

basis of such positive and constructive changes in its activities and procedures as will give solid assurance against repetition of the unlawful conduct found here. Unless and until such a showing is made, the public is entitled to the assurance afforded by the order to cease and desist contained in the initial decision.

Commissioner MacIntyre did not participate in the decision of this matter.

FINAL ORDER

This matter having been heard upon respondent's exceptions to the initial decision of the hearing examiner, and upon briefs and oral argument in support of said exceptions and in opposition thereto; and

The Commission, for the reasons stated in the accompanying opinion, having determined that the hearing examiner's initial decision, as modified by the Commission's opinion, should be adopted as the decision of the Commission:

It is ordered, That respondent, *Foremost Dairies, Inc.*, a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in, or in connection with, the sale of fluid milk in commerce, as "commerce" is defined in the amended Clayton Act, do forthwith cease and desist from discriminating, directly or indirectly, in the price of fluid milk of like grade and quality by selling to any purchaser at net prices higher than the net prices charged any other purchaser who competes with the purchaser paying the higher price.

It is further ordered, That respondent, *Foremost Dairies, Inc.*, a corporation, shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form of its compliance with this order, and shall thereafter file such further reports of compliance as the Commission may require.

Commissioner MacIntyre not participating.

IN THE MATTER OF

SEAT COVER CHARLIE, INC., ET AL.

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

Docket C-502. Complaint, May 27, 1963—Decision, May 27, 1963

Consent order requiring four chain retailers of seat covers and auto tops in three States, along with their common executive officer, to cease falsely representing sale prices of their products as reduced by such practices as

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setting forth in advertising a higher "Reg." amount followed by a lower offering price, and falsely representing the merchandise as unconditionally guaranteed.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Seat Cover Charlie, Inc., of Fort Wayne, Indiana, a corporation; Seat Cover Charlie, Inc., of Indianapolis, Indiana, a corporation; Charles Fine of Louisville, Inc., a corporation; Seat Cover Charlie, Inc., of Cincinnati, Ohio, a corporation; and Charles B. Fine, individually and as an officer of said corporations, hereinafter referred to as respondents, have violated the provisions of said 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 as follows:

PARAGRAPH 1. Respondent Seat Cover Charlie, Inc., of Fort Wayne, Indiana, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Indiana, with its principal place of business located at 211 East Superior Street, Fort Wayne, Indiana.

Respondent Seat Cover Charlie, Inc., of Indianapolis, Indiana, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Indiana, with its principal place of business located at 2409 East Washington Street, Indianapolis, Indiana.

Respondent Charles Fine of Louisville, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Kentucky, with its principal place of business located at 827 South 8th Street, Louisville, Kentucky.

Respondent Seat Cover Charlie, Inc., of Cincinnati, Ohio, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal place of business located at 1684 Central Parkway, Cincinnati, Ohio.

Respondent Charles B. Fine is the chief executive officer of all of the corporate respondents and he formulates, directs, and controls the acts and practices of said respondents, including the acts and practices hereinafter set forth. The business address of the individual respondent, Charles B. Fine, is the same as the corporate address of Seat Cover Charlie, Inc., of Fort Wayne, Indiana, described above, and his home address is 4701 Old Mill Road, Fort Wayne, Indiana.

PAR. 2. Respondents are now, and for some time last past, have been engaged in the advertising, offering for sale, sale and distribution of seat covers, auto tops and allied products, hereinafter known as re-

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spondents' merchandise. Respondents have engaged in such activity by direct sale to members of the consuming public who have been induced to purchase by dissemination of advertising in newspapers of interstate circulation and by radio. The bookkeeping, general administration, and purchasing offices of the respondent corporations are located in a general headquarters at Fort Wayne, Indiana, under the supervision and control of respondent Charles B. Fine. Advertising matter used by the various respondent corporations in their localities is approved and paid for in said headquarters. Shipment of subject merchandise to the said corporations in their various localities in other states is made from said headquarters in Fort Wayne, or shipped by suppliers directly to said corporations pursuant to prearrangement and payment by said headquarters. In many instances such shipments by suppliers pass from one state to another and frequently across the boundaries of several states.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, subject merchandise to be shipped from one state to another, and have been and are engaged in transmitting and receiving by the United States mails and by other means checks, sales memoranda, and other written documents to and from respondents' various places of business in the United States. All respondents have been and are engaged in commercial intercourse in commerce, as "commerce" is defined in the Federal Trade Commission Act. Their volume of trade in said commerce has been and is substantial.

PAR. 4. For the purpose of inducing the purchase of their merchandise in the course and conduct of the businesses as afore-described, the said corporations and person have disseminated or caused to be disseminated certain advertising representations, of which the following statements and claims are typical but not all inclusive:

PUFF FABRIC UPHOLSTERY Not \$49.50 * * * Not \$34.50 NOT EVEN
\$29.95 Full Set ONLY \$22

Sattiday Only! \$11

Save 33% today! fabulous fibre seat cover Regular \$15.95

Regular \$34.50 \$22 Full Set

Vinyl Top Reg. \$79.50 \$54 Written Guarantee

Vinyl Top Reg. \$69.50 \$54 Written Guarantee

Vinyl Top Reg. \$69.50 \$54 Written 2½ year Guarantee

Charlies Got FAIR Fever * * * and he's cuttin' Prices durin this DELERIOUS
Sale * * * Vinyl Top Reg. \$79.50 Fair Special \$54 Written Guarantee

Seat Covers \$14.44 Reg. \$19.95

Seat Covers \$14.44 Special purchase! Save \$7.51 Would usually sell for \$21.95

PAR. 5. Through the use of the above said statements and representations, and other of similar import but not specifically set out herein, respondents have represented, directly or by implication that:

1. Respondents' merchandise is being offered for sale at a reduced price by which the purchasing public can effect a substantial saving.

2. Certain prices, set out in juxtaposition with a lower price, are the generally prevailing prices at which the designated merchandise is sold at retail in the trade area or areas where the representations are made.

3. The prices at which certain merchandise is being offered for sale are special prices which are lower than the generally prevailing prices at which said merchandise is sold at retail in the trade area or areas where the representations are made.

4. The higher prices designated "Regular" and "Reg." were the respondents' usual and customary retail prices in the recent, regular course of business of the merchandise referred to, and that savings amounting to the differences between such prices and the lower offering prices were afforded to purchasers.

5. The merchandise offered for sale is guaranteed without condition or limitation.

PAR. 6. In truth and in fact:

1. The merchandise is not being offered for sale at a reduced price through which the purchasing public can effect a substantial saving.

2. The prices set out in juxtaposition with a lower price are not the generally prevailing prices at which the merchandise is sold at retail in the trade area or areas where the representations are made.

3. The prices at which said merchandise is being offered for sale are not special prices and are not lower than the generally prevailing prices at which the merchandise is sold at retail in the trade area or areas where the representations are made.

4. The higher prices designated "Regular" and "Reg." were not the respondents' usual and customary retail prices in the recent regular course of business of the merchandise referred to but were in excess of the respondents' actual retail prices and savings amounting to the differences between said designated prices and the lower selling prices were not afforded to purchasers.

5. Respondents' guarantees of merchandise are subject to limitations and conditions which are not revealed in their advertising of said guarantees.

Therefore, the statements and representations referred to in Paragraphs 4 and 5 are false, misleading, and deceptive.

PAR. 7. In the course and conduct of their business, and at all times mentioned herein, respondents have been in substantial competition,

