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

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-

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,

in commerce, with corporations, firms and individuals likewise engaged in the sale of like and similar merchandise.

PAR. 8. The use by the respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were, and are, true and into the purchase of respondents' products by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were, and are, all to the prejudice of the public and respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5(a)(1) of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondents have violated the Federal Trade Commission Act, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings and enters the following order:

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 office and 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 his address is the same as the corporate address of Seat Cover Charlie, Inc., of Fort Wayne, Indiana. His home address is 4701 Old Mill Road, Fort Wayne, Indiana.

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 Seat Cover Charlie, Inc., of Fort Wayne, Indiana, Seat Cover Charlie, Inc., of Indianapolis, Indiana, Charles Fine of Louisville, Inc., Seat Cover Charlie, Inc., of Cincinnati, Ohio, and Charles B. Fine, individually and as an officer of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in or in connection with the advertising, offering for sale, sale or distribution of seat covers, auto tops or other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, do forthwith cease and desist from:

A. Representing, directly or indirectly, that:

1. Any amount is the usual and customary retail price of respondents' merchandise when such amount is in excess of the price at which respondents' merchandise is usually and customarily sold at retail.

2. Any amount is the usual and customary retail price of merchandise when it is in excess of the generally prevailing price or prices at which the merchandise is sold at retail in the trade area or areas where the representation is made.

3. Any price is a "sale" or special price, unless such price constitutes a reduction from the generally prevailing price

or prices at which the merchandise is sold at retail in the trade area or areas where the representation is made.

4. Any price at which respondents' merchandise is offered for sale constitutes a reduction of any stated percentage or amount which is in excess of the actual reduction from the price at which said product is usually and regularly sold at retail.

5. Any merchandise offered for sale is guaranteed, unless the nature and extent of the guarantee and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed in close conjunction with said representation.

B. Using the terms "Regular," "Reg." or any other words or terms of the same import, to refer to respondents' usual and customary price of merchandise, unless the amount so designated is the price at which respondents have usually and customarily sold the merchandise in the recent and regular course of business.

C. Using percentage savings claims or amounts to represent that merchandise is offered at a reduction from respondents' usual and customary retail price unless the price of such merchandise has been reduced in the percentage or amount stated from respondents' usual and customary price in the recent, regular course of business.

It is further 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 this order.

IN THE MATTER OF

MYRA TEXTILE COMPANY, INC., ET AL.

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

Docket C-503. Complaint, June 12, 1963—Decision, June 12, 1963

Consent order requiring Chicago distributors of wool products to cease violating the Wool Products Labeling Act by such practices as tagging as "100% Wool", interlining materials containing a substantial quantity of reprocessed or reused wool, and failing to disclose on labels on certain interlinings the content of reused or reprocessed wool and the percentage thereof.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Myra Textile Company, Inc., a corporation, and William I. Frishman, Lyle Hochman, and Gloria Cloobeck, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, 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 in that respect as follows:

PARAGRAPH 1. Respondent Myra Textile Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois.

Individual respondents William I. Frishman, Lyle Hochman, and Gloria Cloobeck are officers of the corporate respondent. Said individual respondents cooperate in formulating, directing and controlling the acts, policies and practices of the corporate respondent including the acts and practices hereinafter referred to.

Respondents are wholesalers and distributors of wool products with their principal place of business located at 337 South Franklin Street, Chicago, Illinois.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents have introduced into commerce, sold, transported, distributed, delivered for shipment and offered for sale in commerce, as "commerce" is defined in said Act, wool products, as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products were certain interlining materials stamped, tagged or labeled as "100% Wool," whereas, in truth and in fact, said products contained a substantial quantity of reprocessed or reused wool.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled or otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act of 1939 and in the manner and

form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were certain interlining materials with labels on or affixed thereto which failed (1) to disclose reprocessed wool or reused wool present, and (2) to disclose the percentage of such reprocessed wool or reused wool.

PAR. 5. The acts and practices of the respondents as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 6. Respondents in the course and conduct of their business, as aforesaid, have made statements on invoices and shipping memoranda to their customers misrepresenting the fiber content of certain of their said products.

PAR. 7. The acts and practices set out in Paragraph 6 have had and now have the tendency and capacity to mislead and deceive the purchasers of said products as to the true content thereof and to cause them to misbrand products manufactured by them in which said materials were used.

PAR. 8. The acts and practices of the respondents set out in Paragraph 6 were, and are, all to the prejudice and injury of the public and of respondents' competitors and constituted and now constitute unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such

complaint, and waivers and provisions as required by the Commisison's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Myra Textile Company, Inc., is a corporation organized, 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 337 South Franklin Street, in the city of Chicago, State of Illinois.

Respondents William I. Frishman, Lyle Hochman, and Gloria Cloobeck are officers of said corporation, and their address is the same as that of said corporation.

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 Myra Textile Company, Inc., a corporation, and its officers, and William I. Frishman, Lyle Hochman, and Gloria Cloobeck, 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 offering for sale, sale, transportation, distribution or delivery for shipment in commerce, of wool fabrics or other wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from:

Misbranding of 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 contained therein.

2. Failing to securely affix to, or place on, each such product a stamp, tag, label or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That Myra Textile Company, Inc., a corporation and its officers, and William I. Frishman, Lyle Hochman and Gloria Cloobeck, individually and as officers of said corporation and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of fabrics or any other textile products in

commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of constituent fibers contained in fabrics or any other textile products on invoices or shipping memoranda applicable thereto or in any other manner.

It is further 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 this order.

IN THE MATTER OF

YALE WOOLEN MILLS ET AL.

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

Docket C-504. Complaint, June 12, 1963—Decision, June 12, 1963

Consent order requiring manufacturers of wool products in Yale, Mich., to cease violating the Wool Products Labeling Act by such practices as tagging as "100% wool", interlining materials which contained a substantial quantity of reprocessed or reused wool, and failing to disclose on labels of certain interlinings the presence of reprocessed or reused wool and the percentage thereof.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Yale Woolen Mills, a corporation, and Fred N. Andreae, and Robert E. Andreae, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, 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 in that respect as follows:

PARAGRAPH 1. Respondent Yale Woolen Mills is a corporation organized, existing and doing business under and by virtue of the laws of the State of Michigan.

Individual respondents Fred N. Andreae, and Robert E. Andreae are officers of the corporate respondent. Said individual respondents cooperate in formulating, directing and controlling the acts, policies

and practices of the corporate respondent including the acts and practices hereinafter referred to.

Respondents are manufacturers and distributors of wool products with their principal place of business located at First Street, Yale, Michigan.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment and offered for sale in commerce, as "commerce" is defined in said Act, wool products, as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products were certain interlining materials stamped, tagged or labeled as "100% Wool", whereas, in truth and in fact, said products contained a substantial quantity of reprocessed or reused wool.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled or otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were certain interlining materials with labels on or affixed thereto which failed (1) to disclose reprocessed wool or reused wool present, and (2) to disclose the percentage of such reprocessed wool or reused wool.

PAR. 5. The acts and practices of the respondents as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 6. Respondents in the course and conduct of their business, as aforesaid, have made statements on invoices and shipping memoranda to their customers misrepresenting the fiber content of certain of their said products.

PAR. 7. The acts and practices set out in Paragraph 6 have had and now have the tendency and capacity to mislead and deceive the purchasers of said products as to the true content thereof and to cause them to misbrand products manufactured by them in which said materials were used.

PAR. 8. The acts and practices of the respondents set out in Paragraph 6 were, and are, all to the prejudice and injury of the public and of respondents' competitors and constituted and now constitute unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Yale Woolen Mills, is a corporation organized, 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 First Street, in the city of Yale, State of Michigan.

Respondents Fred N. Andreae and Robert E. Andreae are officers of said corporation, and their address is the same as that of said corporation.

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 Yale Woolen Mills, a corporation, and its officers, and Fred N. Andreae, and Robert E. Andreae, individually and as officers of said corporation, and respondents' representatives, agents and

employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation, distribution or delivery for shipment in commerce, of wool fabrics or other wool products, as "commerce", and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from:

Misbranding of 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 contained therein.

2. Failing to securely affix to, or place on, each such product a stamp, tag, label or other means of identification showing in a clear and conspicious manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That Yale Woolen Mills, a corporation, and its officers, and Fred N. Andreae, and Robert E. Andreae, individually and as officers of said corporation, and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of fabrics or any other textile products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of constituent fibers contained in fabrics or any other textile products on invoices or shipping memoranda applicable thereto or in any other manner.

It is further 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 this order.

IN THE MATTER OF

OZ PUBLISHING CORPORATION ET AL.

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

Docket C-505. Complaint, June 12, 1963—Decision, June 12, 1963

Consent order requiring a New York City manufacturer of greeting cards, souvenir post cards, calendars, etc., and its corporate sales subsidiaries, with annual sales in excess of $2 million, to cease violating Sec. 2(a) of the Clayton Act, by such practices as selling their products to the F. W. Woolworth Co. variety chain and to Cunningham Drug Stores, Inc., drugstore

chain operating in Ohio and Michigan, at list price less 50 percent and 5 percent, while selling to numerous retail competitors of the two chains at list less 50 percent.

COMPLAINT

The Federal Trade Commission, having reason to believe that the parties respondent named in the caption hereof have been violating 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, hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Oz Publishing Corporation 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 156 Fifth Avenue, New York, New York.

Respondent Oz Greeting Cards, Inc., is a corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business at 156 Fifth Avenue, New York, New York. It is a wholly owned subsidiary of the parent firm Oz Publishing Corporation.

Respondent Oz Cardlines, Inc., is a corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 156 Fifth Avenue, New York, New York. It is a wholly owned subsidiary of the parent firm, Oz Publishing Corporation.

Respondents Harry Friedgut, Oscar D. Freedgood and Milton Warshaw are individuals, officers and directors of each of the corporate respondents. Acting individually and in concert they formulate, direct and control the acts and practices of each corporate respondent, including those acts and practices alleged herein. Their addresses are the same as that of the corporate respondents.

PAR. 2. Respondent Oz Publishing Corporation has been at all times mentioned herein, engaged in the creation and manufacture of greeting cards, holiday cards, souvenir post cards, calendars, and similar printed matter. Respondent Oz Publishing Corporation, through respondent Oz Cardlines, Inc., and Oz Greeting Cards, Inc., has sold and continues to sell its products to a large number of customers located throughout the United States who purchase such products for resale, including retailers such as greeting card specialty stores, drugstores, variety stores and retail chain variety and drugstores. Respondents' sales of such products are substantial, exceeding $2 million annually.

Respondent Oz Publishing Corporation creates and manufactures its

products in the State of New York and causes them, when sold, to be transported to purchasers located in other States of the United States. There has been at all times mentioned herein a continuous course of trade in commerce, as "commerce" is defined in the Clayton Act, as amended.

PAR. 3. In the course and conduct of its business, respondent Oz Publishing Corporation, through respondent Oz Greeting Cards, Inc., has sold its greeting cards and other products to retail customers such as greeting card specialty stores and variety stores, and through respondent Oz Cardlines, Inc., has sold its greeting cards and other products of like grade and quality to certain retail chainstores only.

PAR. 4. In the course and conduct of its business in commerce, and particularly since 1960, respondent Oz Publishing Corporation, through its Oz Cardlines, Inc., and Oz Greeting Cards, Inc., subsidiaries, has been discriminating in price between different purchasers of its products of like grade and quality by selling such products to some purchasers at substantially higher prices than the prices charged competing purchasers for such products.

For example, respondent Oz Publishing Corporation, through respondent Oz Cardlines, Inc., has sold its products to F. W. Woolworth Co., a variety chain operating throughout the United States, at list price less 50% and 5% and to Cunningham Drug Stores, Inc., a drugstore chain operating in the States of Ohio and Michigan, at list price less 50% and 5%, while selling its products of like grade and quality to numerous retail customers who are in direct competition with stores operated by F. W. Woolworth Co. and Cunningham Drug Stores, Inc., at list price less 50%.

PAR. 5. The effect of such discrimination in price as alleged may be substantially to lessen competition or tend to create a monopoly in the line of commerce in which respondents' customers are engaged; or to injure, destroy or prevent competition with the purchasers who receive the benefits of such discrimination.

PAR. 6. The aforesaid acts and practices of respondents constitute violations of the provisions of subsection (a) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C. Title 15, Sec. 13).

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Restraint of Trade proposed to present to the Commission for its consideration and which, if

issued by the Commission, would charge respondents with violation of subsection (a) of Section 2 of the Clayton Act, as amended; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondents have violated subsection (a) of Section 2 of the Clayton Act, as amended, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings and enters the following order:

1. Respondents Oz Publishing Corporation, Oz Greeting Cards, Inc., and Oz Cardlines, Inc., are all corporations, existing and doing business under and by virtue of the laws of the State of New York, with their offices and principal place of business located at 156 Fifth Avenue, New York, New York.

Respondents Harry Friedgut, Oscar D. Freedgood, and Milton Warshaw are officers and directors of said corporations and their addresses are the same as the aforesaid corporations.

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

ORDER

It is ordered, That respondents, Oz Publishing Corporation, Oz Greeting Cards, Inc., Oz Cardlines, Inc., their officers, agents, representatives and employees, and Harry Friedgut, Oscar D. Freedgood and Milton Warshaw, individually and as officers and directors of each of respondent corporations, directly or through any corporate or other device, in or in connection with the offering for sale, sale or distribution of greeting cards and related products 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 such products of like grade and quality by selling such products to any purchaser at net prices higher than the net prices charged any other purchaser who competes with the purchaser paying the higher price in the resale or distribution of such products.

749-537—67——88

It is further 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 this order.

IN THE MATTER OF

HARKER CHINA COMPANY ET AL.

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

Docket C-506. Complaint, June 17, 1963—Decision, June 17, 1963

Consent order requiring East Liverpool, Ohio, distributors of dinnerware to jobbers and retailers for resale, to cease labeling and advertising their said products as "Harkerware STONE CHINA" and "STONE CHINA", when in fact the dinnerware was not vitreous and could not be accurately referred to as china.

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 Harker China Company, a corporation, and David G. Boyce, John M. Pinney, Francis H. Lang and Robert E. Boyce, individually and as officers of said corporation, 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 in that respect as follows:

PARAGRAPH 1. Respondent Harker China Company is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located in the city of East Liverpool, State of Ohio.

Respondents David G. Boyce, John M. Pinney, Francis H. Lang, and Robert E. Boyce are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of dinnerware to jobbers and retailers for resale to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of Ohio to purchasers thereof located in various other States of the United States and in the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents, in the course and conduct of their aforesaid business, and for the purpose of describing, and to induce the purchase of certain of their dinnerware products, have labeled said dinnerware as "Harkerware STONE CHINA" and have designated, referred to and represented their said dinnerware products as "Harkerware STONE CHINA" or "STONE CHINA" in magazine advertisements, brochures and illustrations, thereby representing, directly or by implication, by use of the word "china" that said dinnerware products are vitreous.

