any purchase of citrus fruit or produce for respondents' own account, or where respondents are the agents, representatives, or other intermediaries acting for or in behalf, or are subject to the direct or indirect control, of any buyer.

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

HYPO SURGICAL SUPPLY CORP. ET AL.

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

Docket 8382. Complaint, May 4, 1961—Decision, Sept. 15, 1961

Consent order requiring New York City distributors to cease selling without clear disclosure of foreign origin, hypodermic needles manufactured in Japan which, when imported, bore the word "JAPAN" but in many cases in too small and indistinct letters to constitute adequate notice, and in others concealed or obscured in the packaging or assembling.

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 Hypo Surgical Supply Corp., a corporation, and Augustus Hament, Alfred E. Rosenhirsch, Max Zisson and Melvin Wallick, individually and as officers of the said corporation, 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 Hypo Surgical Supply Corp. 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 11 Mercer Street, New York, New York.

Respondents, Augustus Hament, Alfred E. Rosenhirsch, Max Zisson and Melvin Wallick 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 offering for sale, sale and distribution, among other things of hypodermic needles, primarily to distributors, 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 products, 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. The hypodermic needles, sold and distributed by respondents, are manufactured in and imported from a foreign country, Japan. Certain of these foreign hypodermic needles are sold and distributed, as orginally packaged in Japan; certain others of these foreign hypodermic needles are sterilized and packaged in the United States before their sale and distribution by respondents. While in all instances these needles have imprinted theron in very small letters, the word "JAPAN", in some instances the markings are so small and indistinct that they do not constitute adequate notice to the public that such needles are not made in the United States. In other instances said foreign hypodermic needles are packaged or otherwise assembled so as to conceal or obscure the mark of foreign origin in which case there is not adequate notice to the public that such hypodermic needles are made in Japan.

PAR. 5. When products, including hypodermic needles, are not marked so as to disclose foreign origin or, if marked and the markings are concealed or otherwise not clearly legible, the purchasing public understands and believes such products to be of domestic origin. There is a preference on the part of a substantial portion of the purchasing public for products made in the United States over products made in Japan, including hypodermic needles.

PAR. 6. Respondents, by placing in the hands of others imported products which do not bear clear and distinct marks of foreign origin or which are packaged or otherwise assembled so as to conceal or obscure the mark of foreign origin, provide means and instrumentalities whereby the purchasing public is misled or deceived as to the place of origin of such products.

PAR. 7. Respondents were and are in substantial competition, in commerce, with corporations, firms and individuals in the sale of hypodermic needles.

PAR. 8. The use by respondents of the aforesaid misleading and deceptive practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that their said hypodermic needles are of domestic origin and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief. As a result thereof, trade in commerce has been unfairly diverted to respondents from their competitors and substantial injury has thereby been done to competition in commerce.

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 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

This matter having come on to be heard by the Commission upon a record consisting of the Commission's complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and an agreement by and between respondents and counsel supporting the complaint, which agreement contains an order to cease and desist, an admission by the respondents of all the jurisdictional facts alleged in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission having considered the agreement and order contained therein and being of the opinion that the agreement provides an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings are made, and the following order is entered:

1. Respondent Hypo Surgical Supply Corp. is a corporation existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 11 Mercer Street, in the City of New York, State of New York.

Respondents Augustus Hament, Alfred E. Rosenhirsch, Max Zisson, and Melvin Wallick are officers of the corporate respondent. Their address is the same as that of the corporate respondent.

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

ORDER

It is ordered, That respondents Hypo Surgical Supply Corp., a corporation, and its officers, and Augustus Hament, Alfred E. Rosenhirsch, Max Zisson and Melvin Wallick, individually and as officers of the said corporation, and respondents' agents, representatives and employees, directly or through any corporate device, in connection with the offering for sale, sale or distribution of hypodermic needles or any other product, 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 without affirmatively and clearly disclosing on the product itself the country of origin thereof and, if any product should be packaged in a manner which would cause the mark identifying the country of origin to be not readily visible, without clearly disclosing the country of origin on the package or container thereof.

