Trade Commission Act. Accordingly, the hearing examiner finds this proceeding to be in the public interest, and accepts the agreement containing consent order to cease and desist as part of the record upon which this decision is based. Therefore,

It is ordered, That respondents Capitol Fur Shop, Inc., a corporation, and its officers and Norman Silverman, 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 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:

A. Misbranding fur products by:

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

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at which respondents usually and customarily sold such products in the recent regular course of their business;

B. Falsely or deceptively invoicing fur products by:

(1) Failing to furnish purchasers of fur products invoices 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 otherwise 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 invoice;

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

(g) The item number or mark assigned to the fur product, as required by Rule 40(a) of the Rules and Regulations;

(2) Setting forth information required under §5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations thereunder in abbreviated form;

(3) Failing to set forth the description "dyed mouton processed lamb" in the manner and form provided for in Rule 9 of the Rules and Regulations;

(4) Failing to set forth the description "dyed broadtail processed lamb" in the manner and form provided for in Rule 10 of the Rules and Regulations;

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) Represents, directly or by implication, that their regular or usual price of any fur product is any amount which is in excess of the price at which the respondents have usually and customarily sold such product in the recent and 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 24th day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Capitol Fur Shop, Inc., a corporation, and Norman Silverman, individually and as an officer 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.

Decision

IN THE MATTER OF
SAM GOLDEN & SON, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACTS*Docket 7131. Complaint, Apr. 25, 1958—Decision, Sept. 24, 1958*

Consent order requiring distributors of woolen stocks in Woonsocket, R.I., to comply with the labeling requirements of the Wool Products Labeling Act, and to cease misrepresenting the fiber content of their products by invoicing as "90% wool," products which contained reprocessed and reused wool.

Charles W. O'Connell, Esq., for the Commission.

Higgins & Silverstein, by Sidney Silverstein, Esq., of Woonsocket, R.I., for respondents.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on April 25, 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 and falsely representing their wool products. Respondents appeared by counsel and entered into an agreement, dated July 18, 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

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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 Sam Golden & Son, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Rhode Island, with its office and place of business located at 533 Second Avenue, in the city of Woonsocket, State of Rhode Island.

Respondent Harold Golden is the secretary and acting treasurer of said corporation, and his office and place of business 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 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 Sam Golden & Son, Inc., a corporation, and its officers, and Harold Golden, 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 the offering for sale, sale, transportation, or distribution in commerce, as "commerce" is defined in the Federal Trade

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Commission Act and the Wool Products Labeling Act of 1939, of woollen 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 misbranding such products by:

1. 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 product 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.

It is further ordered, That respondents Sam Golden & Sons, Inc., a corporation, and its officers, and Harold Golden, 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 woollen 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 the amount of the constituent fibers contained in such products, on invoices or sales 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 24th day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That the above-named respondents shall, with-

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in 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.

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IN THE MATTER OF
UNITED STATES SAFETY SERVICE COMPANY

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

Docket 7148. Complaint, May 13, 1958—Decision, Sept. 24, 1958

Consent order requiring sellers in Kansas City, Mo., to cease representing falsely—by imprinting upon the temples of its safety spectacles or safety glasses in a conspicuous manner, and by prominent display in advertising of a green cross, registered trade-mark of the National Safety Council—that its said safety glasses were indorsed or approved by said Council.

Mr. Morton Nesmith supporting the complaint.

Mr. C. Earl Hovey, of Kansas City, Mo., for respondent.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On May 13, 1958, the Federal Trade Commission issued a complaint charging United States Safety Service Company, a corporation, hereinafter referred to as respondent, with deceptive and misleading representations of their products, safety spectacles or safety glasses.

After issuance and service of the complaint, the respondent 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: Respondent admits 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; respondent waives the requirement that the decision must contain a statement of findings of fact and conclusions of law; respondent waives 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; respondent waives any right to challenge or contest the validity of the order entered in accord-

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ance with the agreement and the signing of said 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.

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 United States Safety Service Company is a corporation existing and doing business under and by virtue of the laws of the State of Missouri with its office and principal place of business located at 1535 Walnut Street, Kansas City, Mo.

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, United States Safety Service Company, a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of safety spectacles or glasses, or any other product used for safety purposes, in commerce, as commerce is defined in the Federal Trade Commission Act, do, forthwith, cease and desist from using the Greek green cross, or any mark, emblem, sign or insignia, green in color and simulating or resembling such Greek green cross, on any such product, or in any other manner, to designate, describe or refer to any such 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 24th day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That the respondent herein 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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IN THE MATTER OF
SIBLEY, LINDSAY & CURR CO.

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

Docket 7160. Complaint, May 27, 1958—Decision, Sept. 24, 1958

Consent order requiring a furrier in Rochester, N.Y., to cease violating the Fur Products Labeling Act by advertising in letters with price lists and sales admission tickets enclosed, offering purported reductions from prices which were in fact fictitious, and setting out false comparative prices and percentage savings claims; and by failing to maintain adequate records as a basis for such pricing claims.

Mr. John J. Mathias, for the Commission.

Gould & Wilkie, of New York, N.Y., 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 both the Federal Trade Commission Act and the Fur Products Labeling Act, together with the Rules and Regulations promulgated thereunder. The respondent was duly served with process.

On July 30, 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 by and between respondent and the attorneys for both parties, under date of July 22, 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 is a corporation organized, existing and doing business under the laws of the State of New York, with officers and principal place of business located at 250 East Main Street, Rochester 4, N.Y.

2. Pursuant to the provisions of the Federal Trade Commis-

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sion Act and the Fur Products Labeling Act, the Federal Trade Commission, on May 27, 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 jurisdiction of the subject matter of this proceeding and of the person of the respondent herein; that the complaint states legal causes for complaint under both the Federal Trade Commission Act and the Fur Products Labeling Act, together with

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the Rules and Regulations promulgated thereunder; 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, Sibley, Lindsay & Curr Co., 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, offering for sale, 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 or received in commerce, as "commerce," "fur," and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. 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. Offers fur products at a purported reduction in price when such purported reduction is in fact fictitious;

2. Uses comparative prices and percentage savings claims based upon a designated time of compared price when the designated time of compared price is not correctly stated.

B. Making use in advertisements of price reduction claims, comparative prices or percentage savings claims unless full and adequate records are maintained by respondent 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 24th day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondent Sibley, Lindsay & Curr Co., a

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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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IN THE MATTER OF
JOHN M. O'LANE ET AL. DOING BUSINESS AS
UNIVERSAL SYSTEMS, LTD.