PAR. 5. In truth and in fact, respondents' "Harkerware STONE CHINA" or "STONE CHINA" products are not vitreous and cannot be accurately referred to as china. Therefore, the representations referred to in Paragraph 4 were and are false, misleading and deceptive.

PAR. 6. By the aforesaid practices, respondents place in the hands of others means and instrumentalities by and through which they may mislead the public as to the characteristics of their said dinnerware.

PAR. 7. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with other corporations, firms and individuals in the sale of products of the same general kind and nature as those sold by respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were, and are, true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondents as herein alleged were, and are, all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Harker China Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its office and principal place of business located in the city of East Liverpool, State of Ohio.

Respondents David G. Boyce, John M. Pinney, Francis H. Lang and Robert E. Boyce are officers of said corporation and their address is the same as that of said corporation.

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 Harker China Company, a corporation, and its officers, and David G. Boyce, John M. Pinney, Francis H. Lang and Robert E. Boyce, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of ceramic dinnerware or of any other ceramic products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "china", or any other word of similar import or meaning, alone or in combination with any other word or

words, as a product name for any ceramic product which is not in fact vitreous or representing in any other manner that any product is china when such product is not vitreous.

2. Misrepresenting in any manner the vitrification of any of their products.

3. Furnishing or otherwise placing in the hands of others means and instrumentalities by and through which they may mislead the public as to any of the matters and things hereinabove prohibited.

It is further 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 this order.

IN THE MATTER OF

VOLUMES IN VALUES, INC, ET AL.

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

Docket C-507. Complaint, June 17, 1963—Decision, June 17, 1963

Consent order requiring two Chicago corporations and their common officers, distributors of a variety of merchandise which they sold through their own retail jewelry stores in Illinois, Texas, and Oklahoma, and also sold to other dealers in "package promotions" designed as "traffic builders" to encourage customers to visit credit stores and open and use credit accounts, to cease making false statements in promotional material including newspaper advertisements, respecting the price, quality, guarantee, maker, savings and "free" nature of said merchandise, and to cease providing their dealers for their use, advertising matrices, layouts and other matter containing the same or similar false representations.

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 Volumes in Values, Inc., a corporation, and Marks Bros. Jewelers, Inc., a corporation, and Ira G. Marks and James G. Marks, individually and as officers of each 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 in that respect as follows:

PARAGRAPH 1. Respondent Volumes in Values, 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 at 29 East Madison Street in the city of Chicago, State of Illinois.

Respondent Marks Bros. Jewelers, Inc., 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 at 29 East Madison Street in the city of Chicago, State of Illinois.

Respondents Ira G. Marks and James G. Marks are officers and directors of each of the corporate respondents. They formulate, direct and control the acts and practices of the corporate respondents, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondents.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of various articles of merchandise such as wrenches, tools, sheets, towels, dinnerware, cookware and other articles of merchandise, to the public and to retailers and dealers for resale to the public.

Respondents own and operate retail jewelry stores in the States of Illinois, Texas, and Oklahoma through which they sell the aforesaid merchandise directly to the purchasing public.

The respondents also sell the aforesaid merchandise to other retailers and dealers in "package promotions". Said "package promotions" consist of the aforesaid merchandise and advertising matrices, layouts, and other materials for the use of the retailers and dealers in promoting the sale of said merchandise in their respective trade areas. The "package promotions" are primarily designed and utilized as "traffic builders" to encourage customers to visit credit jewelry and furniture stores and to open and use credit accounts.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said merchandise, when sold, to be shipped from their place of business in the State of Illinois and other sources of supply in several different states to purchasers thereof located in various other States of the United States, and in the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and for the purpose of inducing the sale of their aforesaid merchandise, respondents have made numerous statements and representations in promotional

material including advertisements inserted in newspapers of general circulation, respecting the price, quality, guarantee, manufacturer, savings, and "free" nature of said merchandise.

Typical, but not all inclusive of said statements and representations, are the following:

REGULARLY $59.95 SAVE MORE THAN ½ $25.87 104 PIECES CHROME ALLOY STEEL SOCKET WRENCH AND TOOL SET
GUARANTEED FOR LIFE

54 PC. LUXURY PEPPERELL SHEETS AND DE LUXE QUALITY TOWEL ENSEMBLE * * * LOWEST PRICES EVER $22.88

LIKE BUYING ONE SET * * * GETTING THE OTHER FREE! 42 PC. 22K. GOLD DECORATED DINNERWARE * * * plus 18 PC. WATERLESS ALUMINUM COOKWARE * * * LIFETIME GUARANTEED

PAR. 5. Through the use of the aforesaid statements and representations, and others of similar import and meaning not specifically set out herein, respondents have represented, directly or by implication, that:

a. Each of the said socket wrenches and tools are manufactured of chrome alloy steel.

b. The higher stated price set out in said advertisement of wrenches and tools in connection with the term "Regularly" was the price at which the advertised merchandise had been usually and customarily sold by respondents at retail, in the recent, regular course of business and that the difference between the higher and lower prices represented savings to purchasers from respondents' usual and customary retail price.

c. All items contained in the 54-piece Luxury Pepperell Sheets and De Luxe Quality Towel Ensemble were the products of Pepperell Manufacturing Company, Boston, Massachusetts.

d. The price set out in connection with the expression "LOWEST PRICE EVER" represented a reduction from the prices at which the merchandise referred to had been previously sold at retail by respondents.

e. The 18-Piece Waterless Cookware Set is given free as a gift or gratuity without cost to the purchaser of the 42-Piece Dinnerware Set.

f. Said wrenches and tools, dinnerware and cookware are unconditionally guaranteed for the lifetime of the purchaser or the original user.

PAR. 6. In truth and in fact:

a. Each of the said socket wrenches and tools are not manufactured of chrome alloy steel. Many of the wrenches and tools in said set are made of carbon steel.

b. The higher stated price set out in said advertisement of wrenches

and tools in connection with the term "Regularly" was in excess of the price at which the advertised merchandise had been usually and customarily sold by respondents at retail, in the recent, regular course of business and the difference between the higher and lower prices did not represent savings to purchasers from respondents' usual and customary retail price.

c. All items contained in the 54-Piece Luxury Pepperell Sheets and De Luxe Quality Ensemble, were not products of Pepperell Manufacturing Company, Boston, Massachusetts. Certain items contained in said ensemble were products of other manufacturers.

d. The price set out in connection with the expression "LOWEST PRICE EVER" did not represent a reduction from the prices at which the merchandise referred to had been previously sold at retail by respondents.

e. The 18-Piece Waterless Cookware Set is not given free as a gift or gratuity without cost to the purchaser of the 42-Piece Dinnerware Set. Said offer is actually a combination offer consisting of the dinnerware set and the waterless cookware set, and the price charged for said dinnerware set includes the price of the merchandise referred to as free.

f. Said wrenches and tools, dinnerware and cookware are not unconditionally guaranteed for the lifetime of the purchaser or original user. The "guarantees" referred to are subject to numerous conditions and limitations not disclosed in the advertisements.

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

PAR. 7. Respondents, in the course and conduct of their business of selling the aforesaid merchandise in "package promotions" to other retailers and dealers for resale to the purchasing public, have engaged in the practice of providing the said retailers and dealers for their use, advertising matrices, layouts and other materials containing statements and representations identical or substantially similar to those set forth in Paragraphs 4 and 5 hereof.

By and through this practice, respondents place in the hands of the said retailers and dealers the means and instrumentalities by and through which the retailers and dealers mislead the purchasing public as to the said retailers' and dealers' usual and customary retail selling price of merchandise, the savings afforded to purchasers of certain merchandise and in the manner and respects set forth in subsections a, c, e, and f of Paragraph 6 hereof.

PAR. 8. In the course and conduct of their business, and at all times mentioned herein, respondents have been in substantial competition

in commerce with corporations, firms and individuals likewise engaged in the sale of like and similar merchandise.

PAR. 9. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondents have violated the Federal Trade Commission Act, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings and enters the following order:

1. Respondent Volumes in Values, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois with its office and principal place of business at 29 East Madison Street, Chicago, Illinois.

Respondent Marks Bros. Jewelers, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the

State of Delaware with its office and principal place of business at 29 East Madison Street, Chicago, Illinois.

Respondents Ira G. Marks and James G. Marks are officers of said corporations and their address is the same as that of the corporate respondents.

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

ORDER

It is ordered, That respondents Volumes in Values, Inc., a corporation, and its officers, Marks Bros. Jewelers, Inc., a corporation, and its officers, and Ira G. Marks, and James G. Marks, individually and as officers of said corporations, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of wrenches, tools, sheets, towels, dinnerware, cookware or any other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

a. Representing, directly or by implication, that tools or wrenches manufactured of other types of metals, are manufactured from chrome alloy steel; or misrepresenting in any manner the kind or type of metal from which any product is manufactured.

b. Using the word "Regularly" or any other word or words of similar import or meaning to refer to any amount which is in excess of the price at which such merchandise has been usually and regularly sold by the respondents at retail in the recent regular course of their business; or otherwise misrepresenting respondents' usual and customary retail selling price of merchandise.

c. Representing, directly or by implication, that any of said sheets and towels were made by the Pepperell Manufacturing Company, Boston, Massachusetts, when said products were made by some other manufacturer; or misrepresenting in any manner, the brand name, manufacturer or producer of any products.

d. Using the expression "LOWEST PRICE EVER" or any other words or terms of similar import or meaning unless the price of the merchandise referred to constitutes a reduction from the prices at which said merchandise has been previously sold at retail by respondents or by other retail dealers in the trade area or areas where the representation is made.

e. Representing, directly or by implication, that merchandise is given free or without charge in connection with the purchase of other merchandise when the so-called free merchandise is re-

ceived only after payment therefor is included in the price charged for the other merchandise.

f. Representing, directly or by implication, that any merchandise is guaranteed unless the nature and extent of the guarantee, the identity of the guarantor, and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed.

g. Representing in any manner that, by purchasing any of their merchandise, customers are afforded savings amounting to the difference between respondents' stated selling price and any other price used for comparison unless the comparative price used represents the price at which the merchandise is usually and customarily sold at retail in the trade area involved, or is the price at which said merchandise is usually and regularly sold by respondents at retail in the recent, regular course of business, in the trade area or areas where the representation is made.

h. Furnishing or otherwise placing in the hands of retailers and dealers the means and instrumentalities by and through which they may mislead the public in the manner or as to the things hereinabove prohibited in paragraphs a, c, e, and f.

i. Furnishing or otherwise placing in the hands of other retailers and dealers the means and instrumentalities by and through which said retailers and dealers may mislead the purchasing public as to said retailers' and dealers' usual and customary selling price of merchandise or the savings afforded to purchasers of said retailers' and dealers' merchandise.

It is further ordered, That each of 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 this order.

IN THE MATTER OF

R. GUERCIO & SON, INC., ET AL. DOING BUSINESS AS ROY'S BROKERAGE COMPANY

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

Docket C-508. Complaint, June 20, 1963—Decision, June 20, 1963

Consent order requiring a New Orleans family-owned corporate wholesale distributor of fruit and produce, purchasing from a large number of suppliers in many sections of the United States and with an annual volume of business well in excess of $2 million, to cease violating Sec. 2(c) of the Clayton

Act by receiving illegal brokerage in substantial amounts from suppliers and sellers through the son of its president operating as a fruit produce broker whose only account was respondent distributor and whose operations were managed by a full-time employee thereof.

COMPLAINT

The Federal Trade Commission, having reason to believe that the parties respondent named in the caption hereof, and hereinafter more particularly described, during the calendar year 1959 and to this time have been and are violating the provisions of subsection (c) of Section 2 of the Clayton Act, as amended (U.S.C. Title 15, Sec. 13), hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent R. Guercio & Son, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Louisiana, with its office and principal place of business located at 200 North Peters Street, New Orleans, Louisiana. This organization is a closed corporation, the entire stock of which is owned by relatives and members of the same family.

Respondent R. Guercio & Son, Inc., has been and is engaged in business primarily as a wholesale distributor, buying, selling and distributing fruit and produce, hereinafter sometimes referred to as food products. This respondent purchases its food products from a large number of suppliers located in many sections of the United States and its volume of business in the purchase and sale of such products is substantial, estimated to be well in excess of $2 million annually.

PAR. 2. In the course and conduct of its business for the past several years respondent R. Guercio & Son, Inc., has purchased and distributed, and is now purchasing and distributing, food products in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, from suppliers or sellers located in several states of the United States other than the State of Louisiana, in which respondent is located. Respondent transports or causes such food products, when purchased, to be transported from the places of business or packing plants of its suppliers located in various other States of the United States to respondent who is located in the State of Louisiana or to respondent's customers located in said State or elsewhere. Thus, there has been at all times mentioned herein a continuous course of trade in commerce in the purchase of said food products across state lines by the respondent and its respective suppliers of such food products.

PAR. 3. Respondent Roy A. Guercio is the son of Rosario Guercio, President of R. Guercio & Son, Inc., and for the past several years has ostensibly been operating as a fruit and produce broker, doing business under the name of Roy's Brokerage Company with his place

of business ostensibly at 210 Bienville Street, New Orleans, Loiusiana.

PAR. 4. Respondent Roy A. Guercio, doing business as Roy's Brokerage Company, employs no full-time personnel, but is receiving assistance from one Frank J. Serio, who is employed on a full-time basis by R. Guercio & Son, Inc., is under the direct control of R. Guercio & Son, Inc., and who is, as well, managing the operations of Roy's Brokerage Company.

PAR. 5. The brokerage commissions received from sellers by Roy's Brokerage Company are substantial, amounting in the year 1960 to $24,879.14 on sales made by suppliers and sellers of food products of R. Guercio & Son, Inc. R. Guercio & Son, Inc., has been the only account to which respondent Roy A. Guercio, doing business as Roy's Brokerage Company, has made sales.

PAR. 6. In view of the ownership and control described above, respondent Roy A. Guercio, doing business as Roy's Brokerage Company, in the conduct of his business has been acting for and in behalf of the buyer, respondent R. Guercio & Son, Inc., or has been subject to the direct or indirect control of the buyer, R. Guercio & Son, Inc.

PAR. 7. The acts and practices of respondents R. Guercio & Son, Inc., and Roy A. Guercio, an individual doing business as Roy's Brokerage Company, has been and are in violation of subsection (c) of Section 2 of the Clayton Act as amended by the Robinson-Patman Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of subsection (c) of Section 2 of the Clayton Act, as amended, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent R. Guercio & Son, Inc., is a corporation organized,

existing and doing business under and by virtue of the laws of the State of Louisiana, with its office and principal place of business located at 200 North Peters Street, New Orleans, Louisiana.