2. Placing in the hands of others any means or instrumentalities by or through which they may mislead the public as to any of the matters and things set out in paragraph one above.

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

BENNO KARPUS ET AL. TRADING AS WESTERN EUROPEAN IMPORT CO.

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

Docket 8427. Complaint, June 15, 1961—Decision, Sept. 15, 1961

Consent order requiring New York City distributors of porcelain figurines to cease representing falsely that figurines actually made in West Germany came from Dresden in East Germany, by means of such markings as "Dresden Art" and "Dresden Dec." and advertising plaques furnished retailers bearing the words "Dresden Figures", and by use on the figurines and plaques of a hallmark closely resembling that of the porcelain manufacturers of Dresden.

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 Benno Karpus and

Aron Weintraub, individually and as copartners trading as Western European Import Co., 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. Respondents Benno Karpus and Aron Weintraub are individuals and copartners trading and doing business under the firm name of Western European Import Co., with their office and principal place of business located at 290 Fifth Avenue, New York, New York. Said individual respondents formulate, direct and control the acts, practices and policies of the said business.

PAR. 2. Respondents are now, and for some time last past have been, engaged, among other things, in the offering for sale, sale and distribution of porcelain figurines 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 products, 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 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, for the purpose of inducing the purchase of their products, have engaged in the practice of misrepresenting the source of their products by the following methods and means:

Some of the figurines offered for sale and sold by respondents have such markings as "Dresden Art" and "Dresden Dec.", with the further notation that they are made in Germany, and plaques provided by respondents to retailers for advertising purposes have the words "Dresden Figures". Such words serve as a representation that the figurines are made in the City of Dresden in East Germany, when, in truth and in fact, they are made in West Germany.

Some of the figurines offered for sale and sold by respondents and the plaques provided by respondents to retailers have a hallmark comprised of crossed lines and the initials "A R" or "W R". This hallmark is made to closely resemble crossed swords and the initials "A R" which have been the traditional hallmark of the porcelain manufacturers of Dresden for many years.

PAR. 5. Porcelain figurines made in Dresden are noted for their beauty and quality and there is a preference among many members of the purchasing public for such products over those made elsewhere.

PAR. 6. By the aforesaid practices respondents place in the hands of retailers the means by which they mislead the public as to place of origin of said figurines.

PAR. 7. In the conduct of their business, respondents are, and have been, in substantial competition, in commerce, with corporations, firms and individuals in the sale of figurines of the same general kind as those sold by respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive 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 figurines were made in the City of Dresden, and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief. As a consequence thereof, substantial trade in commerce has been, and is being, unfairly diverted to respondents from their competitors and substantial injury has thereby been, and is being, done to competition in commerce.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, are all to the prejudice and injury of the public and of respondents' competitors, and constitute unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

This matter having come on to be heard by the Commission upon a record consisting of the Commission's complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and an agreement by and between respondents and counsel supporting the complaint, which agreement contains an order to cease and desist, and admission by the respondents of all the jurisdictional facts alleged in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission having considered the agreement and order contained therein and being of the opinion that the agreement provides an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings are made, and the following order is entered:

1. Respondents Benno Karpus and Aron Weintraub are individuals and copartners trading and doing business under the firm name of Western European Import Co., with their office and principal place of business located at 290 Fifth Avenue, in the City of New York, State of New York.

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 Benno Karpus and Aron Weintraub, individually and trading under the name of Western European Import Co., or under any other name, and their agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of porcelain figurines and other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "Dresden", either independently or in connection or conjunction with any other words or symbols, to designate or describe figurines or other china or porcelain ware which was not made or manufactured in Dresden, Germany.

2. Misrepresenting in any manner, directly or indirectly, the place of manufacture or origin of products sold by them.

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

PARAMOUNT BEDDING CORPORATION ET AL.