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

Docket 7086. Complaint, Jan. 14, 1958—Decision, Sept. 25, 1958

Consent order requiring sellers in Santa Cruz, Calif., to cease representing falsely in newspaper advertising or by their salesmen that their correspondence course was a complete course in reweaving and upholstery repair, was a new method using specially designed instruments, easily learned, qualifying one to earn a living and to earn specified amounts per hour and per week; and that they would limit trainees in a community and provide customers for those completing the course.

Mr. John J. McNally, for the Commission.

Mr. C. C. Chambers, of Seattle, Wash., for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) on January 14, 1958, issued its complaint herein, charging the above-named respondents with having violated the provisions of the Federal Trade Commission Act, and the respondents were duly served with process.

On July 3, 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 by and between respondents and the attorneys for both parties, under date of June 19, 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. Respondents John M. O'Lane and Bernice O'Lane are individuals and copartners doing business as Universal Systems, Ltd. with their office and principal place of business located at 2044 North Pacific Avenue, Santa Cruz, Calif.
2. Pursuant to the provisions of the Federal Trade Commission

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Act, the Federal Trade Commission, on January 14, 1958, issued its complaint in this proceeding against respondents and a true copy was thereafter duly served on respondents.

3. Respondents admit all of 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.

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

5. Respondents waive:

(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 they 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 respondents that they have 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 the respondents. 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," the latter is hereby approved, accepted and ordered filed. The hearing examiner finds from the complaint and the said "Agreement Containing Consent Order to Cease and Desist" that the Commission has jurisdiction of the subject matter of this proceeding and of the persons of each of the respondents herein; that the complaint states a legal cause for complaint under the Federal Trade Commission Act, against each of the respondents both generally and in each of the particulars alleged therein;

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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 of 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 respondents John M. O'Lane and Bernice O'Lane, as individuals, or as copartners doing business as Universal Systems, Ltd., or under any other trade name or names, 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 respondents' courses of instruction in reweaving, or other courses of instruction, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication:

1. That their course of instruction is a complete course in invisible reweaving;
2. That they offer a complete course in upholstery repair;
3. That the method of reweaving taught by respondents' course is a new method, or that instruments have been especially designed for this course;
4. That reweaving is easily learned unless specifically limited to "patch," or "end" reweaving;
5. That persons are qualified for employment or to earn their living as reweavers upon completion of respondents' course, unless limited to a small minority of such persons;
6. That persons who complete respondents' course can expect to earn sums which are in excess of the average earnings of respondents' graduates;
7. That they sell their course to only enough persons in a particular community to take care of the reweaving needs of said particular community;
8. That they provide their students with customers, or personally solicit customers for them.

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 25th

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day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondents John M. O'Lane, and Bernice O'Lane, individually, and doing business as Universal Systems, Ltd., 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.

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IN THE MATTER OF
NORTHWEST AIR COLLEGE, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 7091. Complaint, Mar. 20, 1958—Decision, Sept. 25, 1958

Consent order requiring two officers of corporations selling correspondence and residence courses in Spokane and Seattle, Wash., in "Specialized Airlines Training" purporting to prepare enrollees for employment in commercial airline positions, to cease using deceptive employment offers and other misrepresentations concerning their schools, opportunities for students, etc., in advertising in newspapers and periodicals and through commission sales agents who followed up leads to interested prospects.

A similar order issued in default against the two schools and other officials, became final Nov. 11, 1958, herein, p. 712.

Before *Loren H. Laughlin*, hearing examiner.

Mr. John J. McNally for the Commission.

Matt L. Alexander, Esq., of Spokane, Wash., for Anna M. Searle, individually and as an officer of the corporations.

Mr. John W. Mc Bride, for himself, individually and as an officer of the corporations.

INITIAL DECISION AS TO RESPONDENTS
JOHN W. MC BRIDE AND ANNA M. SEARLE

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

On July 28, 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 entered into by and between respondent Anna M. Searle, her counsel, and counsel supporting the complaint, under date of July 2, 1958, and a like agreement entered into by and between respondent John W. Mc Bride and counsel supporting the complaint under date of July 21, 1958. Both of said agreements were subject to the approval of the Bureau of Litigation of the Commission, which had subsequently duly approved each of them.

The said agreements are identical except as to the respective respondents signatory thereto.

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

The agreement signed on July 2, 1958, identifies respondent Anna M. Searle as an individual and as an officer of corporate respondents Northwest Air College, Inc., and American Air College and Training School, Inc., with her post office address at North 1803 Normandie, Spokane, Wash. The agreement signed on July 21, 1958, identifies respondent John W. Mc Bride as an individual and as an officer of the same corporate respondents, but with his post office address as 2916 South Hatch, Spokane, Wash. Both agreements provide:

1. Pursuant to the provisions of the Federal Trade Commission Act, the Commission, on March 20, 1958, issued its complaint in this proceeding against each of the respondents named therein and a true copy was thereafter duly served on them.

2. Respondents signatory to the agreements admit all of 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.

3. These agreements dispose of all of this proceeding with respect to respondents signatory thereto.

4. Respondents signatory to these agreements waive:

(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 they may have to challenge or contest the validity of the order to cease and desist entered in accordance with these agreements.

5. The record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and these agreements as to respondents signatory thereto.

6. These agreements shall not become a part of the official record unless and until they become a part of the decision of the Commission.

7. These agreements are for settlement purposes only and do not constitute an admission by respondents signatory thereto that they have violated the law as alleged in the complaint.

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8. The following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents signatory to these agreements. 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 two agreements containing consent orders to cease and desist, said agreements are hereby approved and accepted and are ordered filed if and when they shall have become a part of the Commission's decision. The hearing examiner finds from the complaint and the said agreements that the Commission has jurisdiction of the subject matter of this proceeding and of the persons of each of the respondents signatory to said agreements; that the complaint states legal causes for complaint under the Federal Trade Commission Act against each of said respondents, both generally and in each of the particulars alleged therein; that this proceeding is in the interest of the public; and that the orders proposed in said agreements are appropriate for the just disposition of all the issues in this proceeding as to the parties signatory to the said agreements, and that the provisions of said orders, therefore, should be and hereby are entered as follows:

ORDER

It is ordered, That respondents Anna M. Searle and John W. Mc Bride, individually and as officers of corporate respondents Northwest Air College, Inc., and American Air College and Training School, Inc., 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 courses of study or instruction, do forthwith cease and desist from:

1. Representing, directly or by implication:

(a) That employment is being offered when, in fact, the purpose is to obtain purchasers of such courses of study or instruction