Respondent Roy A. Guercio is an individual doing business as Roy's Brokerage Company with his office and principal place of business located at 210 Bienville Street, New Orleans, Louisiana.

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

ORDER

It is ordered, That respondent R. Guercio & Son, Inc., a corporation, and its officers, employees, agents and representatives, directly or through any corporate or other device, in or in connection with the purchase of food products in commerce, as "commerce" is defined in the aforesaid Clayton Act, do forthwith cease and desist from:

> Receiving or accepting, directly or indirectly, from any seller, anything of value as a commission, brokerage or other compensation, or any allowance or discount in lieu thereof, upon or in connection with any purchase of food products for respondent's own account, or on purchases made through Roy's Brokerage Company, or any other brokerage organization, where, and so long as, any relationship exists between the brokerage organization and the respondents named herein, either through ownership, control or management.

It is further ordered, That respondent Roy A. Guercio, an individual doing business as Roy's Brokerage Company, or under any other name, and his agents, representatives, and employees, directly or through any corporate, partnership, sole proprietorship or other device, in connection with the purchase or sale of food products in commerce, as "commerce" is defined in the aforesaid Clayton Act, do forthwith cease and desist from:

> Receiving or accepting, directly or indirectly, from any seller, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, upon or in connection with any purchase of food products for his own account, or for the account of Roy's Brokerage Company, or for the account of R. Guercio & Son, Inc., so long as any relationship exists between the brokerage organization and the buyer organization, either through ownership, control or management, or where respondent Roy A. Guercio, or Roy's Brokerage Company, is the agent, representative or other intermediary acting for or

in behalf, or is subject to the direct or indirect control, of any buyer, including R. Guercio & Son, Inc.

It is further 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 this order.

IN THE MATTER OF

PACIFIC NECKWEAR CO., INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS

Docket C-509. Complaint, June 20, 1963—Decision, June 20, 1963

Consent order requiring a Los Angeles, Calif., importer and manufacturer of textile fiber products, to cease violating the Textile Fiber Products Identification Act by such practices as failing to affix the required tags or other means of identification to men's ties, and by failing to maintain proper records showing the fiber content of products they manufactured.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Pacific Neckwear Co., Inc., a corporation, and Armin Mandel, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of such Acts and the Rules and Regulations under the Textile Fiber Products Identification 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 in that respect as follows:

PARAGRAPH 1. Respondent Pacific Neckwear Co., Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State of California, with its principal place of business at 406 South Main Street, Los Angeles, California.

Respondent Armin Mandel is president and treasurer of the corporate respondent. Said individual respondent formulates, directs and controls the acts, policies and practices of the corporate respondent, including the acts and practices hereinafter referred to. Said re-

spondent has his office and principal place of business at 406 South Main Street, Los Angeles, California.

PAR. 2. Subsequent to the effective date of the Textile Fiber Products Identification Act on March 3, 1960, respondents have been and are now engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which had been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or which were made of other textile fiber products so shipped in commerce; as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 3. Certain of said textile fiber products were misbranded by respondents in that they were not stamped, tagged, or labeled as required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were men's ties which had no stamp, tag, label or other means of identification on or affixed to such products.

PAR. 4. Respondents have failed to maintain proper records showing the fiber content of the textile fiber products manufactured by them, in violation of Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

PAR. 5. The acts and practices of respondents, as set forth above, were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted, and now constitute unfair and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and the respondents having been served with notice of said determination and with a copy of the complaint

the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Pacific Neckwear Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 406 South Main Street, in the city of Los Angeles, State of California.

Respondent and Armin Mandel is an officer of said corporation, and his address is the same as that of said corporation.

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, Pacific Neckwear Co., Inc., a corporation, and its officers, and Armin Mandel, 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, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported, in commerce, or the importation into the United States of textile fiber products; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of textile fiber products which have been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of textile fiber products, whether in their original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

A. Misbranding textile fiber products by failing to affix labels to such products showing each element of information required

to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

B. Failing to maintain records of fiber content of textile fiber products manufactured by them, as required by Section 6(a) of the Textile Fiber Products Identifiction Act and Rule 39 of the Regulations thereunder.

It is further 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 this order.

IN THE MATTER OF

TRADE MARK FUR CORPORATION ET AL.

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

Docket C-510. Complaint, June 20, 1963—Decision, June 20, 1963

Consent order requiring manufacturing furriers in New York City to cease violating the Fur Products Labeling Act by failing to disclose on labels and invoices that certain fur products contained artificially colored fur, failing to disclose on invoices the country of origin of imported furs and to describe fur products as natural when such was the case, and failing to comply in other respects with labeling and invoicing requirements.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Trade Mark Fur Corporation, a corporation, and Norbert Kerner, Max Goldman, and Benjamin Goldman, individually and as officers of the said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling 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 in that respect as follows:

PARAGRAPH 1. Respondent Trade Mark Fur Corporation, 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 252 West 30th Street, New York, N.Y. Individual respondents Norbert Kerner, Max Goldman and Benjamin Goldman

are officers of the said corporation and control, direct and formulate the acts, practices and policies of the said corporation. Their office and principal place of business is the same as that of the said corporation.

Respondents are manufacturers of fur products.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale, in commerce, and in the transportation and distribution, in commerce, of fur products and have manufactured for sale, 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 the terms "commerce", "fur", and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to disclose that the fur products contained or were composed of bleached, dyed or otherwise artificially colored fur when in fact such fur products contained or were composed of bleached, dyed or otherwise artificially colored fur.

PAR. 4. 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 inasmuch as required item numbers were not set forth on labels, in violation of Rule 40 of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondents 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 promulgated thereunder.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed:

(a) To disclose that the fur products contained or were composed of bleached, dyed or otherwise artificially colored fur, when in fact such fur products contained or were composed of bleached, dyed or otherwise artificially colored fur.

(b) To disclose the name of the country of origin of the imported furs contained in fur products.

PAR. 6. 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) Fur products were not described as natural when such fur products were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(b) Required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 7. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Trade Mark Fur Corporation 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 252 West 30th Street, New York, New York.

Respondents Norbert Kerner, Max Goldman and Benjamin Goldman are officers of the said corporation, and their office and principal place of business is the same as that of said corporation.

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 Trade Mark Fur Corporation, a corporation, and its officers, and Norbert Kerner, Max Goldman and Benjamin Goldman, individually and as offices of the said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, manufacture for introduction, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of fur products; or in connection with the sale, manufacture for sale, advertising, offering for sale, transportation or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Product Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

   A. Failing to set forth on labels affixed to such fur products, in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

   B. Failing to set forth on labels the item number or mark assigned to a fur product.

2. Falsely or deceptively invoicing fur products by:

   A. Failing to furnish to purchasers of fur products invoices showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

   B. Failing to describe fur products as natural, when such fur products are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

   C. Failing to set forth on invoices the item number or mark assigned to a fur product.

It is further 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 this order.

IN THE MATTER OF

KENRON AWNING & WINDOW CORPORATION ET AL.

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

Docket C-511. Complaint, June 20, 1963—Decision, June 20, 1963

Consent order requiring Chicago manufacturers of aluminum storm windows and doors and fiber glass awnings to cease making a variety of misrepresentations through their salesmen who called upon prospective purchasers, including false claims that their products were sold at cost, at a lower price because the salesmen were executives with authority to reduce prices, and at a reduced price because it was the "slack season"; that the salesmen were graduates of a home improvement academy; that representatives had received many awards for the quality of their products, which were fully guaranteed; and that financing of purchases could be secured at their recommended bank at 11 percent interest a year.

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 Kenron Awning & Window Corporation and Kenron Awning & Window Corporation of Wisconsin, corporations, and Bernard H. Feld, Allan C. Hamann and Sidney L. Ordower, individually and as officers of said corporations, hereinafter referred to as respondents, have violated the provisions of the 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 in that respect as follows:

PARAGRAPH 1. Respondent, Kenron Awning & Window Corporation, is a corporation organized, 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 3450 West Peterson Avenue, Chicago, Illinois.

Respondent, Kenron Awning & Window Corporation of Wisconsin, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 4251 North 124th Street, Brookfield, Wisconsin.

Respondents Bernard H. Feld, Allan C. Hamann and Sidney L. Ordower are officers of the corporate respondents. They cooperate and act together in formulating, directing and controlling the acts and practices of the corporate respondents, including the acts and practices hereinafter set forth. Their business address is 3450 West Peterson Avenue, Chicago, Illinois.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the manufacture, offering for sale, sale and distribution of aluminum storm windows and doors and fiber glass awnings to the public and in the installation thereof.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped and transported from their place of manufacture in the State of Illinois to purchasers therof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their said business, as aforesaid, respondents employ salesmen or representatives who call upon prospective purchasers and solicit the purchase of their products. In the course of such solicitation, said salesmen or representatives have made many statements or representations, directly or by implication, to prospective purchasers of their products. Typical, but not all inclusive of said statements or representations, are the following:

1. That the respondents' products are sold at cost and that the products can be bought at a wholesale or dealer's price.

2. That of two prices quoted to the customer, the salesmen or representatives are able to sell at the lower price because they are executives or officials of the company and not salesmen and therefore have authority to reduce the price.

3. That the prospective customer is being contacted during the "off season" or "slack season" and for that reason respondents' products are being sold at a reduced price in order to keep respondents' factory working.

4. That salesmen are graduates of a home improvement academy, thereby implying that they are specially qualified to advise home owners concerning home improvements.

5. That the respondents have received many awards for the quality of their products.

6. That the products of the respondents are fully guaranteed and if there are any defects in the material or workmanship, such will be corrected free of charge.

7. That if a loan is secured from the bank recommended by the salesman or representative of the respondents the interest rate will be 11 percent a year.

PAR. 5. In truth and in fact:

1. The prices quoted for respondents' products are not cost or wholesale or dealer's prices but the usual and regular retail prices.

2. Respondents' salesmen and representatives are not executives or officials, but are ordinary salesmen working on a commission and with no special or unusual authority to reduce prices.

3. The representations set forth in Paragraph 4 (3) above are made at times other than during an "off season" or "slack season" and no reduction in price is afforded to the customer from respondents' usual and customary price.

4. Respondents' salesmen or representatives are not graduates of a home improvement academy and have no special training except in selling techniques as to respondents' particular products.

5. Respondents' products have not received any awards for merit.

6. Respondents do not guarantee their products, except to a very limited extent, and do not make any repairs or adjustment in accordance with the guarantee.

7. The interest rate charged by the bank recommended by the salesman or representative of the respondents is greatly in excess of 11 percent a year.

Therefore, the statements and representations set forth in Paragraph 4 hereof were, and are, false, misleading and deceptive.

PAR. 6. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of products of the same general kind and nature as that sold by respondents.

PAR. 7. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were, and are, true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, were, and are, all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy

of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Kenron Awning & Window Corporation, is a corporation organized, 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 3450 West Peterson Avenue, Chicago, Illinois.

Respondent, Kenron Awning & Window Corporation of Wisconsin, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 4251 North 124th Street, Brookfield, Wisconsin.

Respondents Bernard H. Feld, Allan C. Hamann and Sidney L. Ordower are officers of said corporations and their address is 3450 West Peterson Avenue, Chicago, Illinois.

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

ORDER

It is ordered, That the respondents Kenron Awning & Window Corporation, a corporation, Kenron Awning & Window Corporation of Wisconsin, a corporation, and their officers, and respondents Bernard H. Feld, Allan C. Hamann and Sidney L. Ordower, individually and as officers of said corporations, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the manufacturing, offering for sale, sale and distribution and installation of aluminum storm windows and doors, and fiber glass awnings, or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Misrepresenting the status, qualifications or authority of respondents' salesmen or representatives;

2. Representing that the purchasers of respondents' products are granted any reduction in price or afforded any savings in price for any reason whatsoever unless the price offered constitutes a reduction from the respondents' usual and customary price in the recent regular course of business;

3. Representing that respondents' products have received awards of merit for quality;

4. Representing that any or all products of the respondents are guaranteed, unless terms of the guarantee and the manner in which the respondents will perform are clearly and completely disclosed and the terms and conditions of the guarantee are adhered to;

5. Representing that the interest rate to be charged on an installment contract is less than that which is actually charged; or otherwise misrepresenting the interest rate or the finance charges to be charged.

It is further ordered, That each of 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 this order.

IN THE MATTER OF

DONALD & DUNAGER, INC., ET AL.

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

Docket C-512. Complaint, June 20, 1963—Decision, June 20, 1963

Consent order requiring manufacturing furriers in Dallas, Tex., to cease violating the Fur Products Labeling Act by such practices as labeling fur products as "Broadtail Lamb" when they were not entitled to such designation and by failing to show on labels the true animal name of furs and other required information.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Donald & Dunager, Inc., a corporation, and Leon Dunager, and Martin Donald, individually and as officers of the said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling 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 in that respect as follows:

PARAGRAPH 1. Respondent Donald & Dunager, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas.

Respondents Leon Dunager and Martin Donald are officers of the corporate respondent and formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers and wholesalers of fur products with their office and principal place of business located at the Adolphus Hotel, Dallas, Texas.

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

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively labeled or otherwise falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 4(1) of the Fur Products Labeling Act.

Among such misbranded fur products but not limited thereto were fur products labeled as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb", when in truth and in fact they were not entitled to such designation.

PAR. 4. Certain of said fur products were misbranded in that they were not labeled 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.

Among such misbranded fur products but not limited thereto were fur products with labels which failed to show the true animal name of the fur used in the fur product.

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:

1. Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on labels in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

2. The term "Persian Lamb" was not set forth on labels in the manner required by law, in violation of Rule 8 of said Rules and Regulations.

3. The term "Dyed Broadtail-processed Lamb" was not set forth on labels in the manner required by law, in violation of Rule 10 of said Rules and Regulations.

4. Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence, in violation of Rule 30 of said Rules and Regulations.

PAR. 6. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Donald & Dunager, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the

State of Texas, with its office and principal place of business located at the Adolphus Hotel, Dallas, Texas.

Respondents Leon Dunager and Martin Donald are officers of said corporation and their address is the same as that of said corporation.

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 Donald & Dunager, Inc., a corporation, and its officers, and Leon Dunager and Martin Donald, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or 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. Falsely or deceptively labeling or otherwise identifying any such fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

2. Failing to affix labels to fur products showing in words and figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

3. Setting forth the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on labels affixed to fur products.

4. Failing to set forth the term "Persian Lamb" on labels in the manner required where an election is made to use that term instead of the word "Lamb".

5. Failing to set forth the term "Dyed Broadtail-processed Lamb" on labels in the manner required where an election is made to use that term in lieu of the term "Dyed Lamb".

6. Failing to set forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and

Regulations promulgated thereunder on labels in the sequence required by Rule 30 of the aforesaid Rules and Regulations.