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

Docket 8438. Complaint, June 21, 1961—Decision, Sept. 15, 1961

Consent order requiring manufacturers of bedding products in Norfolk, Va., to cease representing falsely in advertising in newspapers and on television and in material furnished dealers for publication, that use of their "Quilt-O'Pedic" mattress was essential to everyone's health, that their "Firm-A-Back" mattress was designed to help all persons suffering from "nagging backache," that use of both would indiscriminately afford relief to sufferers from backache, and that their mattresses were "Guaranteed for 15 years" or ". . . 20 years"; and to cease misrepresenting the usual retail price of the mattresses by attaching labels printed with excessive amounts.

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 Paramount Bedding

Corporation, a corporation, and Morris Comess, Max Comess and Albert Diamonstein, 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 Paramount Bedding Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Virginia, with its principal office and place of business located at Virginia Beach Boulevard and Tidewater Drive in the City of Norfolk, State of Virginia.

Respondents Morris Comess, Max Comess and Albert Diamonstein 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 manufacturing, advertising and offering for sale, bedding products 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 products when sold, to be shipped from their place of business in the State of Virginia 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 product in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business as aforesaid, respondents cause advertisements of their said products to be published in newspapers and to be broadcast over various television stations in Virginia and North Carolina. Said broadcasts are heard and seen by listeners in states other than the states from which the broadcasts emanate.

Respondents also furnish to retailers and dealers handling their products various advertising material for publication in newspapers.

All of the aforesaid advertising, as well as other kinds of advertising done by respondents, contain numerous representations respecting the health benefits to be derived by users of such products.

PAR. 5. Typical of certain of the representations contained in the aforesaid advertising material, but not all inclusive, are the following:

Quilt-O'Dreams FIRM-A-BACK MATTRESSES AND BOX SPRINGS. "Wonderful" say sleepers with "problem backs" . . . Scientifically designed to help you sleep better.

Backache Sufferers, Now you can get real relief . . . with The New Quilt-O'Dreams Firm-A-Back Mattress.

Do you suffer from nagging backache? Then what you need is the Firm-A-Back Mattress with rubberized sisal that prevents sagging . . .

The Quilt-O-Dreams Firm-A-Back is scientifically designed for those of you who suffer from nagging backache troubles . . . specially constructed with sturdy rubberized sisal insulation to prevent sagging.

The Firm-A-Back is scientifically designed to help those who suffer from the troubles of nagging backache . . .

The Quilt O'Pedic mattress—designed like a hospital mattress, to give you the comfortable, firm support your doctor knows is vital to your health.

—extra firm Quilt O'Pedic . . . the backache relief the Quilt O'Pedic can give you.

PAR. 6. Through the use of the aforesaid statements, and others similar thereto but not specifically set out herein, the respondents represent directly or indirectly:

1. That respondents' Firm-A-Back mattress is designed to help all persons suffering from nagging backache.

2. That the use of respondents' Quilt O'Pedic mattress is essential to everyone's health.

3. That the use of respondents' Firm-A-Back and Quilt O'Pedic mattresses will indiscriminately afford relief to persons suffering from backaches.

PAR. 7. Said statements and representations are false, misleading and deceptive. In truth and in fact:

1. Respondents' "Firm-A-Back" mattress is not designed to help all persons suffering from nagging backache.

2. The use of respondents' Quilt O'Pedic mattress is not essential to everyone's health.

3. The use of respondents' Firm-A-Back and Quilt O'Pedic mattress will not indiscriminately afford relief to persons suffering from backache.

PAR. 8. The respondents in advertising certain of their mattresses used such expressions as "Guaranteed for 15 years" or "Guaranteed for 20 years", thereby representing that said mattresses were fully and unconditionally guaranteed for 15 years or 20 years. In truth and in fact the guarantees furnished in connection with said mattresses were limited and conditional in several respects which limitations and conditions were not set out in the advertising.