(b) That positions are open or will be available to those who complete such courses, unless such is the fact;

(c) That persons who complete such courses are thereby qualified for employment by commercial airlines;

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(d) That thousands of persons have been employed by commercial airlines by virtue of completing such course; or otherwise misrepresenting the actual number of graduates who have been so employed;

(e) That respondents provide a placement service to the extent that any significant number of graduates of such courses are placed in positions with commercial airlines by respondents;

(f) That 17-year-old persons are ordinarily employed by commercial airlines, or otherwise misrepresenting the ages at which persons are ordinarily so employed;

(g) That Northwest Air College, Inc., or American Air College and Training School, Inc., are recognized or accredited by the State of Washington; or otherwise misrepresenting the accredited status of any firm or institution commercially engaged in the sale of courses of instruction;

(h) That there is a great demand for graduates of respondents' schools or courses, or otherwise misrepresenting the demand for such graduates;

(i) That such courses are sold only to selected persons;

(j) That part-time employment is obtained by respondents for resident students;

(k) That prompt enrollment in respondents' resident schools is necessary because of limited class room space; or for any other reason, that is not the fact;

(l) That scholarships are available for selected students;

(m) That respondents' schools are adequately equipped to teach the subjects covered by such courses of instruction;

(n) That respondents' schools are connected or associated with commercial airlines;

(o) That the starting salaries for the positions covered by such courses are from \$275 to \$300 a month, or otherwise misrepresenting the starting salary for any position so covered;

(p) That respondents' schools are centrally located or that the living facilities are supervised;

(q) That only two students are required to share a room in the living facilities, or otherwise misrepresenting the number of students that are required to share a room;

(r) That a swimming pool is provided for the use of students;

(s) That fraternity or sorority houses are established at the schools;

2. Using the word "college," or any other word of similar meaning either alone or in conjunction with other words as a

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part of the corporate name of either of the corporate respondents; or of any other firm or corporation commercially engaged in the sale of courses of instruction; or representing in any manner, directly or by implication, that either of the corporate respondents or any firm or corporation commercially engaged in the sale of courses of instruction, is a college or constitutes a school of higher learning;

3. Using the word "Registrar" in designating or referring to respondents' salesmen.

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 25th day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Anna M. Searle and John W. Mc Bride, individually and as officers of corporate respondents Northwest Air College, Inc., and American Air College and Training School, Inc., 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
THEODORE F. CRANDALL
TRADING AS INTERSTATE BUSINESS AND
PROPERTY EXCHANGE COMPANY

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

Docket 7109. Complaint, Apr. 7, 1958—Decision, Sept. 25, 1958

Consent order requiring an individual in St. Louis, engaged in selling newspaper advertising in connection with the sale of business and other properties, to cease representing falsely—by means of post cards, in contracts, by statements of its agents, and otherwise—that his “Confidential Report of Buyers” was published and circulated monthly and was a list of buyers for specific properties with cash available for purchases thereof; that his “Statewide Buyers’ Guide” was the foremost publication of its kind in the country and was sent to a large number of leading real estate brokers who would sell the listed properties; and that properties of advertisers would be sold within a specified time, lacking which there would be no charge for advertising; and to cease representing falsely, through use of his trade name, by statements of his solicitors and otherwise, that he was engaged in the sale and exchange of real estate and other property.

John W. Brookfield, Jr., Esq., in support of the complaint.
Kramer & Chused, of St. Louis, Mo., for respondent.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued April 7, 1958, charges the respondent Theodore F. Crandall, an individual, trading and doing business as Interstate Business and Property Exchange Company, with violation of the Federal Trade Commission Act in connection with the offering for sale or sale of advertising in his publication “Statewide Buyers’ Guide” and other publications. The office and principal place of business of respondent is located at 315 North 7th Street, St. Louis, Mo.

After the issuance of said complaint respondent on July 1, 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 respondent that he has violated the law as alleged in the complaint.

By the terms of said agreement, the respondent 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 respondent may otherwise be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission.

By said 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 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 Theodore F. Crandall is an individual trading and doing business as Interstate Business and Property Exchange Company, with his office and principal place of business located at 315 North 7th Street, St. Louis, Mo.

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 respondent, 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, and that this proceeding is in the interest of the public, wherefore he issues the following order:

Decision

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ORDER

It is ordered, That Theodore F. Crandall, now trading as Interstate Business and Property Exchange Company, or trading under any other name, his representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale or sale of advertising in his publication "Statewide Buyers' Guide" or in any other publication, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that:

(a) Respondent's "Confidential Report of Buyers" is a screened or handpicked list of buyers for specific properties; or that the persons listed therein are known by respondent to have cash available to purchase the specific properties of persons who purchase his advertising.

(b) Respondent's "Statewide Buyers' Guide" is sent to a large number of leading real estate brokers or throughout the nation or misrepresenting the number of brokers to which said publication is sent or the extent of its distribution.

(c) Brokers to whom respondent's "Statewide Buyers' Guide" is sent will sell the specific properties listed therein.

(d) The properties listed will be sold within a specified time, or at all.

(e) No charge will be made for advertising if the property advertised is not sold.

(f) Respondent's "Confidential Report of Buyers" is published or circulated monthly, or at any other time that is not in accordance with the facts.

(g) Respondent's "Statewide Buyers' Guide" is the foremost publication in the country advertising properties for sale, lease or exchange, or misrepresenting in any manner the position of said publication in its field.

2. Using the words "Business and Property Exchange," or any other word or words of similar import, as a part of any corporate or trade name, or representing in any manner that respondent is engaged in the buying, selling or exchanging of real estate or any other property, unless such is the fact.

DECISION OF THE COMMISSION AND ORDER TO FILE
REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice,

INTERSTATE BUSINESS AND PROPERTY EXCHANGE CO. 471

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the initial decision of the hearing examiner shall, on the 25th day of September 1958, 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
CHADBOURN GOTHAM, INC.

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

Docket 7110. Complaint, Apr. 7, 1958—Decision, Sept. 25, 1958

Consent order requiring a manufacturer in Charlotte, N.C., to cease preticketing its lingerie and hosiery with fictitiously high prices.

Mr. Edward F. Downs supporting the complaint.

Mr. Peter P. Mullen of *Dewey, Ballantine, Bushby, Palmer & Wood* of New York, N.Y., for respondent.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondent on April 7, 1958, charging it with having violated the Federal Trade Commission Act as set forth in the complaint. After issuance and service of the complaint, respondent on July 28, 1958 entered into an agreement for a consent order to cease and desist from the practices complained of which agreement disposes of all the issues in this proceeding without hearing. This agreement has been duly approved by the assistant director and director of the Bureau of Litigation and has been submitted to the undersigned, heretofore designated to act as hearing examiner herein for his consideration in accordance with Rule 3.25 of the Rules of Practice of the Commission.