It is further ordered, That each of 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 this order.

IN THE MATTER OF

HOOVER BALL AND BEARING COMPANY

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

Docket C-513. Complaint, June 21, 1963—Decision, June 21, 1963

Consent order requiring an Ann Arbor, Mich., importer of metal bearings from Japan, to cease selling said products to manufacturers of original equipment and to distributors for resale with the words "Made in U.S.A." and "Hoover Ball and Bearing Company, Ann Arbor, Michigan", conspicuously printed on the wrappings, and with markings indicating Japanese origin so placed on certain products as not to constitute adequate notice to the public of foreign source.

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 Hoover Ball And Bearing Company, a corporation, hereinafter referred to as the respondent, has violated 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 in that respect as follows:

PARAGRAPH 1. Respondent Hoover Ball and Bearing Company 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 5400 South State Road in the city of Ann Arbor, State of Michigan. Respondent also maintains a warehouse for the storage and distribution of its products in Hackensack, New Jersey.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the importation, advertising, offering for sale, sale and distribution of metal bearings to manufacturers of original equipment and to distributors for resale to the public.

PAR. 3. In the course and conduct of its business, respondent now causes, and for some time last past has caused, its said products, when

sold, to be shipped from its places of business in the States of Michigan and New Jersey to purchasers thereof located in various other States of the United States, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Certain of said products offered for sale and sold by respondent were and are manufactured in and imported from Japan. When delivered to respondent's customers for use or sale, some of said products are enclosed in a shield which is visibly and conspicuously stamped and inscribed with the words, "Made in U.S.A.", and are individually wrapped in cardboard boxes upon which the words, "Hoover Ball and Bearing Company, Ann Arbor, Michigan", are printed, thereby affirmatively representing that said products are of domestic origin. Such representations are false, misleading and deceptive, as some of said products are manufactured in and imported from Japan.

PAR. 5. Although certain of respondent's said products bear markings indicating manufacture in Japan, the markings are positioned so they do not constitute adequate notice to the public that said bearings are made in Japan. In addition, said markings are further obscured and concealed when assembled and packaged in the manner described in Paragraph 4 above.

PAR. 6. In the absence of an adequate disclosure that a product, including metal bearings, is of foreign origin, or where packaged in the manner set out in Paragraph 4, the public believes and understands that it is of domestic origin, a fact of which the Commission takes official notice.

As to the aforesaid articles of merchandise, a substantial portion of the purchasing public has a preference for said articles which are of domestic origin, of which fact the Commission also takes official notice. Respondent's failure clearly and conspicuously to disclose the country of origin of said articles of merchandise is therefore, to the prejudice of the purchasing public.

PAR. 7. By the aforesaid practices, respondent places in the hands of distributors means and instrumentalities by and through which they may mislead the public as to the country of origin of said bearings.

PAR. 8. In the conduct of its business at all times mentioned herein, respondent has been in substantial competition, in commerce, with corporations, firms and individuals in the sale of products of the same general kind and nature as that sold by respondent.

PAR. 9. The use by the respondent of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the

purchasing public into the erroneous and mistaken belief that said products are of domestic origin and into the purchase of substantial quantities of respondent's product by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of the respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Hoover Ball and Bearing Company, is a corporation organized, 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 5400 South State Road, in the City of Ann Arbor, State of Michigan.

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 respondent Hoover Ball and Bearing Company, a corporation, and its officers and respondent's agents, representatives and employees, directly or through any corporate or other device, in

connection with the offering for sale, sale or distribution of bearings or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing any product which is in whole or in part of foreign origin, without clearly and conspicuously disclosing on such product and, if such product is enclosed in a package or container, on the front panel of the package or container, in such a manner that it will not be hidden or readily obliterated, the country of origin of the product or parts thereof; provided, however, that with respect to any product which is of such diminutive size or has a function of such nature that making the required disclosure on the product would result in lettering so small as to be illegible or would destroy said product's utility or purpose, no disclosure of foreign origin shall be required on said product if said product is enclosed in a package or container, by unit or in bulk, and the country of origin of said product is clearly and conspicuously disclosed on the front panel of the package or container in which said product is sold.

2. Representing, directly or indirectly, in any manner or by any means, that its products are of domestic origin when said products are of foreign origin.

3. Placing in the hands of jobbers, retailers, dealers, and others, means and instrumentalities by and through which they may deceive and mislead the purchasing public concerning any merchandise in respect to the origin of respondent's merchandise.

The words "front panel of the package or container," as used above, shall be deemed to mean every panel on which appears the size and serial number of the enclosed product.

It is further 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 this order.

IN THE MATTER OF

INTERSTATE ENGINEERING CORPORATION ET AL.

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

Docket C-514. Complaint, June 21, 1963—Decision, June 21, 1693

Consent order requiring a corporation in Anaheim, Calif., and its two franchised corporate distributors in Minneapolis and Milwaukee, engaged in selling,

through house-to-house sale and by the customer referral sales plan, to cease using deceptive tactics to sell vacuum cleaners and other products.

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 Interstate Engineering Corporation, a corporation, Compact Distributing Company, Inc., a corporation and Compact Distributing Co., Inc., a corporation, 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 in that respect as follows:

PARAGRAPH 1. Respondent Interstate Engineering Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 522 East Vermont Avenue, in the city of Anaheim, State of California.

Respondent Compact Distributing Company, Inc., 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 3604 Cedar Avenue, in the city of Minneapolis, State of Minnesota.

Respondent Compact Distributing Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its principal office and place of business located at 6241 West Fond du Lac Avenue in the city of Milwaukee, State of Wisconsin.

Corporate Respondents Compact Distributing Company, Inc., of Minnesota, and Compact Distributing Co., Inc., of Wisconsin, are franchised distributors for respondent Interstate Engineering Corporation. All of the aforesaid corporate respondents cooperate and act together in carrying out the acts and practices hereinafter set forth.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, selling and distributing "Compact Home Renovating Systems" which consist of vacuum cleaners, floor polishers and carpet sweepers, through house-to-house sale. Respondents employ the customer referral sales plan in selling their said products. Under this plan the customer contracts to buy the product or products with the understanding that such purchaser is entitled to the opportunity to submit the names of other potential purchasers. For each such purchaser who buys a product or products the person who submits the name is paid a given sum for each sale made.

PAR. 3. In the course and conduct of their business, said respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their respective places of business in the States of California, Minnesota or Wisconsin to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents' products are identified by the trade name "Compact" and are sold primarily by salesmen directly to prospective purchasers in their homes. A sales program devised and put into effect by respondents through salesmen is known and described by them as their "Owner-Recommendation Program".

PAR. 5. The respondent Interstate Engineering Corporation, during all the time mentioned herein, prepared and delivered to its distributors, including the distributors named, for delivery to their salesmen brochures, manuals, illustrative salesman's kits, and various other data, to be used by said salesmen in selling the respondents' aforesaid products in accordance with the "Owner-Recommendation Program". Included in the aforesaid promotional material are instructions on how to make appointments with prospective purchasers and how to gain entrance to the homes of prospective purchasers without disclosing the true nature and purpose of said salesmen.

PAR. 6. By furnishing the aforesaid material to the salesmen of respondents' said products, respondents place in the hands of others the means and instrumentalities by and through which they may and do mislead and deceive members of the purchasing public in the respects herein described.

PAR. 7. Illustrative and typical of the statements, representations and tactics employed as aforesaid are the following:

(1) That they are advertising executives, or are in the business of advertising, and are not making sales.

(2) That they are seeking the opinion of the public as to the efficacy of different methods of advertising.

(3) That they are engaged in making surveys of television advertising.

(4) That they are not selling, but merely demonstrating the respondents' products.

(5) That the prospective purchasers can easily obtain the respondents' products at no cost by merely inducing friends and acquaintances to grant appointments in their homes to respondents' salesmen.

(6) That the prospective purchaser must enter into a contract to purchase a "Compact Home-Renovating System," and enroll in the

respondents' "Owner-Recommendation Program" at the time of the interview and will have no further opportunity to do so.

(7) That prospective purchasers of said products have been specially selected.

PAR. 8. In truth and in fact:

(1) Respondents and their salesmen are not, and were not, advertising executives or engaged in the business of advertising. On the contrary, they were and are engaged in selling vacuum cleaners and other products.

(2) Respondents and their salesmen are not, and were not, seeking the opinion of the public with reference to advertising methods.

(3) Respondents are not nor were they engaged in making surveys of any kind.

(4) Respondents were not merely demonstrating their product but the purpose of their calls at the homes of prospective purchasers was to make sales.

(5) Respondents' products cannot easily be obtained at no cost merely by inducing friends and acquaintances to grant appointments in their homes to respondents' salesmen. This sales presentation was used freely and frequently to eliminate buyer resistance. Very few persons obtained enough appointments to reimburse any significant part of the cost of respondents' products.

(6) Respondents' products are not obtainable only at the time of the interview or any other stated time. On the contrary said products were available at any time.

(7) Prospective purchasers called on by respondents are not specially selected. The products were offered to all persons indiscriminately.

Therefore, the statements, representations and tactics employed by respondents, as set forth in Paragraph 7 hereof, were and are false, misleading and deceptive.

PAR. 9. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of vacuum cleaners, floor polishers and carpet sweepers of the same general kind and nature as that sold by respondents.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provision as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Interstate Engineering Corporation, is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 522 East Vermont Avenue, in the city of Anaheim, State of California.

Respondent, Compact Distributing Company, Inc., 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 3604 Cedar Avenue, in the city of Minneapolis, State of Minnesota.

Respondent, Compact Distributing Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its principal office and place of business located at 6241 West Fond du Lac Avenue in the city of Milwaukee, State of Wisconsin.

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 Interstate Engineering Corporation, a corporation, and its officers, and Compact Distributing Company, Inc., a corporation, and its officers, and Compact Distributing Co., Inc., a corporation, and its officers, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of vacuum cleaners, or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing directly or indirectly:

(a) That respondents, their salesmen or other representatives or any of them, are advertising executives or are in the business of advertising.

(b) That respondents, their salesmen or other representatives or any of them, are seeking the opinion of the public as to the efficacy of different advertising methods.

(c) That respondents, their salesmen or other representatives or any of them, are making surveys for any purpose.

(d) That respondents, their salesmen or other representatives or any of them, are not selling anything but only demonstrating respondents' products.

(e) That respondents' products can be had at no cost to the purchaser or that said products can be had in exchange for the names of a given number of prospective purchasers, unless a full and complete disclosure is made of the facts and circumstances surrounding the offer.

(f) That the time during which respondents' products are obtainable is limited.

(g) That prospective purchasers of respondents' products are specially selected.

2. (a) Misrepresenting in any manner the amount of credits or money to be derived by purchasers participating in respondents' lead referral program.

(b) Representing in any manner that the purpose of respondents' salesmen in arranging for or making calls upon prospective purchasers is other than to sell respondents' products.

3. Furnishing or otherwise placing in the hands of respondents' dealers, retailers or salesmen dealing in said products the means and instrumentalities by and through which they may mislead or deceive the public in the manner or as to the things hereinabove prohibited.

It is further 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 this order.

IN THE MATTER OF

DANDY PRODUCTS, INC., ET AL.

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

Docket 8467. Complaint, Feb. 9, 1962—Decision, June 28, 1963

Order requiring Chicago distributors of a variety of merchandise, including transistor radios, watches, cameras, ballpoint pens, toy animals, dolls and small electrical appliances, to cease furnishing plans involving games of chance for the resale of its products to the public, such as pushcards and instructions for their use, along with illustrations and descriptions of the articles of merchandise to be received by chance selectors of discs on the cards concealing lucky names.

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 Dandy Products, Inc., a corporation, and Joseph M. Gron, individually and as an officer of said corporation, and Joseph M. Gron and Carlo E. Ferrari, copartners, trading and doing business as Capitol Mailers, hereinafter referred to as respondents, have violated the provisions of the 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 in that respect as follows:

PARAGRAPH 1. Respondent Dandy Products, Inc., is a corporation organized, 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 9 South Clinton Street, Chicago, Illinois.

Respondent Joseph M. Gron is an officer of the corporate respondent. He formulates, directs, and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His business address is the same as that of the corporate respondent.

Individual respondents Joseph M. Gron and Carlo E. Ferrari are copartners trading and doing business as Capitol Mailers with their office and principal place of business located at 555 West Adams Street, Chicago, Illinois. The business address of the respondent

Joseph M. Gron is as hereinbefore set forth and the business address of the individual respondent Carlo E. Ferrari is the same as that of the partnership. The individual respondents formulate, direct and control the acts and practices of the partnership, including the acts and practices hereinafter set forth.

All of the aforementioned respondents cooperate and act together in carrying out the acts and practices hereinafter referred to.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the offering for sale, sale and distribution of transistor radios, watches, cameras, ballpoint pens, toy animals, dolls, small electrical appliances, including lamps, cutlery, and other articles of merchandise, to the public.

PAR. 3. Respondents, in the course and conduct of their business, now cause, and for some time last past have caused, their said merchandise, when sold, to be shipped and transported by the respondent partnership from its place of business in the State of Illinois to purchasers thereof located in various other States of the United States and in the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents, in the course and conduct of their business, in offering for sale, selling and distributing their merchandise, furnish, and have furnished, various plans of merchandising which involve the operation of games of chance, gift enterprises or lottery schemes when said merchandise is offered for sale, sold and distributed to the purchasing public. Among the methods and sales plans adopted and used by respondents, and which are typical, but not all inclusive, of the practices of the respondents, is the following:

Respondents distribute, and have distributed, to operators and to members of the public certain literature and instructions including, among other things, pushcards, order blanks and circulars which have thereon illustrations and descriptions of said merchandise. Said circulars also explain respondents' plan of selling and distributing their merchandise and of allotting it as premiums or prizes to the operators of said pushcards, and as prizes to members of the purchasing public who purchase chances or pushes on said cards. One of respondents' said pushcards, which is typical of all pushcards distributed by the respondents, bears 40 names with ruled lines on the back of said card for writing in the name of the purchaser of the push corresponding to the name selected. Said pushcard has 40 partially perforated discs. Each of said disc bears one of the names corresponding to those on the lines on the reverse side. Concealed within each disc is the number which is disclosed only when the disc is pushed or separated from

the card. The pushcard also has a larger master seal and concealed within the said master seal is one of the names appearing on the discs. The person selecting the name corresponding with the one under the master seal receives a fountain and candlestick ensemble. The pushcard bears the following legend or instructions:

(PICTURE OF TABLE SHOWING CENTERPIECE AND TWO CANDLESTICKS)

LUCKY NAME UNDER SEAL GETS THIS
SPRAY-A-LITE FOUNTAIN & CANDLESTICK ENSEMBLE

- Translucent marbelized plastic
- Sends up a sparkling fountain of water from petaled water lily
- Measures a full 16'' in diameter ● Packet of realistic ferns included
- Automatically recirculates water ● 110 V AC Current ● Complete with cord and plug

COMPLETE WITH MATCHING CANDLESTICK HOLDERS

Pure enchantment wherever you place it * * * on your dining table, buffet or artfully displayed on your sunporch or patio. The entire ensemble is spectacular as a centerpiece or you can use the fountain and candlesticks separately.