PAR. 9. Respondents, for the purpose of inducing the purchase of their product, have engaged in the practice of using fictitious prices in connection therewith by attaching, or causing to be attached, labels to their mattresses upon which a certain amount is printed, thereby representing, directly or by implication, that said amount is the usual and regular retail price of said mattresses in the areas where the representation is made. In truth and in fact, said amount is fictitious

and in excess of the usual and regular retail price of said mattresses in the area where the representation is made.

PAR. 10. By the aforesaid practice, respondents place in the hands of retailers means and instrumentalities by and through which they may mislead the public as to the usual and regular retail price of said mattresses.

PAR. 11. In the course and 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 mattresses of the same general kind and nature as that sold by respondents.

PAR. 12. 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 the respondents' products by reason of said erroneous and mistaken belief. As a consequence thereof, substantial trade in commerce has been, and is being, unfairly diverted to respondents from their competitors and substantial injury has thereby been, and is being, done to competition in commerec.

PAR. 13. 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 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

This matter having come on to be heard by the Commission upon a record consisting of the Commission's complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and an agreement by and between respondents and counsel supporting the complaint, which agreement contains an order to cease and desist, an admission by the respondents of all the jurisdictional facts alleged in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission having considered the agreement and order contained therein and being of the opinion that the agreement provides an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings are made, and the following order is entered:

1. Respondent Paramount Bedding Corporation, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Virginia, with its office and principal place of business located at Virginia Beach Boulevard and Tidewater Drive, in the City of Norfolk, State of Virginia.

Respondents Morris Comess, Max Comess and Albert Diamonstein are officers of the corporate respondent. Their address is the same as that of the corporate respondent.

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

ORDER

It is ordered, That respondents Paramount Bedding Corporation, a corporation, and its officers, and Morris Comess, Max Comess and Albert Diamonstein, 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 bedding products, 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. Representing, directly or by implication:

(a) That their mattresses are designed to or will afford relief to persons suffering from backache unless it is clearly disclosed that such relief will be afforded only to users whose backaches result from using a soft mattress.

(b) That the use of their mattresses is essential to health.

(c) That their products are guaranteed unless the nature and extent of the guarantee and the manner in which the guarantor will perform are clearly set forth.

(d) By means of preticketing, or in any other manner, that any amount is the usual and customary retail price of merchandise when such amount is in excess of the price at which said merchandise is usually and customarily sold at retail in the trade area or areas where the representation is made.

2. Furnishing or otherwise placing in the hands of retailers 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 inhibited.

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

M. COHEN & SON COATS & SUITS, INC., ET AL.

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

Docket 8386. Complaint, May 4, 1961—Decision, Sept. 19, 1961

Consent order requiring New York City furriers to cease violating the Fur Products Labeling Act by using the name "Golden Glory Fox", registered trademark of another person, to describe their "Bleached Blue Fox" on labels and invoices, and by 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 M. Cohen & Son Coats & Suits, Inc., a corporation, and Max Cohen and Irving Elkin, 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 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 M. Cohen & Son Coats & Suits, 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 225 West 37th Street, New York, New York.

Respondents Max Cohen and Irving Elkin are officers of the said corporate respondent and control, direct and formulate the acts, practices and policies of the corporate respondent. Their address is the same as that of the corporate respondent.

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, offering for sale, 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 com-

merce 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.

PAR. 4. Certain of said fur products were misbranded by being falsely and deceptively labeled in violation of Section 4(1) of the Fur Products Labeling Act in that respondents used the name "Golden Glory Fox" to describe "Bleached Blue Fox" thereby tending to lead the public to believe it was a "Golden Glory" fox, which was not the fact, "Golden Glory" being a registered trademark of another person for a certain species of the fox family.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by 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.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in violation of Section 5(b)(2) of the Fur Products Labeling Act in that respondents used the name "Golden Glory Fox" to describe "Bleached Blue Fox" thereby tending to lead the public to believe it was a "Golden Glory" fox, which was not the fact, "Golden Glory" being a registered trademark of another person for a certain species of the fox family.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in that the item number or mark assigned to a fur product was not set forth on invoices in violation of Rule 40 of said Rules and Regulations.