Respondent, pursuant to the aforesaid agreement, has admitted all of the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of the jurisdictional facts had been duly made in accordance with such allegations. Said agreement provides further that respondent waives 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 respondent that it has 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 Sections 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 Chadbourn Gotham, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of North Carolina, with its office and principal place of business located at 2417 North Davidson Street, Charlotte, N.C.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent hereinabove named. The complaint states a cause of action against said respondent under the Federal Trade Commission Act. This proceeding is in the public interest.

ORDER

It is ordered, That respondent Chadbourn Gotham, Inc., a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device in connection with the offering for sale, sale or distribution of hosiery, or lingerie, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing in any manner that certain amounts are the regular and usual retail prices of hosiery, or lingerie when such amounts are in excess of the prices at which such hosiery, or lingerie is usually and regularly sold at retail.
2. Putting into operation any plan designed to enable retailers or others to misrepresent the regular and usual retail prices of hosiery or lingerie.

Decision

55 F.T.C.

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 25th day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That the respondent herein 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.

Decision

IN THE MATTER OF
WASHINGTON NATIONAL INSURANCE COMPANYORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 6393. Complaint, July 18, 1955—Order, Sept. 26, 1958

Order dismissing for lack of jurisdiction, pursuant to the opinion of the U.S. Supreme Court in the *National Casualty Company* and *The American Hospital and Life Insurance Company* cases (357 U.S. 560), complaint charging a stock life insurance company in Evanston, Ill., with false advertising concerning the terms and conditions, and failure to reveal limitations of the coverage, of its accident and sickness insurance policies.

Mr. John W. Brookfield, Jr., and Mr. William R. MaHanna for the Commission.

Mr. S. P. Hutchinson of Chicago, Ill., and *Davies, Richberg, Tydings, Landa & Duff*, by *Mr. James T. Welch*, of Washington, D.C., for respondent.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

This proceeding is one brought under the Federal Trade Commission Act as affected and amended by the McCarran-Ferguson Act, 15 U.S.C., §§1011-1015 inclusive, the complaint charging the respondent corporation, in substance, with having transmitted in interstate commerce certain alleged false, misleading and deceptive advertising concerning its individual health-and-accident insurance policies. Group hospitalization or life insurance is not involved. The complaint is dismissed herein for lack of jurisdiction by the Commission over the subject-matter thereof, pursuant to the recent decision of the Supreme Court of the United States, relating to that subject.

The Supreme Court, in one *per curiam* opinion issued on June 30, 1958, decided two cases, entitled *Federal Trade Commission v. National Casualty Company* (No. 435) and *Federal Trade Commission v. The American Hospital and Life Insurance Company* (No. 436), 357 U.S. 560 (1958). The Supreme Court accepted jurisdiction of these cases on writs of certiorari from the Courts of Appeals for the Sixth and Fifth Circuits, respectively, to review their "interpretation of an important federal statute." It affirmed the judgment of each of such Circuits in setting aside the Commission's cease-and-desist orders against the said respond-

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ent insurers. In the course of its opinion, the Supreme Court rejected all contentions of the Federal Trade Commission purporting to sustain its jurisdiction, and, in affirming the said judgments of said courts of appeals, held that the Commission is prohibited by the McCarran-Ferguson Act from regulating the practices complained of by it within those States having statutes authorizing the regulation of such practices.

With particular pertinence to the case at bar, the Supreme Court, covering in the one case a casualty-insurance company and in the other a life-insurance company, held:

Respondents, the National Casualty Company in No. 435 and the American Hospital and Life Insurance Company in No. 436, engage in the sale of health and accident insurance. National is licensed to sell policies in all States, as well as the District of Columbia and Hawaii, while American is licensed in fourteen States. Solicitation of business for National is carried on by independent agents who operate on commission. The company's advertising material is prepared by it and shipped in bulk to these agents, who distribute the material locally and assume the expense of such dissemination. Only an insubstantial amount of any advertising goes directly by mail from the company to the public, and there is no use of radio, television, or other means of mass communication by the company. American does not materially differ from National in method of operation.

* * * There is no question but that the States possess ample means to regulate this advertising within their respective boundaries.

* * * Each State in question has enacted prohibitory legislation which proscribes unfair insurance advertising and authorizes enforcement through a scheme of administrative supervision.

In footnote 6 of its opinion, the Supreme Court said:

At the time the complaints were filed thirty-six States had enacted the "Model Unfair Trade Practices Bill for Insurance." Eight others had statutes essentially the same in effect as the "Model Bill."

The opinion of the Supreme Court is sweeping and general in its language. It does not attempt to cite the numerous statutes of the several States which constitute the entire regulatory plan of each of such States. And to do so herein is wholly unnecessary; suffice it to say that official notice is taken that all States, by statute, provide for the licensing and regulation of all types of insurance agents; that all the States now have legislative acts providing more or less specifically for the regulation of life-insurance companies' business of health-and-accident insurance, including the advertising thereof; and that, with respect to the business of casualty-insurance companies, nearly all of the States have specific regulatory statutes, but in each of the remaining few, the general regulatory powers of the Insurance Department

are sufficiently broad, when coupled with the criminal and other statutes of the State, to provide a system of regulation of any unfair advertising by such companies and their agents, which the Supreme Court apparently deems adequate to regulate such business in such States. It holds, in effect, that under the McCarran-Ferguson Act each State is given latitude to enact such laws and provide such regulatory processes as each State deems proper within its own jurisdiction, and that the degree of actual law enforcement, if any, in the several States is wholly immaterial.

In the instant proceeding, the complaint was issued on July 18, 1955. Respondent subsequently joined issue, and, among other pleas, adequately raised the issue of the Commission's jurisdiction over the subject-matter. The record is fairly voluminous, but, in view of the conclusion reached herein, only a few undisputed facts need be stated. While at the conclusion of the proceeding each of the parties submitted extensive and detailed proposed findings of fact as well as conclusions of law, and a proposed order, some of which proposed findings and conclusions are quite proper, for brevity all such proposals have been rejected.