Nos. 4 and 17 receive a beautiful retractable ball point pen.

No. 1 pays 1c, No. 4 pays 4c, No. 9 pays 9c, No. 17 pays 17c. All others pay 49c. NONE HIGHER.

Do Not Remove Seal Until Entire Card Is Sold
Push Out
with Pencil

(APPEARING ON REVERSE SIDE)

ADA	MIN
AL	NAN
AMY	PAT
ANG	PEG
ANN	RAY
ART	ROY
BAB	SAM
BEA	SID
BEN	SIS
BES	SYB
DOC	SUE
DON	TED
FAE	TES
GIN	TIM
JAN	VAL
LEA	VEE
LOU	VIC
MAE	VIV
MEG	WES
MIL	WIN

This cards contains 40 names. No. 1 pays 1c; No. 4 pays 4c; No. 9 pays 9c; No. 17 pays 17c; all others pay 49c; NONE HIGHER. This card is given to you absolutely free. If you wish you can use this as a sales card. It can be used with any merchandise. Prospective purchaser is not obligated to pay unless he desires to do so. IF YOU DESIRE TO PURCHASE MERCHANDISE FROM US YOU CAN DO SO AT ANY TIME.

TOTAL $17.95

POSTMASTER: This parcel may be opened for postal inspection if necessary.

Sales of respondents' merchandise by means of said pushcards are made in accordance with the above described instructions, and the prizes or premiums are allotted to the customers or purchasers from said cards in accordance with the above legend or instructions. Whether a purchaser receives an article of merchandise or nothing for the amount of money paid, and the amount to be paid for the merchandise, or the chance to receive said merchandise, are thus determined wholly by lot or chance. The articles of merchandise have a value substantially greater than the price paid for each chance or push.

Respondents furnish, and have furnished, various pushcards accompanied by order blanks, instructions and other printed matter for use in the sale and distribution of their merchandise by means of games of chance, gift enterprises or lottery schemes. The sales plans or methods involved in the sale of all of the said merchandise by means of said other pushcards are the same as that hereinabove described, varying only in detail as to the merchandise distributed and the number and prices of chances on each card.

PAR. 5. The persons to whom respondents furnish, and have furnished, said pushcards use the same in selling and distributing respondents' merchandise in accordance with the aforesaid sales plan. Respondents thus apply to and place in the hands of others the means of conducting games of chance, gift enterprises or lottery schemes in the sale of their merchandise in accordance with the sales plan hereinabove set forth. The use by respondents of said sales plans or methods in the sale of their merchandise and the sale of said merchandise by and through the use thereof and by the aid of said sales plans or methods is a practice which is contrary to established public policy of the Government of the United States.

PAR. 6. The sale of merchandise to the purchasing public in the manner above alleged involves a game of chance or the sale of a chance to procure one of the said articles of merchandise at a price much less than the normal retail price thereof. Many persons are attracted by said sales plans or methods used by respondents and the element of chance involved therein and thereby are induced to buy and sell respondents' merchandise.

The use by respondents of a sales plan or method involving distribution of merchandise by means of chance, lottery or gift enterprise is contrary to the public interest and constitutes unfair acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

PAR. 7. The aforesaid acts and practices of respondent, as herein alleged, were, and are, all to the prejudice and injury of the public and constituted, and now constitute, unfair acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

Mr. Roy B. Pope supporting the complaint.

Mr. Charles H. Rowan and *Mr. Willis W. Hagen*, Milwaukee, Wis., for respondents.

INITIAL DECISION BY WILLIAM K. JACKSON, HEARING EXAMINER

NOVEMBER 26, 1962

This proceeding was commenced by the issuance of a complaint on February 9, 1962, charging the respondents with unfair acts and practices, in commerce, in violation of Section 5 of the Federal Trade Commission Act, through the use of lottery schemes or games of chance in the sale and distribution of their merchandise.

This proceeding is now before the hearing examiner for final consideration upon the complaint, answer thereto, testimony and other evidence, proposed findings of fact and conclusions of law filed by both parties and briefs. The hearing examiner has given consideration to the proposed findings of fact and conclusions submitted by the parties and briefs in support thereof, and all findings of fact and conclusions proposed by the parties, respectively, not hereinafter specifically found or concluded are herewith rejected, and the hearing examiner having considered the record herein and being duly advised in the premises makes the following findings as to the facts, conclusions drawn therefrom, and order.

FINDINGS OF FACT

1. Respondent, Dandy Products, Inc., is a corporation organized, 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 9 South Clinton Street, Chicago, Illinois. Respondent, Joseph M. Gron, is president of the corporate respondent and has his office and place of business at the same address as the corporate respondent. Said individual respondent formulates, directs and controls the acts and practices of the said corporate respondent.

2. Individual respondents, Joseph M. Gron and Carlo E. Ferrari, are copartners trading and doing business as Capitol Mailers with their

office and principal place of business at 555 West Adams Street, Chicago, Illinois. The business address of the respondent, Joseph M. Gron, is as hereinbefore set forth and the business address of the respondent, Carlo E. Ferrari, is the same as that of the partnership. The individual respondents formulate, direct and control the acts and practices of the partnership.

3. Respondents, Dandy Products, Inc., and Joseph M. Gron, are now and for some time last past, have been engaged in the offering for sale, sale and distribution of transistor radios, watches, cameras, ballpoint pens, toy animals, dolls, small electrical appliances including lamps, cutlery and other articles of merchandise to the public and have caused their said merchandise when sold to be transported from their place of business in Chicago, Illinois, to purchasers thereof located in the various States of the United States, and now maintain, and for some time last past have maintained, a substantial course of trade in such merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

4. The respondents, Joseph M. Gron and Carlo E. Ferrari, copartners trading and doing business as Capitol Mailers, are now, and for some time last past, have been engaged in providing mailing services to firms in various lines of business requiring assistance in getting out large mailings. Among their customers for whom they provide such mailing services are Sears Roebuck and Company, Standard Oil Company, Swift & Company, Allstate Insurance Company, Lee Ward Company, Dun & Bradstreet, Charles World Encyclopedia and over 100 other firms. Dandy Products, Inc., is only one of their clients and the percentage of Capitol Mailers' total business done for Dandy Products, Inc., is approximately 16 percent. Specifically, the services performed by Capitol Mailers for Dandy Products, Inc., are as follows: the pushcards, circulars, order blanks and return envelopes, together with the envelopes in which they are to be mailed and the mailing lists of the prospective customers are delivered to Capitol Mailers, in bulk, and packaged in large cartons; one of each of the various pieces above described is placed in the envelope to be sent to the proposed customer; a sticker containing the name and address of the proposed customer is affixed and the envelope sealed, and the envelopes are then tied, sacked and delivered to the post office for mailing to various States of the United States. Respondents Joseph M. Gron and Carlo E. Ferrari, copartners trading as Capitol Mailers, in performing such mailing services, act under the direction and control of Dandy Products, Inc. In performing such services, Joseph M. Gron and Carlo E. Ferrari, copartners trading as Capitol Mailers, sell no merchandise in interstate commerce and are merely paid for their services on the basis of $5.90 per 1,000 items mailed. Joseph

M. Gron and Carlo E. Ferrari, copartners trading as Capitol Mailers, do not process, handle, prepare for mailing or mail, respondent's, Dandy Products, Inc., merchandise.

5. Respondents, Dandy Products, Inc., and Joseph M. Gron, in the course and conduct of their business, in offering for sale, selling and distributing their merchandise, furnish and have furnished, various plans of merchandising which involve the operation of games of chance, gift enterprises or lottery schemes when said merchandise is offered for sale, sold and distributed to the purchasing public. Among the methods and sales plans adopted and used by the aforesaid respondents, and which is typical, but not all inclusive, of the practices of the respondents, is the following:

Respondents, Dandy Products, Inc., and Joseph M. Gron, distribute and have distributed, to operators and to members of the public, through the use of the mailing services of Capitol Mailers described above, certain literature and instructions including, among other things, pushcards, order blanks and circulars which have thereon illustrations and descriptions of said merchandise. Said circulars also explain respondents' plan of selling and distributing their merchandise and of allotting it as premiums or prizes to the operators of said pushcards, and as prizes to members of the purchasing public who purchased chances or pushes on said cards. One of Dandy Products, Inc.'s pushcards, which is typical of all pushcards distributed by them, bears forty names with ruled lines on the back of said card for writing in the name of the purchaser of the push corresponding to the name selected. Said pushcard has forty partially perforated discs. Each of said discs bears one of the names corresponding to those on the lines of the reverse side. Concealed within each disc is the number which is disclosed only when the disc is pushed or separated from the card. The pushcard also has a larger master seal and concealed within the said master seal is one of the names appearing on the discs. The person selecting the name corresponding with the one under the master seal receives a fountain and candlestick ensemble. The pushcard bears the following legend or instructions:

(PICTURE OF TABLE SHOWING CENTERPIECE AND TWO CANDLESTICKS)

LUCKY NAME UNDER SEAL GETS THIS
SPRAY-A-LITE FOUNTAIN & CANDLESTICK ENSEMBLE

- Translucent marbelized plastic
- Sends up a sparkling fountain of water from petaled water lily
- Measures a full 16" in diameter ● Packet of realistic ferns included
- Automatically recirculates water ● 110 V AC Current ● Complete with cord and plug

COMPLETE WITH MATCHING CANDLESTICK HOLDERS

Pure enchantment wherever you place it * * * on your dining table, buffet or artfully displayed on your sunporch or patio. The entire ensemble is spectacular as a centerpiece or you can use the fountain and candlesticks separately.

Nos. 4 and 17 receive a beautiful retractable ball point pen.

No. 1 pays 1c, No. 4 pays 4c, No. 9 pays 9c, No. 17 pays 17c. All others pay 49c. NONE HIGHER.

Do Not Remove Seal Until Entire Card is Sold

Push Out with Pencil

(APPEARING ON REVERSE SIDE)

ADA	MIN
AL	NAN
AMY	PAT
ANG	PEG
ANN	RAY
ART	ROY
BAB	SAM
BEA	SID
BEN	SIS
BES	SYB
DOC	SUE
DON	TED
FAE	TES
GIN	TIM
JAN	VAL
LEA	VEE
LOU	VIC
MAE	VIV
MEG	WES
MIL	WIN

This card contains 40 names. No. 1 pays 1c; No. 4 pays 4c; No. 9 pays 9c; No. 17 pays 17c; all others pay 49c; NONE HIGHER. This card is given to you absolutely free. If you wish you can use this as a sales card. It can be used with any merchandise. Prospective purchaser is not obliged to pay unless he desires to do so. IF YOU DESIRE TO PURCHASE MERCHANDISE FROM US YOU CAN DO SO AT ANY TIME.

TOTAL $17.95

Postmaster: This parcel may be opened for postal inspection if necessary.

6. Sales of the merchandise of Dandy Products, Inc., and the respondent, Joseph M. Gron, by means of said pushcards are made in accordance with the above-described instructions, and the prizes or premiums are allotted to the customers or purchasers from said cards in accordance with the above legend or instruction. Whether a purchaser receives an article of merchandise or nothing for the amount of

money paid, and the amount to be paid for the merchandise, or the chance to receive said merchandise, are thus determined wholly by lot or chance. The articles of merchandise have a value substantially greater than the price paid for each chance or push. The aforesaid respondents furnish, and have furnished, various pushcards accompanied by order blanks, instructions and other printed matter for use in the sale and distribution of their merchandise by means of games of chance, gift enterprises or lottery schemes. The sales plans or methods involved in the sale of all of the said merchandise by means of said other pushcards are the same as that herein above described varying only in detail as to the merchandise distributed and the number and prices of chances on each card.

7. Sales of merchandise of Dandy Products, Inc., pursuant to the aforesaid plan are consummated by mailing the order forms to Dandy Products, Inc., and by direct shipment of the merchandise from Dandy Products, Inc., to the customer. Dandy Products, Inc., also employs another firm, Package Mailers, to ship their merchandise to their customers.

8. The persons, to whom Dandy Products, Inc., and respondent, Joseph M. Gron, furnish and have furnished said pushcards, use the same in selling and distributing said respondents' merchandise in accordance with the aforesaid sales plan. The aforesaid respondents thus supply to and place in the hands of others the means of conducting games of chance, gift enterprises or lottery schemes in the sale of their merchandise in accordance with the sales plan hereinabove set forth. The use by respondents of said sales plans or methods in the sale of their merchandise and the sale of said merchandise by and through the use thereof and by the aid of said sales plans or methods is a practice which is contrary to an established public policy of the Government of the United States.

CONCLUSIONS

1. The law is well settled by an unbroken line of decisions too numerous to mention that the practice of selling merchandise by means of a gaming device or lottery, which includes pushcards or punchboards, is a practice which is contrary to public policy of the United States, and that where such practice occurs in commerce it is an unfair trade practice and a violation of the Federal Trade Commission Act. *F.T.C.* v. *R. F. Keppel & Bro., Inc.*, 291 U.S. 304 (1934) [2 S.&D. 259]; *Wren Sales Company, Inc.* v. *F.T.C.*, 296 F. 2d 456 (C.A. 7, 1961) [7 S.&D. 257]. The main thrust of respondents' argument is directed to the fact that many states in recent years have legalized parimutuel betting, bingo, raffles, etc., and in such states these acts are no

longer criminal offenses. In addition, respondents note that in recently proposed federal criminal legislation, and under existing federal criminal enactments, Congress did not include punchboards or pushcards among the various types of gambling paraphernalia excluded as illegal from the mails or interstate commerce. Respondents therefore reason that since these various types of gambling or gambling devices are no longer illegal in many states, and have not been so designated under federal criminal laws, their use in merchandising is no longer against "public policy". Such is not the law. In *Maltz* v. *Sax*, 134 F. 2d 2 (C.A. 7, 1943), the court in considering this very argument said:

Moreover, in the absence of any statute condemning gambling as illegal, the Federal Courts have consistently condemned it as against public policy. *Continental Wall Paper Co.* v. *Louis Voight & Sons Co.*, 212 U.S. 227.