PAR. 8. 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.

Mr. Charles W. O'Connell supporting the complaint.
Mr. Arthur I. Winard, New York, N.Y., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On May 4, 1961, the Commission issued a complaint charging the respondents named in the caption hereof with violation of the pro-

visions of the Federal Trade Commission Act and the Fur Products Labeling Act, and the Rules and Regulations promulgated thereunder.

Thereafter, on July 10, 1961, there was submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order.

Under the terms of the agreement, respondents admit the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order set forth therein may be entered without further notice and have the same force and effect as if entered after a full hearing and includes a waiver by respondents of all rights to challenge or contest the validity of the order to be issued in accordance therewith. The agreement further provides that it is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint and that the complaint may be used in construing the terms of the order.

The hearing examiner finds that the content of the agreement meets all of the requirements of Section 3.25(b) of the Rules of Practice before the Commission, and, being of the opinion that said agreement and form of order provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, and it is ordered that said agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission. Accordingly, the following jurisdictional findings are made and order issued:

FINDINGS OF FACT

1. Respondent M. Cohen & Son Coats & Suits, Inc., is a corporation organized and doing business under the laws of the State of New York, with its office and principal place of business located at 225 West 37th Street, New York, New York.

2. The individual respondents Max Cohen and Irving Elkin are officers of the corporate respondent. Their address is the same as that of the corporate respondent.

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

ORDER

It is ordered, That respondents M. Cohen & Son Coats & Suits, Inc., a corporation, and its officers and Max Cohen and Irving Elkin, indi-

vidually 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 fur products; or in connection with the sale, manufacture for sale, advertising, offering for sale, transportation or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act do forthwith cease and desist from:

A. Misbranding fur products by:

1. Failing to affix labels to fur products showing 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.

2. Falsely and deceptively labeling by using the term "Golden Glory" to describe furs of the fox family, or falsely and deceptively so using any registered trademark of another person to describe furs or fur products.

B. Falsely and deceptively invoicing fur products by:

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

2. Falsely or deceptively using on invoices the trademark "Golden Glory" to describe furs of the fox family or falsely and deceptively so using any registered trademark of another person to describe furs or fur products.

3. Failing to set forth the item number or mark assigned to a fur product.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall on the 19th day of September 1961, become the decision of the Commission; and, accordingly:

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

IN THE MATTER OF

RALPH RUPLEY TRADING AS RALPH RUPLEY ET AL.

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

Docket 8424. Complaint, June 2, 1961—Decision, Sept. 19, 1961

Consent order requiring Houston, Tex., furriers to cease violating the Fur Products Labeling Act by failing to label and invoice fur products with the true animal name of the fur used therein, failing to show on invoices the country of origin of imported furs, and failing in other respects to comply with labeling and invoicing requirements; by advertising in newspapers which represented prices of fur products as reduced from usual prices which were in fact fictitious, and contained earlier compared prices without giving the time of the latter; and by failing to maintain adequate records as a basis for price and value claims.

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 Ralph Rupley, an individual trading as Ralph Rupley, and Carl Stephanow, individually and as manager of the Ralph Rupley concern, and Ralph Rupley, Jr., individually and as assistant to the manager of the Ralph Rupley concern 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. Ralph Rupley is an individual trading as Ralph Rupley with his office and principal place of business located at 1000 Main Street, Houston, Texas. Carl Stephanow is an individual and manager of the Ralph Rupley concern with his office and principal place of business located at 1000 Main Street, Houston, Texas. Ralph Rupley, Jr. is an individual and assistant to the manager of the Ralph Rupley concern with his office and principal place of business located at 1000 Main Street, Houston, Texas. The said Ralph Rupley, Carl Stephanow and Ralph Rupley, Jr. control, direct and formulate the acts, practices and policies of the Ralph Rupley concern.

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 distri-

bution, 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 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:

(1) to show the true animal name of the fur used in the fur product.