The respondent is a stock life-insurance company duly organized, existing and doing business under the laws of the State of Illinois, with its office and principal place of business in Evanston, Ill. The company is duly licensed and doing business under said licenses in the District of Columbia and all of the States of the United States except New York and the newly admitted State of Alaska. Its business is done in each jurisdiction through its agents, who are duly licensed therein. During the period of time covered by this proceeding, the respondent life-insurance company never sent any health-and-accident insurance advertising by mail directly from its home office to the public generally, nor did it use for that purpose radio, television or other mass media of communication.

This proceeding, therefore, falls squarely within the principles enunciated by the Supreme Court in its said decisions. Accordingly,

It is ordered, That the complaint herein be, and the same hereby is, dismissed for lack of jurisdiction.

FINAL ORDER

The date on which the hearing examiner's initial decision would have become the decision of the Commission having been

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extended by order issued September 9, 1958, until further order of the Commission; and

The Commission having now determined that said initial decision is adequate and appropriate in all respects:

It is ordered, That the initial decision of the hearing examiner duly providing for dismissal of this proceeding for lack of jurisdiction be, and it hereby is, adopted as the decision of the Commission.

Decision

IN THE MATTER OF
AMERICAN CASUALTY COMPANYORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 6449. Complaint, Nov. 18, 1955—Order, Sept. 26, 1958

Order dismissing for lack of jurisdiction, pursuant to the opinion of the U.S. Supreme Court in the *National Casualty Company* and *The American Hospital and Life Insurance Company* cases (357 U.S. 560), complaint charging a stock casualty company in Reading, Pa., with false advertising concerning the terms and conditions, and failure to reveal limitations of coverage, on its accident and sickness insurance policies.

Mr. John W. Brookfield, Jr., and *Mr. William R. MaHanna* for the Commission.

Mr. M. Thomas Valaske, General Counsel, of Reading, Pa., and *Stevens & Lee*, by *Mr. John D. Glase*, of Reading, Pa., for respondent.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

This proceeding is one brought under the Federal Trade Commission Act as affected and amended by the McCarran-Ferguson Act, 15 U.S.C., §§1011-1015 inclusive, the complaint charging the respondent corporation, in substance, with having transmitted in interstate commerce certain alleged false, misleading and deceptive advertising concerning its individual health-and-accident insurance policies. Group health-and-accident insurance is not involved. The complaint is dismissed herein for lack of jurisdiction by the Commission over the subject-matter thereof, pursuant to the recent decision of the Supreme Court of the United States, relating to that subject.

The Supreme Court, in one *per curiam* opinion issued on June 30, 1958, decided two cases, entitled *Federal Trade Commission v. National Casualty Company* (No. 435) and *Federal Trade Commission v. The American Hospital and Life Insurance Company* (No. 436), 357 U.S. 560 (1958). The Supreme Court accepted jurisdiction of these cases on writs of certiorari from the Courts of Appeals for the Sixth and Fifth Circuits, respectively, to review their "interpretation of an important federal statute." It affirmed the judgment of each of such Circuits in setting aside the Commission's cease-and-desist orders against the said respond-

ent insurers. In the course of its opinion, the Supreme Court rejected all contentions of the Federal Trade Commission purporting to sustain its jurisdiction, and, in affirming the said judgments of said courts of appeals, held that the Commission is prohibited by the McCarran-Ferguson Act from regulating the practices complained of by it within those states having statutes authorizing the regulation of such practices.

With particular pertinence to the case at bar, the Supreme Court, covering in the one case a casualty-insurance company and in the other a life-insurance company, held:

Respondents, the National Casualty Company in No. 435 and the American Hospital and Life Insurance Company in No. 436, engage in the sale of health and accident insurance. National is licensed to sell policies in all States, as well as the District of Columbia and Hawaii, while American is licensed in fourteen States. Solicitation of business for National is carried on by independent agents who operate on commission. The company's advertising material is prepared by it and shipped in bulk to these agents, who distribute the material locally and assume the expense of such dissemination. Only an insubstantial amount of any advertising goes directly by mail from the company to the public, and there is no use of radio, television, or other means of mass communication by the company. American does not materially differ from National in method of operation.

* * * There is no question but that the States possess ample means to regulate this advertising within their respective boundaries.

* * * Each State in question has enacted prohibitory legislation which proscribes unfair insurance advertising and authorizes enforcement through a scheme of administrative supervision.

In footnote 6 of its opinion, the Supreme Court said:

At the time the complaints were filed thirty-six States had enacted the "Model Unfair Trade Practices Bill for Insurance." Eight others had statutes essentially the same in effect as the "Model Bill."

The opinion of the Supreme Court is sweeping and general in its language. It does not attempt to cite the numerous statutes of the several States which constitute the entire regulatory plan of each of such States. And to do so herein is wholly unnecessary; suffice it to say that official notice is taken that all States, by statute, provide for the licensing and regulation of all types of insurance agents; that all the States now have legislative acts providing more or less specifically for the regulation of life-insurance companies' business of health-and-accident insurance, including the advertising thereof; and that, with respect to the business of casualty-insurance companies, nearly all of the States have specific regulatory statutes, but in each of the remaining

few, the general regulatory powers of the Insurance Department are sufficiently broad, when coupled with the criminal and other statutes of the State, to provide a system of regulation of any unfair advertising by such companies and their agents, which the Supreme Court apparently deems adequate to regulate such business in such States. It holds, in effect, that under the McCarran-Ferguson Act each State is given latitude to enact such laws and provide such regulatory processes as each State deems proper within its own jurisdiction, and that the degree of actual law enforcement, if any, in the several States is wholly immaterial.

In the instant proceeding, the complaint was issued on November 18, 1955. Respondent subsequently joined issue, and, among other pleas, adequately raised the issue of the Commission's jurisdiction over the subject-matter. The record is fairly voluminous, but, in view of the conclusion reached herein, only a few undisputed facts need be stated. While at the conclusion of the proceeding each of the parties submitted extensive and detailed proposed findings of fact as well as conclusions of law, and a proposed order, some of which proposed findings and conclusions are quite proper, for brevity all such proposals have been rejected.

The respondent is a stock casualty insurance company duly organized, existing and doing business under the laws of the State of Pennsylvania, with its office and principal place of business in Reading, Pa. It procures its business through the American Agency System, it being represented and doing business in the several jurisdictions wherein it is licensed, by licensed agents who operate their own business and who are also free to represent other insurers. The respondent is duly licensed in all of the States (including the newly admitted State of Alaska), the District of Columbia and Puerto Rico. During the time covered by this proceeding, respondent casualty-insurance company never sent any advertising by mail from its home office to the public generally, and did not use radio, television or other mass media of communication to the public. It sent all advertising material directly to its agents, who distributed such material locally and at their own expense.