In addition, it is clear that a device which is calculated to appeal to the public's gambling instincts, may be considered an unfair act or practice, within the meaning of the Federal Trade Commission Act, when used in interstate commerce to sell or distribute merchandise, even though the device itself may not technically be a lottery or gambling device within the meaning of some penal or other statute. *Modernistic Candies, Inc.* v. *F.T.C.*, 145 F. 2d 454, 455 (C.A. 7, 1944) [4 S.&D. 288, 290] and *Lichtenstein* v. *F.T.C.*, 194 F. 2d 607, 611 (C.A. 9, 1952) [5 S.&D. 367, 372]. It was stated in *Modernistic Candies, Inc.:*

We think the Commission * * * has the power to prohibit the distribution in interstate commerce of devices intended to aid and encourage merchandise by gambling * * * .

The Supreme Court has also recognized the distinction between criminal statutes outlawing lotteries and lottery devices and the Federal Trade Commission Act prohibiting *merchandising* by means of lotteries or lottery devices. In the *Keppel Case*, *supra*, the Court said:

A method of competition which casts upon one's competitors the burden of the loss of business unless they will descend to a practice which they are under a powerful moral compulsion not to adopt, *even though it is not criminal*, was thought to involve the kind of unfairness at which the statute was aimed. [Emphasis supplied.]

Respondents also argue that prospective customers are given the opportunity of buying the merchandise outright at the stated prices without the necessity of using the pushcards or punchboards supplied by respondents. It is immaterial that some persons may purchase the merchandise without using the pushcards or punchboards, since the pushcard or punchboard devices are clearly designed to serve as an instrumentality for the sale of articles of merchandise by lottery

methods. Its use for that purpose being prohibited under the Federal Trade Commission Act, it is of no consequence that some customers may conceivably elect not to use the lottery device. See *Globe Cardboard Novelty Co., Inc.* v. *F.T.C.*, 192 F. 2d 444, 448 (C.A. 3, 1951) [5 S.&D. 342, 347] and *Seymour Sales Co.* v. *F.T.C.*, 216 F. 2d 633, 636 (C.A.D.C., 1954) [5 S.&D. 700, 703].

2. The complaint herein charged, among other things, that, "All of the aforementioned respondents cooperate and act together in carrying out the acts and practices hereinafter referred to."[1] The record contains no evidence to support this charge and complaint counsel apparently has abandoned this charge, since no reference to it is included in his proposed findings or conclusions. Although abandoning the charge of conspiracy, between the respondent corporation, Dandy Products, Inc., on the one hand, and Joseph M. Gron and Carlo E. Ferrari, copartners trading and doing business as Capitol Mailers, on the other hand, complaint counsel seeks a cease and desist order against the individual partners[2] on the theory that Capitol Mailers is an integral part of the scheme to sell merchandise by means of a lottery and performs an essential function by mailing the push-cards.[3] In support of this position, complaint counsel relies on several cases which hold that aiding and abetting this method of merchandising make the participants *particeps criminis* so that all are engaged in unfair trade practices contrary to public policy.

The cases relied upon are as follows: *Modernistic Candies, Inc.* v. *F.T.C.*, 145 F. 2d 454, 445 [4 S.&D. 288, 290]; *Maltz* v. *Sax*, 134 F. 2d 2; *Hamilton Manufacturing Co.* v. *F.T.C.*, 194 F. 2d 346 [5 S.&D. 360]; *U.S. Printing & Novelty Co., Inc.* v. *F.T.C.*, 204 F. 2d 737 [5 S.&D. 529], and *Wren Sales Company, Inc.* v. *F.T.C.*, 296 F. 2d 456 [7 S.&D. 257]. The first four cases cited above all concerned manufacturers of punchboards or variations thereof which were sold to others who utilized the punchboards in the sale or distribution of merchandise. Upholding a cease and desist order against the manufacturer of the board in *Maltz* v. *Sax*, *supra*, the court said:

> Therefore, though his making and sale of punch boards may not be gambling, his status is fixed by his inseparable connection with the gambling business, and he will be left where he placed himself * * * .

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[1] Complaint, Paragraph 1, first paragraph on p. 1420.

[2] Inasmuch as Joseph M. Gron, as president of Dandy Products, Inc., was named a party respondent in his individual capacity and the order as hereinafter adopted so includes him, the actual effect of an order against the individual partners would be to include Carlo E. Ferrari.

[3] No facts were adduced and no findings were proposed implicating or otherwise associating respondent, Carlo E. Ferrari, with the unfair acts and practices of Dandy Products, Inc., except as to the mailing services herein found.

Capitol Mailers do not manufacture punchboards and their activities cannot be equated to any such close and inseparable connection with the gambling business. As heretofore found, Capitol Mailers performs a mailing service to over a hundred clients including Dandy Products, Inc. It acts under the direction and control of these clients in performing a routine task for which it is paid a set fee per item mailed. It does not process, handle, prepare for mailing or mail respondent's, Dandy Products, Inc., merchandise. Under these circumstances, and in the absence of any precedents extending the doctrine of the cases cited to persons engaged in providing mere routine services, a cease and desist order against Joseph M. Gron and Carlo E. Ferrari, copartners trading and doing business as Capitol Mailers, is not warranted and the hearing examiner so concludes.

The *Wren* case, referred to above, has no application to Capitol Mailers' activities, since the respondents in that case were engaged in the sale of their merchandise by means of punchboards in the same fashion as respondent herein, Dandy Products, Inc.

It should also be pointed out that as proposed by complaint counsel and as hereinafter adopted by the hearing examiner, the cease and desist order issued in this proceeding includes both respondents Dandy Products, Inc., and Joseph M. Gron, individually and as an officer of said corporation. Since the order will apply to Joseph M. Gron individually, it will apply to his activities as a partner in Capitol Mailers as well as an officer of Dandy Products, Inc., or in any other capacity and insures that the practices found to be against the public interest will be effectively stopped by the order to cease and desist.

In the Matter of *Bristol-Myers Co., et al*, 46 F.T.C. 162, 176 (1949), the Commission had before it a somewhat comparable situation and stated:

> The Commission is of the opinion, however, and in the exercise of its sound discretion concludes, that the complaint in this proceeding should be dismissed as to the respondents Pedlar & Ryan, Inc., and Young & Rubicam, Inc. This is for the reason that, although these respondents participated in the dissemination of the advertising found to be false or misleading, they at all times acted under the direction and control of respondent Bristol-Myers Co., their employer, with whom rested the final authority and responsibility for such advertising, and for the further reason that the practices found to be against the public interest will be stopped by the order to cease and desist issued against Bristol-Myers Co.

3. The sale of merchandise to the purchasing public in the manner above alleged involves a game of chance or the sale of a chance to procure one of the said articles of merchandise at a price much less than the normal retail price thereof. Many persons are attracted by said sales plans or methods used by respondents, Dandy Products,

Inc., and Joseph M. Gron, and the element of chance involved therein and thereby are induced to buy and sell said respondents' merchandise.

4. The use by respondents, Dandy Products, Inc., and Joseph M. Gron, of the sales plan or method involving distribution of merchandise by means of chance, lottery or gift enterprise is contrary to the public interest and constitutes unfair acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

5. The aforesaid acts and practices of the respondents, Dandy Products, Inc., and Joseph M. Gron, as herein found were and are all to the prejudice and injury of the public and constituted, and now constitute, unfair acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

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

ORDER

It is ordered, That the respondents, Dandy Products, Inc., a corporation, and its officers, and respondent, Joseph M. Gron, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of transistor radios, watches, cameras, ballpoint pens, toy animals, dolls, electrical appliances, cutlery, or any other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Supplying to, or placing in the hands of others pushcards or any other lottery device or devices, either with merchandise or separately, which are designed or intended to be used in the sale or distribution of merchandise to the public by means of a game of chance, gift enterprise or lottery scheme.

2. Shipping, mailing or transporting to agents or distributors, or to members of the purchasing public, pushcards or any other lottery device or devices which are designed or intended to be used in the sale or distribution of respondents' merchandise, wares or goods to the public by means of a game of chance, gift enterprise or lottery scheme.

3. Selling or otherwise disposing of any merchandise, wares or goods by means of a game of chance, gift enterprise or lottery scheme.

It is further ordered, That the complaint herein be, and the same hereby is, dismissed as respects respondent, Carlo E. Ferrari.

OPINION

By MacIntyre, *Commissioner*, concurring:

With the decision of the Commisison, I concur.

I am concurring in that part of the Commission's decision affecting respondent Ferrari only because it is my understanding that the Commission's agreement with the decision to dismiss the complaint as to respondent Ferrari is based on the finding of fact that Ferrari's activities herein amounted to no more than that of a mailing agent employed by others to perform simple mailing chores. Certainly, if the findings of fact were such as to establish that Ferrari acted so as to bring him under the rule of *particeps criminis* with respondent Gron in the latter's business of selling and distributing merchandise through the use of gaming devices, then I would be unable to provide my assent to a dismissal as to respondent Ferrari.

By Anderson, *Commissioner*, dissenting in part:

I concur in the holding as to Dandy Products, Inc., and as to Joseph M. Gron, but I cannot agree with the majority's acceptance of the hearing examiner's ruling that the complaint should be dismissed as to Carlo E. Ferrari. As I read the initial decision, the order to cease and desist contained therein will apply to the activities of Ferrari's partner, Gron, as a partner in Capitol Mailers to insure that the practices found to be against the public interest will be effectively stopped[1] but, as to Ferrari, these same activities are not considered to constitue an unfair trade practice and an order as to him is deemed unwarranted.

There can be no doubt from the examiner's findings that Ferrari was fully aware of the fact that Capitol Mailers was assisting Dandy Products, Inc., in the distribution of punchcards to be used in connection with the sale of merchandise.[2] Gron was his partner in the operation of the mailing service. Moreover, it would have been obvious to even the most casual observer that the material mailed by Ferrari's firm was to be used for the purpose of selling merchandise by game of chance or lottery. Such assistance or participation seems to be no less censurable than the practice of manufacturing punchcards or other lottery devices for sale, distribution or use by another. *Maltz* v. *Sax*, 134 F. 2d 2 (7th Cir., 1943), and *Modernistic Candies, Inc.* v. *Federal Trade Commission*, 145 F. 2d 454 (7th Cir., 1944)

[1] "Since the order will apply to Joseph M. Gron, individually, it will apply to his activities as a partner in Capitol Mailers as well as an officer of Dandy Products, Inc., or in any other capacity and insures that the practices found to be against the public interest will be effectively stopped by the order to cease and desist." Initial decision, page 1430.

[2] The record also shows that Capitol Mailers performed similar services for Gift Products, Inc., respondent in Docket 7025.

[4 S.&D. 288]. Ferrari's connection with the unfair trade practice would, in my opinion, have "made him an accomplice were it a crime," *F.T.C.* v. *Standard Education Society*, 86 F. 2d 692, 695 (2nd Cir., 1936) [2 S.&D. 366, 370], and is sufficient to establish liability in this proceeding.

Decision of the Commission and Order to File Report of Compliance

This matter having been heard by the Commission upon the exceptions to the initial decision filed by respondents and counsel supporting the complaint and upon briefs and oral argument in support thereof and in opposition thereto; and

The Commission having determined that the hearing examiner's findings and conclusions are fully substantiated on the record and that the order contained in the initial decision is appropriate in all respects to dispose of this matter:

It is ordered, That the exceptions of respondents and counsel supporting the complaint to the initial decision be, and they hereby are, denied.

It is further ordered, That the hearing examiner's initial decision filed November 27, 1962 be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That respondents Dandy Products, Inc., a corporation, and Joseph M. Gron, 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.

Commissioner Anderson dissenting in part and Commissioner MacIntyre concurring.

In The Matter of

FELIX FRIEDMAN TRADING AS FELIX FRIEDMAN

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

Docket C-515. Complaint, June 28, 1963—Decision, June 28, 1963

Consent order requiring a Cincinnati furrier to cease violating the Fur Products Labeling Act by labeling fur products improperly as "Bleached Natural Mink"; by failing to use the term "Natural" where required in labling, invoicing and advertising; by advertising in newspapers which falsely represented that prices were reduced from so-called usual retail prices which

were in fact fictitious, and that buyers could "SAVE ½ AND MORE"; by substituting nonconforming labels for those affixed by the manufacturer; and by failing to comply in other respects with requirements of the Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Felix Friedman, an individual, hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling 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 in that respect as follows:

PARAGRAPH 1. Respondent Felix Friedman is an individual trading under his own name.

Respondent is a retailer of fur products with his office and principal place of business located at 18 West Seventh Street, Cincinnati, Ohio.

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

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively stamped, tagged, labeled or otherwise falsely and deceptively identified with regard to whether or not the fur contained therein was natural or was bleached, dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

Among such fur products, but not limited thereto, were fur products with labels describing the fur contained in the fur product as "Bleached Natural Mink" when in fact the fur, if bleached, was not properly described as "Natural" and if natural was not properly described as "Bleached".

PAR. 4. 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 that the term "Natural" was not used on labels to describe fur products which were not pointed, bleached, tip-dyed, or otherwise

artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 5. 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 promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "Persian Lamb" was not set forth on invoices in the manner required by law, in violation of Rule 8 of said Rules and Regulations.

(c) The term "Natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed or artificially colored, in violation, of Rule 19(g) of said Rules and Regulations.

PAR. 6. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of said Act.

Among and included in the aforesaid advertisements, but not limited thereto, were advertisements of respondent which appeared in issues of the Cincinnati Enquirer, a newspaper published in the city of Cincinnati, State of Ohio.

PAR. 7. By means of the aforesaid advertisements and other advertisements of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in that said advertisements represented that the prices of fur products were reduced from regular or usual retail prices and that the amount of such price reductions afforded savings to the purchasers of respondent's products, when the so-called regular or usual retail prices were in fact fictitious in that they were not the prices at which said merchandise was usually sold by respondent in the recent regular course of business and the represented savings were not thereby afforded to the purchasers, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations promulgated under the said Act.

PAR. 8. In advertising fur products for sale as aforesaid, respondent represented through such statements as "SAVE ½ AND MORE" that prices of fur products were reduced in direct proportion to the percentages stated and that the amount of said reduction afforded savings

to the purchasers of respondent's products, when in fact such prices were not reduced in direct proportion to the percentages stated and the represented savings were not thereby afforded to the said purchasers, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

PAR. 9. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder in the following respects:

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

(b) The term "Natural" was not used to describe fur products which were not pointed, bleached, dyed, tip-dyed or artificially colored, in violation of Rule 19(g) of the said Rules and Regulations.

PAR. 10. Respondent in introducing, selling, advertising, and offering for sale, in commerce, and in processing for commerce, fur products; and in selling, advertising, offering for sale and processing fur products which have been shipped and received in commerce, has misbranded such fur products by substituting thereon, labels which did not conform to the requirements of Section 4 of the Fur Products Labeling Act, for the labels affixed to said fur products by the manufacturer or distributor pursuant to Section 4 of said Act, in violation of Section 3(e) of said Act.