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 the following respects:

(a) Information required under Section 4(2) 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 said Rules and Regulations.

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was mingled with non-required information, in violation of Rule 29(a) of said Rules and Regulations.

(c) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth separately on labels with respect to each section of fur products composed of two or more sections containing different animal furs, in violation of Rule 26 of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by 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. Included among such falsely and deceptively invoiced fur products, but not limited thereto, were invoices pertaining to such fur products which failed:

(1) To show the true animal name of the fur used in the fur product;

(2) To show the country of origin of imported furs used in the fur product.

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 that information required under Section

5(b)(1) 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 said Rules and Regulations.

PAR. 7. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that respondents caused the dissemination in commerce, as "commerce" is defined in said Act, of certain newspaper advertisements, concerning said products, which were not in accordance with the provisions of Section 5(a) of the said Act and the Rules and Regulations promulgated thereunder; and which advertisements were intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of said fur products.

PAR. 8. Among and included in the advertisements as aforesaid, but not limited thereto, were advertisements of respondents which appeared in issues of the Houston Post, a newspaper published in the City of Houston, State of Texas, and having a wide circulation in said State and various other States of the United States.

By means of said advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in that said advertisements:

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

(b) Contained earlier compared prices without giving the time of such earlier compared prices in violation of Rule 44(b) of said Rules and Regulations.

PAR. 9. Respondents in advertising fur products for sale as aforesaid made claims and representations respecting prices and values of fur products. Said representations were of the type covered by subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act. Respondents in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such claims and representations were based in violation of Rule 44(e) of said Rules and Regulations.

PAR. 10. 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.

Mr. Robert W. Lowthian supporting the complaint.

Bracewell, Reynolds & Patterson, by *Mr. Grant Cook*, Houston, Tex., for respondents.

INITIAL DECISION BY LEON R. GROSS, HEARING EXAMINER

On June 2, 1961, pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, the Federal Trade Commission issued its complaint against the above-named respondents, charging them with violating the aforesaid Acts and the Rules and Regulations issued pursuant to the Fur Products Labeling Act by, *inter alia*, misbranding, failing to label properly, falsely and deceptively invoicing, and falsely and deceptively advertising fur products sold by respondents in commerce, as "commerce" is defined in the aforementioned Acts. A copy of the complaint was served upon respondents as required by law.

Thereafter, respondents appeared by counsel and entered into an agreement dated July 25, 1961, which was presented to this Hearing Examiner on August 8, 1961. The agreement purports to dispose of all of the issues in this proceeding as to all of the parties, and has been signed by all the respondents, their counsel, and counsel supporting the complaint. The agreement has been approved by the Director, the Assistant Director, and the Chief, Division of Enforcement, of the Bureau of Textiles and Furs of the Federal Trade Commission.

Said agreement contains a proposed consent cease and desist order which purports to dispose of this proceeding without the need for formal hearings. The agreement conforms to the requirements of § 3.21 and § 3.25 of the Federal Trade Commission's Rules of Practice for Adjudicative Proceedings, and contains:

A. An admission by respondents of all jurisdictional facts alleged in the complaint;

B. Provisions that:

(1) The complaint may be used in construing the terms of the order;

(2) The order shall have the same force and effect as if entered after a full hearing;

(3) The agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission.

(4) The entire record on which the initial decision and the decision of the Commission may be based shall consist solely of the complaint and the agreement;

(5) The order may be altered, modified, or set aside in the manner provided for other orders;

C. Waivers of:

(1) The making of findings of fact or conclusions of law;

(2) Further procedural steps before the hearing examiner and the Commission;

(3) Any right to challenge or contest the validity of the order entered in accordance with the agreement;

D. A statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

Having considered the complaint and the agreement, including the proposed order, and being of the opinion that it provides an appropriate basis for disposition of this proceeding in all respects, the hearing examiner hereby accepts the agreement, which shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; makes the following jurisdictional findings; and issues the following order:

1. Respondent Ralph Rupley is an individual trading as Ralph Rupley, with his office and principal place of business located at 1000 Main Street, Houston, Texas. Carl Stephanow is an individual and manager of the Ralph Rupley concern, with his office and principal place of business located at 1000 Main Street, Houston, Texas. Ralph Rupley, Jr. is an individual and assistant to the manager of the Ralph Rupley concern, with his office and principal place of business located at 1000 Main Street, Houston, Texas. The said Ralph Rupley, Carl Stephanow and Ralph Rupley, Jr. control, direct and formulate the acts, practices and policies of the Ralph Rupley concern.