This proceeding, therefore, falls squarely within the principles enunciated by the Supreme Court in its said decisions. Accordingly,

Order

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It is ordered, That the complaint herein be, and the same hereby is, dismissed for lack of jurisdiction.

FINAL ORDER

The date on which the hearing examiner's initial decision would have become the decision of the Commission having been extended by order issued September 9, 1958, until further order of the Commission; and

The Commission having now determined that said initial decision is adequate and appropriate in all respects:

It is ordered, That the initial decision of the hearing examiner duly providing for dismissal of this proceeding for lack of jurisdiction be, and it hereby is, adopted as the decision of the Commission.

Decision

IN THE MATTER OF
BENJAMIN P. CANIGLIA
TRADING AS INTERNATIONAL COMPANY

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

Docket 6813. Complaint, June 3, 1957—Decision, Sept. 30, 1958

Order requiring a furrier in Fullerton, Calif., to cease violating the Fur Products Labeling Act by removing required labels from fur products before delivery to the ultimate consumer; by failing to disclose on labels that certain products contained secondhand used fur, and failing to comply with other labeling and invoicing requirements by advertisements in letters falsely stating that enclosed credit checks reduced the prices of fur products; and by offering products for sale at purported reduced prices without maintaining adequate records as a basis for such pricing claims.

Mr. Harry E. Middleton, Jr., and Mr. John J. McNally for the Commission.

No appearance on behalf of respondent.

INITIAL DECISION BY EVERETT F. HAYCRAFT, HEARING EXAMINER

On June 3, 1957, the Federal Trade Commission issued its complaint against Benjamin P. Caniglia (erroneously referred to in the complaint as Benjamin B. Caniglia), an individual trading as International Company, charging him with violation of the Federal Trade Commission Act, the Fur Products Labeling Act and the Rules and Regulations promulgated under said Fur Products Labeling Act. From the record it appears that the complaint could not be served by mail and personal service was made on July 11, 1957. The complaint, so served, contained a notice that a hearing would be held on August 14, 1957, in Fullerton, Calif., on the charges set forth therein. The Hearing Examiner issued an order on August 7, 1957, postponing the initial hearing to September 16, 1957, which could not be served upon respondent. However, the hearing examiner's notice of April 7, 1958, scheduling the initial hearing on April 28, 1958, in Los Angeles, Calif., was personally served on the respondent by leaving the same at his last known address.

On April 28, 1958, the initial hearing was held, as scheduled, at which hearing counsel supporting the complaint was present but the respondent was not present, either in person or by coun-

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sel, and that fact was duly noted of record. It was also noted on the record that no answer to the complaint was filed by the respondent. Counsel supporting the complaint moved that a default order to cease and desist be entered and stated that a proposed form of such order would be forwarded to the hearing examiner. On May 19, 1958, a form of said order was submitted to the hearing examiner. Accordingly, the following findings, conclusions and order are entered:

FINDINGS OF FACT

PARAGRAPH 1. Respondent Benjamin P. Caniglia is an individual doing business as International Company, with his residence at 1024 North Stanford Avenue, Fullerton, Calif.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondent has been engaged in the introduction into commerce, in the sale, advertising and offering for sale in commerce, and in 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 had been shipped and received in commerce, as "commerce," "fur," and "fur products" are defined in the Fur Products Labeling Act.

PAR. 3. Respondent removed or participated in the removal of, prior to the time certain of said fur products were sold and delivered to the ultimate consumer, labels required by the Fur Products Labeling Act to be affixed to such fur products, in violation of Section 3(d) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act 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.

PAR. 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) Respondent failed to disclose that the fur contained in the fur products were second-hand used fur, when such was the fact, in violation of Rules 21 and 23.

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations thereunder was

Findings

mingled with nonrequired information on labels in violation of Rule 29(a).

(c) Required item numbers were not contained on labels in violation of Rule 40.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act, and in the manner and form prescribed by the Rules and Regulations thereunder.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act, in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations thereunder was set forth in abbreviated form in violation of Rule 4.

(b) Said invoices failed to disclose the item numbers or marks assigned to fur products in violation of Rule 40.

PAR. 8. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that said respondent caused the dissemination of certain advertisements concerning said fur products by means of false representations and letters with credit checks enclosed 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 thereunder, and which advertisements were intended to and did aid, promote and assist in the sale and offering for sale of said fur products.

PAR. 9. Among and included in the advertisements as aforesaid but not limited thereto, were letters with credit checks enclosed which the respondent caused to be disseminated through the United States mails to a substantial number of the general public.

By means of the aforesaid letters with credit checks enclosed and through other advertisements of similar import and meaning not specifically referred to herein respondent falsely and deceptively represented as follows:

We did not hear from you. Perhaps you did not hear our radio program over KBAB and XERB. Your name has been Selected. You are the Lucky Winner of the enclosed credit check to be applied toward any fur garment at the International Co. We have beautiful fur stoles for as low as \$69. This is a

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give away that will never be repeated. Imagine getting a beautiful fur stole for as low as \$29 with your credit check which is the same as money in our store.

Look at your additional gift certificate plus your credit check.

Please Tell Your Close Ones About Your Good Luck As We Wish To Serve You In Years To Come.

PAR. 10. The aforesaid statements and representations were false and deceptive. In truth, the fur products offered for sale by the respondent were not sold at prices below the usual or regular prices. While the recipients of the checks were allowed to apply the amounts designated therein as a part of the price charged for the fur products purchased, such applications did not result in any savings or reductions from the usual or regular prices for such fur products since such prices were increased by adding thereto the amount set out in the credit check with the result that purchases made in connection with the credit checks were actually at regular or usual prices. Such statements and representations are in violation of Section 5(a)(5) of the Fur Products Labeling Act.

PAR. 11. In advertising and offering the said fur products for sale, as aforesaid, respondent used comparative prices and represented that the prices at which the said fur products were offered for sale were reduced prices from the regular price of the said fur products or that said fur products were of a value greater than the advertised sale price. Respondent in making such pricing claims and representations failed to maintain full and adequate records disclosing the facts upon which these claims and representations were based, in violation of Rule 44(e) of the Rules and Regulations.

CONCLUSIONS

The aforesaid acts and practices of respondent, as herein found, 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; and

Since the respondent has presented neither answer nor appearance, under the default provisions of Rule 3.7(b) of the Commission's Rules of Practice, the hearing examiner declares and finds that respondent Benjamin P. Caniglia is in default.