PAR. 11. The aforesaid acts and practices of respondent as herein alleged, 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.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respond-

ent that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

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

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

ORDER

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

1. Misbranding fur products by:

   (a) Setting forth conflicting information on labels with respect to whether the fur contained in fur products is natural or is bleached, dyed or otherwise artificially colored.

   (b) Failing to set forth the term "Natural" as part of the information required to be disclosed on labels under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

2. Falsely or deceptively invoicing fur products by:

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

   (b) Failing to set forth the term "Persian Lamb" in the manner required where an election is made to use that term instead of the word "Lamb".

   (c) Failing to set forth the term "Natural" as part of the information required to be disclosed on invoices under the Fur

Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, tip-dyed or otherwise artificially colored.

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

(a) Sets forth information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

(b) Fails to set forth the term "Natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

(c) Represents, directly or by implication, that any price, when accompanied or unaccompanied by any descriptive language, was the price at which the merchandise advertised was usually and customarily sold at retail by the respondent unless such advertised merchandise was in fact usually and customarily sold at retail at such price by respondent in the recent past.

(d) Represents, directly or by implication through percentage savings claims that prices of fur products are reduced to afford purchasers of respondent's fur products the percentage of savings stated when the prices of such fur products are not reduced to afford to purchasers the percentages of savings stated.

(e) Misrepresents in any manner the savings available to purchasers of respondent's fur products.

(f) Falsely or deceptively represents in any manner that prices of respondent's fur products are reduced.

It is further ordered, That respondent, Felix Friedman, an individual trading as Felix Friedman, 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, sale, advertising or offering for sale, in commerce, or the processing for commerce, of fur products; or in connection with the selling, advertising, offering for sale, or processing of fur products which have been shipped and received in commerce, do forthwith cease and desist from misbranding fur products by substituting for the labels affixed to such fur products pursuant to Section 4 of the Fur Products Labeling Act

labels which do not conform to the requirements of the aforesaid Act and the Rules and Regulations promulgated thereunder.

It is further 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 this order.

IN THE MATTER OF

EMO E. GOTTLIEB TRADING AS EMO WATCH COMPANY ETC.

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

Docket C-516. Complaint, June 28, 1963—Decision, June 28, 1963

Consent order requiring a New York City distributor of watchbands consisting in whole or in substantial part of components imported from Spain, Germany, France, Italy, Japan or Hong Kong, to cease selling the watchbands to manufacturers and distributors of watches and to retailers, without clearly disclosing the fact of foreign origin and the particular country of origin.

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 Emo E. Gottlieb, an individual trading as Emo Watch Company, Besst Band Company, Besst Watchband Company and E. E. Gottlieb, hereinafter referred to as respondent, has 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 in that respect as follows:

PARAGRAPH 1. Respondent Emo E. Gottlieb is an individual trading as Emo Watch Company, Besst Band Company, Besst Watchband Company and E. E. Gottlieb with his principal office and place of business located at 10 West 47th Street, in the city and State of New York.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of watchbands to manufacturers and distributors of watches as well as to retailers for resale to the public.

PAR. 3. In the course and conduct of his business, respondent now causes, and for some time last past has caused, his said product, when sold, to be shipped from his place of business in the State of New

York to purchasers thereof located in various other States of the United States and maintains, and at all times herein mentioned has maintained, a substantial course of trade in said product in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Said watchbands consist in whole or in substantial part of components which were manufactured in, and imported from Spain, Germany, France, Italy, Japan or Hong King. When offered for sale or sold by respondent, he has failed to make clear and conspicuous disclosure that said watchbands are substantially of foreign origin, or the particular foreign origin thereof.

PAR. 5. In the absence of an adequate disclosure that a product, including watchbands, is of foreign origin, the public believes and understands that it is of domestic origin, a fact of which the Commission takes official notice.

As to the aforesaid articles of merchandise, a substantial portion of the purchasing public has a preference for said articles which are of domestic origin, of which fact the Commission also takes official notice. Respondent's failure to clearly and conspicuously disclose the country of origin of said articles of merchandise, or substantial components thereof, is therefore to the prejudice of the purchasing public.

PAR. 6. By the aforesaid practices, respondent places in the hands of watch manufacturers, distributors and retailers, means and instrumentalities by and through which they may mislead the public as to the place of origin of said watchbands or the substantial components thereof.

PAR. 7. In the conduct of his business, at all times mentioned herein, respondent has been in substantial competition, in commerce, with corporations, firms and individuals in the sale of watchbands of the same general kind and nature as that sold by the respondent.

PAR. 8. The use by respondent of the false, misleading and deceptive representations and practices hereinabove set forth, and the failure to disclose the foreign origin of his watchbands or of substantial components of his watchbands, have had, and now have, the capacity and tendency to mislead and deceive purchasers or members of the buying public in the manner aforesaid, and thereby to induce them to purchase respondent's watchbands.

PAR. 9. The aforesaid acts and practices of respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Emo E. Gottlieb is an individual trading as Emo Watch Company, Besst Band Company, Besst Watchband Company and E. E. Gottlieb with his principal office and place of business located at 10 West 47th Street, in the city and State of New York.

2. The Federal Trade Commisison 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 respondent Emo E. Gottlieb, an individual trading as Emo Watch Company, Besst Band Company, Besst Watchband Company and E. E. Gottlieb, or under any other name or names, and respondent's representatives, agents or employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of watchbands or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing any such products which are substantially, or which contain a substantial part or parts, of foreign origin or fabrication without affirmatively disclosing the country or place of foreign origin or fabrication thereof on the products themselves, by marking or stamping on an exposed surface, or on a label or tag affixed thereto, of such degree of permanency as to remain thereon until consummation of

consumer sale of the products, and of such conspicuousness as to be likely observed and read by purchasers and prospective purchasers making casual inspection of the products.

2. Offering for sale, selling, or distributing any such product packaged, or mounted in a container, or on a display card, without disclosing the country or place of foreign origin of the product, or substantial part or parts thereof, on the front or face of such packaging, container, or display card, so positioned as to clearly have application to the product so packaged or mounted, and of such degree of permanency as to remain thereon until consummation of consumer sale of the product, and of such conspicuousness as to be likely observed and read by purchasers and prospective purchasers making casual inspection of the product as so packaged or mounted.

3. Placing in the hands of manufacturers, distributors, retailers, and others, means and instrumentalities by and through which they may deceive and mislead the purchasing public concerning any merchandise in the respects set out above.

It is further 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 this order.

IN THE MATTER OF

PARKER-ALLEN INDUSTRIES, INC., ET AL.

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

Docket C-517. Complaint, June 28, 1963—Decision, June 28, 1963

Consent order requiring Chicago distributors of various articles of merchandise to cease supplying their retail dealers with advertising material and other printed matter which represented falsely, among other things, that offers of merchandise must be accepted within a limited time and that supplies were limited; that prices were special and lower than those prevailing locally; that certain tools were of professional quality, certain merchandise was unconditionally guaranteed, file cabinets and wardrobes were made of heavy gauge steel and desks of solid walnut or mahogany.

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 Parker-Allen Industries, Inc., a corporation, and Sidney H. Cohen, Harold Sparks, and

Marvin H. Shapiro, individually and as officers of said corporation, 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 in that respect as follows:

PARAGRAPH 1. Respondent Parker-Allen Industries, Inc., is a corporation organized, 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 666 North Lake Shore Drive, Chicago 11, Illinois.

Respondents Sidney H. Cohen, Harold Sparks and Marvin H. Shapiro are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of various articles of merchandise such as furniture, tableware, wrench and tool sets, drills and fishing equipment, to retailers for resale to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said merchandise, when sold, to be shipped from various States to purchasers thereof located in States other than the State in which the shipment originated, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents, for the purpose of inducing the sale of their merchandise, have engaged in the practice of supplying their retail dealers with advertising material and other printed matter containing various statements and representations of which the following are typical, but not all inclusive:

Gigantic Sale * * * Sensational Savings * * *

Gossip Bench with End-Table Desk, Sensational Low Price $19.95 While They Last * * * Limited Quantity

Two Lounge Chairs * * * Both for $29.95 * * * Limited Quantity At This Low Price

Sale * * * 122 Pc. Socket Wrench & Tool Set $39.95 * * * Lifetime Guarantee * * * Professional Quality

Desk-File Cabinet * * * Amazing Low Price Only $39.95 * * * Sturdy Steel Construction * * * Limited Quantity

All-in-1 Wardrobe * * * Heavy Gauge Steel * * * $39.95

Bookcase-Desk * * * Fine Selected Cabinet Woods * * * Choice of Walnut, Mahogany * * * While They Last $29.95 * * *

PAR. 5. Through the use of the aforesaid practices respondents have represented, and have placed in the hands of retailers the means and instrumentalities for representing, directly or by implication, that:

1. Certain offers of merchandise must be accepted within a limited time.

2. The supply or quantity of certain articles of merchandise is limited.

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. Certain wrenches and tools are of the quality used by mechanics or other artisans.

5. Certain merchandise is unconditionally guaranteed for a definite period of time.

6. Certain file cabinets and wardrobes are made of sturdy steel construction or heavy gauge steel.

7. Certain desks are made of solid walnut or solid mahogany.

PAR. 6. In truth and in fact:

1. Said offers of merchandise need not be accepted within a limited time.

2. The supply or quantity of said articles of merchandise is not limited. Adequate quantities are available.

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. Said wrenches and tools are not of the quality used by mechanics or other artisans.

5. Said merchandise is not unconditionally guaranteed for any definite period of time and the advertising does not disclose the nature and terms of the guarantee or in what manner the guarantor will perform.

6. Said file cabinets and wardrobes are not made of sturdy steel construction or heavy gauge steel but are constructed of thin sheet metal.

7. Said desks are not made of solid walnut or solid mahogany.

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

PAR. 7. At all times herein mentioned respondents have been, and are, in substantial competition in commerce with corporations, firms

and individuals in the sale of products of the same general kind and nature as those sold by respondents.

PAR. 8. The use by respondents of the aforementioned false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that such statements were, and are, true, and into the purchase of substantial quantities of respondents' products because of said mistaken and erroneous belief.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a constant order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Parker-Allen Industries, Inc., is a corporation organized, 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 666 North Lake Shore Drive, in the city of Chicago, State of Illinois.

Respondents Sidney H. Cohen, Harold Sparks and Marvin H. Shapiro are officers of said corporation, and their address is the same as that of said corporation.

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 Parker-Allen Industries, Inc., a corporation, and its officers, and Sidney H. Cohen, Harold Sparks, and Marvin H. Shapiro, individually and as officers of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or indirectly, that:

1. Offers of merchandise must be accepted within a limited time when there is in fact, no specific time limitation.

2. The supply or quantity of any merchandise is limited when adequate quantities are available.

3. Any price is a "sale" or special price unless such price constitutes a reduction from the generally prevailing price or prices at which the merchandise is sold at retail in the trade area or areas where the representation is made.

4. Wrenches or tools are of professional quality unless said products are of the quality used by mechanics or other artisans.

5. Any merchandise is guaranteed unless the nature and extent of the guarantee and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed.

6. File cabinets or wardrobes made of thin sheet metal are made of heavy gauge steel or are of sturdy steel construction.

7. Certain desks are made of "Walnut" or "Mahogany" unless, in fact, said products are made of genuine, solid walnut or genuine, soild mahogany, as the case may be.

B. Misrepresenting in any manner the composition, quality, quantity, usual price or availability of any product.

C. Furnishing or otherwise placing in the hands of distributors or dealers in said products the means and instrumentalities by and through which they may mislead or deceive the public in the manner or as to the things hereinabove prohibited.

It is further 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 seting forth in detail the manner and form in which they have complied with this order.

Complaint

IN THE MATTER OF

FORMULETTE COMPANY, INC., ET AL.

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

Docket C-518. Complaint, June 28, 1963—Decision, June 28, 1963

Consent order requiring Long Island City, N.Y., distributors of infants' nursing products, to cease representing falsely—in printed materials attached to and enclosed in the product containers, in promotional matter distributed to wholesalers and retailers, and in advertisements in national magazines—by such statements as the "Special Formulette gift certificate inside starts a $500 COLLEGE OR CAREER POLICY", "Formulette packs a college education with its nursing products", "* * * only $1 pays the full premium * * *", that their "gift certificate" would entitle its holder, on payment of a $1 premium, to purchase an endowment insurance policy underwritten by themselves and an insurance company, and that individuals thus insured were "eligible for the annual $1,500 Formulette Foundation Scholarships".

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 Formulette Company, Inc., a corporation, and Murray Lerner, Irving Kaster, Daniel Stoller, and Robert Lerner, individually and as officers of said corporation, 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 in that respect as follows:

PARAGRAPH 1. Respondent Formulette Company, 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 and place of business located at 47-25 27th Street, Long Island city, State of New York.

Respondents Murray Lerner, Irving Kaster, Daniel Stoller, and Robert Lerner are individuals and officers of the corporate respondent. They formulate, direct, and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale, and distribution, to distributors and to retailers for resale to the public, of infants' nursing products.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said prod-

ucts, when sold, to be shipped from their place of business in the State of New York to purchasers thereof located in various other States of the United States, and in the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and for the purpose of inducing the purchase of their products, respondents have made certain statements, in printed materials attached to and enclosed in the containers in which such products are sold, in promotional materials distributed to wholesalers and retailers of such products, and in advertisements in magazines of national circulation, with respect to an offer made by respondents to purchasers of their products, of an opportunity to purchase an endowment insurance policy. Typical, but not all inclusive, of such statements are the following:

Special Formulette gift certificate inside starts a

$500 COLLEGE OR CAREER POLICY

only $1 pays the full premium to baby's first birthday

* * * * * * *

FORMULETTE
GIFT CERTIFICATE

The present that insures your baby's future

Purchase of this Formulette product entitles you to start a $500 College or Career Policy for a baby of your choice. Simply fill in the application blank and mail it with $1. (to cover the full premium to baby's first birthday) To: Dept. F., Life Assurance Company of Pennsylvania, 2101 Walnut St., Philadelphia 3, Pennsylvania.

* * * * * * *

FORMULETTE SCHOLARSHIP PROGRAM

Sponsored by the Formulette Scholarship Foundation. As an extension of the Formulette educational aid program, all babies whose policies are renewed after their first birthdays will automatically be eligible to win the full $1500 Formulette Scholarship awarded annually. To administer the scholarship program, Formulette has established a Board of Governors, comprised of prominent citizens and leading educators chosen from colleges and universities throughout the United States. Full details on how scholarship awards will be made, will be forwarded to all parents prior to the child's first birthday.

* * * * * * *

NOW FORMULETTE PACKS A COLLEGE EDUCATION WITH EVERY MAJOR PRODUCT!

most timely, most dramatic give away offer ever made to your customers!

* * * * * * *

Formulette packs a college education with its nursing products! Special gift certificate starts a $500 college or career policy for your new baby. The finest

baby nursing equipment and the start of a college education in one Formulette package! A special gift certificate inside, and only $1, pays the full premium to baby's first birthday. At age 18 your child receives $500 cash for college or career! Grandparents, uncles, aunts, friends can start a Formulette College or Career program for any baby. Underwriting this significant project along with Formulette, is the Life Assurance Company of Pennsylvania. In addition, every participating child will be eligible for the annual $1500 Formulette Foundation Scholarships.

PAR. 5. By and through the use of the aforesaid statements, and others of similar import and meaning not specifically set out herein, respondents have represented directly or by implication that:

(a) The "Formulette Gift Certificate" offered by respondents constituted a valuable gift and would entitle its holder to purchase an endowment insurance policy at a reduced premium.

(b) Payment of a $1 premium would entitle the holder of a "Formulette Gift Certificate" to purchase an endowment insurance policy which would be effective throughout the insured's entire first year of life and which would provide $500 insurance coverage during that period.

(c) The endowment insurance policies available under the terms of the "Formulette Gift Certificate" were underwritten in part by respondents and in part by the Life Assurance Company of Pennsylvania.

(d) It was respondents' practice to award scholarships; that respondents were affiliated with a "Formulette Foundation" which respondents had created or had caused to be created to make their scholarship awards; and that any individual whose life was insured under the endowment insurance policy available under the terms of the "Formulette Gift Certificate" could be, by virtue of being so insured, eligible to receive a $1,500 scholarship.

PAR. 6. In truth and in fact,

(a) The "Formulette Gift Certificate" offered by respondents was valueless. It was neither a prerequisite to the purchase of the endowment insurance policy available under its terms, nor did it operate in any way to reduce the premiums payable on the said policy.

(b) The endowment insurance policy available under the terms of the "Formulette Gift Certificate" upon payment of a $1 premium would not be effective until the insured had attained an age of sixty days, and the insurance coverage during the remaining period prior to the insured's first birthday was limited to $100.

(c) The endowment insurance policies available under the terms of the "Formulette Gift Certificate" were underwritten solely by the Life Assurance Company of Pennsylvania and were not underwritten, to any extent, by respondents.

(d) Respondents either awarded any scholarships, nor created or caused to be created a "Formulette Foundation". The said "Formulette Foundation" was nonexistent, and the individuals whose lives were insured under the endowment insurance policies available under the terms of the "Formulette Gift Certification" never became, by virtue of being so insured, eligible to receive any scholarship award.

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

PAR. 7. In the conduct of their business, at all times mentioned herein, the respondents have been in substantial competition, in commerce, with corporations, firms, and individuals engaged in the sale of infants' nursing products of the same general kind and nature as those sold by respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading, and deceptive statements and representations has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, and admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts

same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Formulette Company, 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 47-25 27th Street, Long Island City, State of New York.

Respondents Murray Lerner, Irving Kaster, Daniel Stoller, and Robert Lerner are officers of said corporation, and their address is the same as that of said corporation.

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 Formulette Company, Inc., a corporation, and its officers, and Murray Lerner, Irving Kaster, Daniel Stoller, and Robert Lerner, individually and as officers of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device in connection with the offering for sale, sale, or distribution of infants' nursing products, or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering, as an inducement to the purchase of any of respondents' products, any gift, gift certificate, premium, or similar bonus, unless such gift, gift certificate, premium, or similar bonus has actual value.

2. Misrepresenting the value of, or the benefits attached to or which may be obtained through the use of, any gift, gift certificate, premium, or similar bonus offered by respondents as an inducement to the purchase of any of their products.

3. Representing that respondents are underwriters of insurance contracts or otherwise engaged in the insurance business.

4. Representing that respondents award scholarships, or that respondents have created, caused to be created, or are affiliated with any entity which awards scholarships.

5. Misrepresenting, in any manner, respondents' relationship to any person, organization, institution, or instrumentality.

It is further 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 this order.

IN THE MATTER OF

YOUNKER BROTHERS, INC., ET AL.

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

Docket C-519. Complaint, June 28, 1963—Decision, June 28, 1963

Consent order requiring Des Moines, Iowa, furriers to cease violating the Fur Products Labeling Act by failing to use the word "natural" on invoices and in advertising to describe fur products that were not artificially colored, and by representing falsely in newspaper advertisements—by use of such terms as "HUGE REDUCTIONS", "TERRIFIC MARKDOWNS", etc.—that prices were reduced from usual retail prices.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Younker Brothers, Inc., a corporation and State Fur Trading Company, a corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling 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 in that respect as follows:

PARAGRAPH 1. Respondent Younker Brothers, Inc., is a corporation organized, 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 701 Walnut Street, Des Moines, Iowa. State Fur Trading Company is a corporation organized, 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 36 South State Street, Chicago, Illinois. The registered agent in the State of Iowa for the State Fur Trading Company is C. T. Corporation System, 1014 Savings and Loan Building, Des Moines, Iowa.

Respondent Younker Brothers, Inc., retails various commodities including fur products. Respondent State Fur Trading Company retails fur products.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce and in the sale, advertising, and offering for sale, in commerce, and in the transportation and distribution, in commerce, of fur products; and have 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 the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. 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, inasmuch as the term "natural" was not used to describe fur products that were not pointed, bleached, dyed, tip-dyed or otherwise artifically colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 4. Certain of said fur products were falsely and deceptively advertised in that said fur products were not advertised as required under the provisions of Section 5(a) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Said advertisements were intended to aid, promote and assist, directly or indirectly in the sale and offering for sale of said fur products.

Among and included in the advertisements as aforesaid, but not limited thereto, were advertisements of respondents which appeared in issues of the Des Moines Register, a newspaper published in the city of Des Moines, State of Iowa.

By means of said advertisements and others of similar import and meaning, not specifically referred to herein, respondents falsely and deceptively advertised said fur products, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the said Rules and Regulations, by representing, directly or by implication, through such statements as "GREATEST JANUARY FUR CLEARANCE", "HUGE REDUCTIONS", "TERRIFIC MARKDOWNS", "CHOICE OF HUNDREDS", that prices of fur products were reduced from respondents' regular or usual prices in the recent regular course of business when in truth and in fact the fur products thus advertised were not reduced from respondents' regular or usual prices in the recent regular course of business.

PAR. 5. In advertising fur products for sale as aforesaid, respondents falsely and deceptively advertised certain of said fur products in violation of the Fur Products Labeling Act in that they were not advertised in accordance with the Rules and Regulations promulgated thereunder inasmuch as the term "natural" was not used to describe fur products that were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 6. The aforesaid acts and practices of respondents, as herein alleged, 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.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Younker Brothers, Inc., is a corporation organized, 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 701 Walnut Street, in the city of Des Moines, State of Iowa.

Respondent State Fur Trading Company is a corporation organized, 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 36 South State Street, in the city of Chicago, State of Illinois. The registered agent in the State of Iowa for the State Fur Trading Company is C. T. Corporation System, 1014 Savings and Loan Building, Des Moines, Iowa.

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 Younker Brothers, Inc., a corporation, and its officers, and State Fur Trading Company, a corporation, and its officers 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 commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Falsely and deceptively invoicing fur products by failing to describe fur products as "natural" when such fur products are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

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

A. Represents directly or by implication that the retail prices of fur products are reduced from respondents usual or regular prices when in fact such retail prices are not reductions from respondents' usual or regular prices.

B. Fails to describe fur products as "natural" when such fur products are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

It is further ordered, That each of 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 this order.

IN THE MATTER OF

McCONNELL AIRLINE SCHOOL, INC., ET AL.

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

Docket C-520. Complaint, June 28, 1963—Decision, June 28, 1963

Consent order requiring Minneapolis, Minn., sellers of a study course to prepare students for employment as stewardesses, ticket agents, reservation agents and in other positions with airlines, to cease representing falsely by advertisements in national magazines and newspapers that persons who complete their course would be qualified for employment with 35 airlines and given preference by all airlines seeking employees, and would be given assistance in securing such employment until successful.

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 McConnell Airline School, Inc., a corporation and William McKay and Irene Juderjohn McKay, individually and as officers of said corporation, 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 in that respect as follows:

PARAGRAPH 1. Respondent McConnell Airline School, Inc., 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 1030 Nicollet Avenue, in the city of Minneapolis, State of Minnesota.

Respondents William McKay and Irene Juderjohn McKay, his wife, are officers of said corporate respondent. They formulate, direct and control the acts and practices of said corporate respondent, including the acts and practices hereinafter set forth. Their addresses are the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for more than two years last past have been, engaged in the sale of a course of study and instruction offered to prepare students thereof for employment as stewardesses, ticket agents, reservation agents and in various other positions with airlines, said course being pursued in part by correspondence through the United States mails and in part through resident training at the respondents' principal office and place of business in Minneapolis, Minnesota.

PAR. 3. In the course and conduct of their business, respondents have caused said course of study and instruction to be sent from their place of business in the State of Minnesota to, into and through States of the United States other than the State of Minnesota, to purchasers thereof located in such other States. There has been at all times mentioned herein a substantial course of trade in said course of study and instruction offered and sold by respondents, in commerce, as "commerce" is defined in the Federal Trade Commission Act. Respondents further engage in commerce in that respondents' sales agents or representatives, when they have obtained a signed contract and down payment from a purchaser, transmit such contract and all or a portion of the money thus obtained through the mails, and by other means, to respondents' place of business in the State of Minnesota from various other States of the United States. Respondents also transmit various instruments of a commercial nature such as contracts, bank checks and others, to purchasers located in States other than Minnesota and receive from purchasers instruments of the same nature.

PAR. 4. In the course and conduct of their aforesaid business, respondents have published and caused to be published, advertisements

in magazines of national circulation and in newspapers distributed through the United States mails and by other means, typical, but not all inclusive, of which is the following:

Be An Air Hostess, Romance, Travel, Adventure, Fun, Train in just four weeks for exciting flight and ground positions. Free placement service with 35 airlines * * *.

Respondents have also made various representations in brochures, pamphlets and other items of printed material which have been sent to prospective students through the United States mails and by other means, for the purpose of inducing and which have induced the sale of respondents' said course. Among and typical, but not all inclusive, of which are the following:

McConnell trained girls find airline jobs easy to get. Its Free Placement Service has secured rewarding flight and ground positions for its over 4,000 graduates with 35 airlines across the country * * *.

McConnell Airline School is now known as the oldest and foremost school of its kind. It is recognized by every airline in the world. Airlines are proud to hire the well-trained, gracious and friendly young ladies and men who are the typical "McConnell Graduate" * * *.

The Airlines Prefer McConnell Trained Flight and Career Personnel.

The McConnell Placement Director is in constant touch with the airlines and works personally with each graduate until she is placed * * *.

PAR. 5. By means of the foregoing statements and representations and others similar thereto but not set forth herein, respondents represent, directly and by implication, that:

(1) Completion of respondents' course of study and instruction by itself qualifies a person for employment with 35 airlines;

(2) Persons completing respondents' said course are given a preference over persons who have not completed respondents' said course by all airlines seeking employees;

(3) Persons who complete respondents' said course will receive assistance in securing employment with an airline until successful in obtaining such employment.

PAR. 6. In truth and in fact:

(1) Completion of respondents' course of study and instruction, by itself, does not qualify a person for employment with any airline much less qualify a person for employment with 35 airlines. Each airline establishes its own qualifications for employment which include such factors as age, weight, height, personality and character and whether or not a person is qualified for employment with a particular airline can be determined only when that person actually applies for employment with such airline.

(2) All airlines seeking employees do not give a preference to persons who have completed respondents' said course. Many airlines maintain their own specialized training programs for stewardesses and other positions and require new employees to complete such programs regardless of any training such new employees may have received from other sources.

(3) Persons who complete respondents' said course do not in every instance receive assistance in securing employment with an airline until successful in obtaining such employment. Many of the persons who complete respondents' course are not successful in obtaining employment with an airline.

Therefore, the statements and representations as set forth in Paragraph 5 hereof were, and are, false, misleading and deceptive.

PAR. 7. In the course and conduct of their business, as aforesaid, respondents employ sales agents or representatives who call upon prospective students and solicit their purchase of said course of study and instruction.

In the course of such solicitation, respondents' sales agents or representatives have made many statements and representations, directly or by implication, to students and prospective students, for the purpose of inducing, and which have induced, the purchase of respondents' said course. Among, and typical, but not all inclusive, of such representations, are the following:

(1) That young women who have passed their seventeenth but not their eighteenth birthday are eligible for employment with airlines;

(2) That respondents' sales agents or sales representatives are competent to determine whether or not a person is suitable for employment as an airline stewardess.

PAR. 8. In truth and in fact:

(1) Airlines generally will not employ young women who have not yet passed their eighteenth birthday;

(2) Respondents' sales agents or sales representatives are not competent to determine whether or not a person is suitable for employment as an airline stewardess. In fact, many of the young women enrolled by respondents' sales agents or representatives for training as airline stewardesses are not suitable for employment in such positions. When such young women arrive at respondents' resident training school in Minneapolis, Minnesota respondents inform them that they are not suitable for employment as stewardesses and such young women are encouraged and persuaded to take training for various nonflight positions such as reservationist, ticket agent and others.

Therefore, the statements and representations as set forth in Paragraph 7 hereof were, and are, false, misleading and deceptive.

PAR. 9. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals engaged in the sale of courses of study and instruction covering the same or similar subjects as are covered by respondents' courses.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' course of study and instruction by reason of said erroneous and mistaken belief.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commision having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent McConnell Airline School, Inc., is a corporation organized, 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 1030 Nicollet Avenue, in the city of Minneapolis, State of Minnesota.

Respondents William McKay and Irene Juderjohn McKay are of-

ficers of said corporation, and their address is the same as that of said corporation.

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 McConnell Airline School, Inc., a corporation, and its officers, and William McKay and Irene Juderjohn McKay, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of courses of study and instruction, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

(1) Completion of respondents' course of study and instruction, by itself, qualifies a person for employment with 35 airlines, or otherwise representing in any manner that completion of repondents' course, by itself, qualifies a person for employment with any airline.

(2) All airlines seeking employees prefer persons completing respondents' course of study and instructions over persons who have not completed respondents' said course, or misrepresenting in any other manner the preference given by airlines to persons who have completed respondents' course.

(3) Persons who complete respondents' course of study and instruction will receive assistance in securing employment with an airline until they are successful in obtaining such employment, or otherwise misrepresenting in any manner the assistance in securing employment that a person completing respondents' course will receive.

(4) Young women who have passed their seventeenth but not their eighteenth birthday are eligible for employment with the airlines or misrepresenting in any other manner the qualifications for employment with the airlines.

(5) Respondents' sales agents or sales representatives are competent to determine whether or not a person is suitable for employment as an airline stewardness or for any other position.

It is further 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 this order.