Order

ORDER

It is ordered, That respondent Benjamin P. Caniglia, an individual trading as International Company, or under any other name, and respondent's representatives, agents, and employees, directly or through any corporate or other device in connection with the introduction into commerce, or 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 have been made in whole or in part of fur, which has been shipped and received in commerce, as "commerce," "fur," and "fur products" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Removing, or causing the removal, or participating in the removal of labels required to be affixed to fur products, prior to the time fur products are sold and delivered to the ultimate purchaser of such products.

B. 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:

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

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3. Failing to set forth on labels attached to fur products:

(a) An item number or mark assigned to fur products as required under Rule 4 of the Regulations;

(b) That the fur products contain secondhand used fur, when such is the fact, in violation of Rules 21 and 23 of the Regulations.

C. 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 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 and address of the person issuing such invoice;

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

(g) The item number of the fur product required under Rule 40 of the Regulations.

2. Setting out on invoices information required under Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations thereunder in abbreviated form.

D. Falsely and deceptively advertising fur products through the use of any advertisement, representation, public announcement or notice which is intended in the sale or offering for sale of fur products and which:

1. Represents to customers or prospective customers, by letters with credit checks enclosed or otherwise, that fur products offered by respondent have greater selling prices than the prices at which the same are so offered, when such is not the fact;

2. Employs the name or names of any animal or animals other than the name or names provided for under Section 5(a) (1) of the Fur Products Labeling Act.

E. Making price claims or representations in advertising respecting reduced prices, comparative prices or values or quality of furs or fur products, unless there are maintained by respondent

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 did, on the 30th day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondent Benjamin P. Caniglia (erroneously referred to in the complaint as Benjamin B. Caniglia), an individual trading as International Company, 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
BOY-CREST CLOTHES, INC., ET AL.

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

Docket 7113. Complaint, Apr. 9, 1958—Decision, Sept. 30, 1958

Consent order requiring manufacturers in Brooklyn, N.Y., to cease violating the Wool Products Labeling Act by labeling boys' coats falsely as "85% wool, 15% nylon," and by failing to comply in other respects with the labeling provisions of the Act.

Mr. Floyd O. Collins supporting the complaint.

Mr. Henry L. Burkitt, of New York, N.Y., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On April 9, 1958, the Federal Trade Commission issued a complaint charging that Boy-Crest Clothes, Inc., a corporation, and Milton Portman, Fanny Labovich, and Nathan Labovich, individually and as officers of said corporation had violated the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated under the last-named Act by misbranding the wool products they manufacture.

After issuance and service of the complaint, respondents Boy-Crest Clothes, Inc., and Nathan Labovich, together with counsel supporting the complaint, entered into an agreement for a consent order. By the terms of said agreement, it was agreed that the complaint be dismissed as to the respondents Milton Portman and Fanny Labovich.

The order disposes of the matters complained about with respect to Boy-Crest Clothes, Inc., a corporation, and Nathan Labovich, individually and as an officer of said corporation, hereinafter referred to as respondents. 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 de-

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cision 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 Boy-Crest Clothes, Inc., is a corporation organized and existing under and by virtue of the laws of the State of New York with its home office and principal place of business located at 1182 Flushing Avenue, Brooklyn, N.Y.
2. Respondent Nathan Labovich is an individual and an officer of respondent corporation and as such directs and controls the policies and practices of respondent corporation. Respondent's address is 1182 Flushing Avenue, Brooklyn, N.Y.
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 Boy-Crest Clothes, Inc., a corporation, and its officers, and Nathan Labovich, individually and as an officer of respondent corporation, and respondents' respective 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 boys' coats or other wool products, as such products are defined in and subject

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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 otherwise identifying such products as to the character or amount of the constituent fibers included therein.

2. Failing to securely affix to or place on each 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 to exceed 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 of 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 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 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.

3. Failing to separately set forth on the required stamp, tag or label or other means of identification the character and amount of the constituent fibers appearing in the interlinings of such wool products as provided by Rule 24 of the Rules and Regulations promulgated under said Act.

It is further ordered, That the complaint be and the same hereby is dismissed as to the respondents Milton Portman and Fanny Labovich.

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 September 1958, 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.

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IN THE MATTER OF
VANTAGE PRESS, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket 7005. Complaint, Dec. 23, 1957—Decision, Oct. 3, 1958*

Consent order requiring a New York City book publisher to cease, in soliciting manuscripts from authors, making false claims about its cooperative publishing plans, concerning the author's investment, royalties, its size and success, superiority over its competitors, etc.

Mr. Charles C. Cox for the Commission.

Mr. Jacob Zane Hoffman, of New York, N.Y., for respondents.

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 respondents with having violated the provisions of the Federal Trade Commission Act in certain particulars.

On May 28, 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 by and between respondents and the attorneys for both parties, under date of May 26, 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 Vantage Press, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Individual respondent Alan F. Pater is president and individual respondent Arthur Kleinwald is secretary-treasurer of said corporate respondent. Individual respondents Alan F. Pater and Arthur Kleinwald formulate, direct, and control the acts, practices, and policies of said corporate respondent. All of said respondents have offices and a principal place of business at 120 West 31st Street, New York, N.Y.

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2. Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on December 23, 1957, issued its complaint in this proceeding against respondents, and a true copy was thereafter duly served on respondents.

3. 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.

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

5. Counsel in support of the complaint states that the charge in Section 1 of paragraph 6 of the complaint that respondents represent or have represented that the entire first edition of an author's book will sell out and the charge in subsection (j) of Section 3 of paragraph 7 of the complaint that respondents did not distribute 500,000 copies of promotional material over a twelve-month period, are omitted for the reason that the same are denied by respondents and counsel in support of the complaint does not have available witnesses to prove the contrary and recommends that these charges be dismissed.

6. Respondents waive:

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

7. 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.

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

9. 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.

10. The following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents. 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 jurisdiction of the subject matter of this proceeding and of the persons of each of the respondents herein; that the complaint states legal causes for complaint under the Federal Trade Commission Act against each of the respondents, both generally and in each of the particulars alleged therein except as to the hereinabove stated charge in Section 1 of paragraph 6 of the complaint and the hereinabove stated charge in subsection (j) of Section 3 of paragraph 7 of the complaint, as to which it has been agreed that evidence is not available to prove the same and that such charges should be dismissed; that this proceeding is in the interest of the public; that the recommendation in paragraph 5 of the agreement that the complaint be dismissed in the particulars hereinabove stated is approved and adopted by the hearing examiner, whereby 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 Vantage Press, Inc., a corporation, and its officers, and respondents Alan F. Pater and Arthur Kleinwald, individually and as officers of said corporate respondent, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the solicitation of contracts for the printing, promotion, sale and distribution of books and the printing, promotion, sale and distribution of books in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing directly or indirectly that:

(a) They operate a cooperative publishing plan in which they share with the author in the expense of printing, binding, promotion and sale of the book or that they are partners with the author;

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(b) The author's investment is limited to the first edition unless such is the fact;

(c) Any payment made to an author based on sales of the author's book is a royalty unless and until the author has recouped the sum of money paid under the contract therefor;

(d) An author receives a return of four or any other number of times as much under their contract as would be paid the author under a "standard" contract;

(e) An author will recoup his or her entire investment when publishing through them, or will recoup the entire investment when the first edition sells out unless such is the fact;

(f) A second or any other number edition of an author's book will be required, or that their promotion will create such a demand for an author's book that a second and subsequent edition will be required to fill such demand;

(g) An author will receive $33\frac{1}{3}\%$ or any other percentage on all sales of books of subsequent editions unless such is the fact or that the sum paid an author by them is more than the author would receive from any competitor.

2. Representing directly or indirectly that:

(a) They only accept manuscripts with merit and sales appeal possibilities;

(b) All manuscripts accepted by them have been determined to have merit and sales appeal.

3. Representing directly or indirectly that:

(a) They have their own sales force of book store salesmen in key cities of the United States;

(b) They conduct an aggressive sales promotion with representatives,

(1) Calling on leading book stores and wholesalers in key cities in the United States,

(2) Displaying their books at conventions,

(3) Supplying posters and circulars to dealers,

(4) Arranging for autograph parties for their authors,

unless such is the fact;

(c) They have sales representatives who canvass bookstores, libraries, organizations and the reading public;

(d) All avenues of publicity are used in conducting the promotion and sales campaigns for their author's books, or misrepresenting the avenues used or the extent of the promotion and sales campaigns actually used;

(e) They have their own sales force which makes periodic

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calls on various book outlets throughout the year unless such is the fact;

(f) The sales of \$500,000 worth of books, or any other amount, in 1955 or any given year, is proof that they have an aggressive sales staff, or that the sale of \$500,000 worth or any other amount of books thereby earned and resulted in the payment of high royalties to their authors;

(g) They make all possible efforts to sell their books in the United States or in foreign countries;

(h) Their publishing plan has major or any other advantages over competitors in:

(1) Assuring the author a specific time of publication or that they publish an author's book in a shorter period of time than their competitors;

(2) Assure an author a beautiful book comparable to the finest published;

(3) Guaranteeing an author 40% or any other percentage royalty on every book or that an author will receive 4 to 8 or any other number of times as much money by publishing through them than through their competitors;

(4) That they bring an author's book to the attention of critics, the trade, the public, movie studios or reprint houses to any greater degree or beneficial manner than do their competitors;

(5) Guaranteeing an author national advertising for his or her book unless such is the fact;

(6) That the cost of their services is less than that of competitors, or is the same as that of competitors for less service.

(i) Their direct mail and publication advertising results in the successful promotion of an author's book;

(j) They have salesmen whose visits or calls on dealers and wholesalers are coordinated with the distribution of direct mail promotional advertising;

(k) They will advertise and promote an author's book without the payment of any additional sum over that listed in the contract or that the promotion and advertising of an author's book is at their expense rather than that of the author;

(l) They give advanced publicity releases to each of their authors when a manuscript is accepted for publication, or that those released are sent to all newspapers, magazines, radio and television stations likely to be interested in the specified book or books in excess of the releases actually sent;

(m) Their efforts to arrange for a personal appearance of

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their authors on radio and TV programs will result in the personal appearance of each author on radio and TV programs or will result in the sale of the promoted book;

(n) They send any number of copies of their title books to book review media throughout the United States in excess of the number of those actually so sent;

(o) Their sending out any particular number of "review" copies to various review media and critics insures reviews of their authors' books;

(p) The United Press Review features their book reviews in 1,500 papers or any number of papers in excess of those in which the same appeared;

(q) That any pictorial presentation of a window display, including posters, is typical of the promotion provided for their authors' books unless such is the fact;

(r) They have their own art department, or that their business is larger or has more employees and departments than actually exists.

4. Representing directly or indirectly that:

(a) They have a separate department engaged exclusively in the sale of subsidiary rights, or that they have a department in constant touch with reprint houses, motion picture studios, newspaper syndicates, television and radio stations, or other organizations to or through which subsidiaries rights can be sold;

(b) They have sold motion picture rights to any of their authors' books to any motion picture studio unless such is the fact;

(c) Their Hollywood, Calif., branch office was established for the purpose of working closely with influential agents and executives who choose the books for motion pictures;

(d) They are the only subsidy publisher with a California branch office;

(e) Outlets for subsidiary rights require that a manuscript be accepted for publication or already published as a prerequisite for considering same;

(f) They have a long list of sales successes to their credit or that any number of books published through their subsidy plan were successful unless sufficient number of copies were sold to repay the author the subsidy paid by the author.

5. Representing directly or indirectly that they have an office or offices located in any place or places other than where they actually have such an office or offices.

It is further ordered, That the charge in Section 1 of paragraph 6 of the Complaint that respondents represent or have represented that the entire first edition of an author's book will sell out, and the charge in subsection (j) of Section 3 of paragraph 7 of the Complaint that respondents did not distribute 500,000 copies of promotional material over a twelve-month period, are hereby dismissed.

DECISION OF THE COMMISSION AND ORDER TO FILE
REPORT OF COMPLIANCE

The hearing examiner, on June 20, 1958, having filed his initial decision accepting an agreement containing a consent order to cease and desist, theretofore executed by the respondents and counsel in support of the complaint, and having included therein, an order in conformity with said agreement; and

The respondents, by letter from their counsel dated July 29, 1958, having requested that the order contained in said initial decision be modified by deleting therefrom subparagraph "c" of paragraph "1" thereof, after which the Commission, by order issued August 1, 1958, extended until further order the date on which the initial decision otherwise would have become the decision of the Commission; and

The Commission upon consideration of the matter having concluded that the ground assigned in support of the respondents' request, namely, that the respondents' two major competitors are not now subject to a prohibition similar to that contained in subparagraph "c" of paragraph "1" of the order herein, does not justify the request, and, further, that in the circumstances the public interest would not be served by the requested modification:

It is ordered, That the respondents' request for modification of the order contained in the initial decision be, and it hereby is, denied.

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

It is further ordered, That the respondents, Vantage Press, Inc., a corporation, and Alan F. Pater and Arthur Kleinwald, 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 contained in the aforesaid initial decision.