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

3. The complaint states a cause of action against said respondents under the Federal Trade Commission Act and the Fur Products Labeling Act.

4. This proceeding is in the interest of the public.

ORDER

It is ordered, That Ralph Rupley, an individual trading as Ralph Rupley or under any other trade name, and Carl Stephanow, individually and as manager of the Ralph Rupley concern, and Ralph Rupley, Jr., individually and as assistant to the manager of the Ralph Rupley concern, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce of fur products, or in connection with the sale, advertising, offering

for sale, transportation, or distribution of fur products which are made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

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

B. Setting forth on labels affixed to fur products:

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

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

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

2. Falsely or deceptively invoicing fur products by:

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

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

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

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

B. Contains earlier compared prices without giving the time of such earlier compared prices;

C. Misrepresents in any manner the savings available to purchasers of respondents' fur products;

4. Making claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act unless there

are maintained by respondents full and adequate records disclosing the facts upon which such claims and representations are based.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 19th day of September 1961, become the decision of the Commission; and, accordingly:

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

IN THE MATTER OF

JOSEPH ROTHENBERG, INC.

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

Docket 8060. Complaint, July 29, 1960—Decision, Sept. 20, 1961

Consent order requiring a Buffalo commission merchant of citrus fruit and produce to cease violating Sec. 2(c) of the Clayton Act by accepting from Florida suppliers unlawful brokerage on his own purchases for resale, such as a discount at the rate of 10 cents per 1⅗ bushel box, or a lower price reflecting such commission.

COMPLAINT

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

PARAGRAPH. 1. Respondent Joseph Rothenberg, 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 146 Niagara Frontier, Buffalo, New York.

PAR. 2. Respondent is now, and for the past several years has been, engaged in business primarily as a wholesale grocer or commission merchant, buying, selling and distributing for its own account, citrus fruit and produce, as well as other food products, all of which are hereinafter sometimes referred to as food products. Respondent

purchases its food products from a large number of suppliers located in many sections of the United States. The annual volume of business done by respondent in the purchase and sale of food products is substantial.

PAR. 3. In the course and conduct of its business for the past several years, respondent 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 New York, 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 New York, 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 between respondent and its respective suppliers or sellers of such products.

PAR. 4. In the course and conduct of its business for the past several years, but more particularly since January 1, 1959, respondent has been and is now making substantial purchases of food products for its own account for resale from some, but not all, of its suppliers, and on a large number of these purchases respondent has received and accepted, and is now receiving and accepting, from said suppliers a commission, brokerage, or other compensation, or an allowance or discount in lieu thereof, in connection therewith.

For example, respondent makes substantial purchases of citrus fruit from a number of packers or suppliers located in the State of Florida, and receives on said purchases, a brokerage or commission, or a discount in lieu thereof, usually at the rate of 10 cents per 1⅗ bushel box, or equivalent. In many instances respondent receives a lower price from the supplier which reflects said commission or brokerage.

PAR. 5. The acts and practices of respondent in receiving and accepting a brokerage or a commission, or an allowance or discount in lieu thereof, on its own purchases, as above alleged and described, are in violation of subsection (c) of Section 2 of the Clayton Act, as amended (U.S.C. Title 15, Section 13).

DECISION AND ORDER

This matter having come on to be heard by the Commission upon a record consisting of the Commission's complaint charging the respondent named in the caption hereof with violation of subsection (c)

of Section 2 of the Clayton Act, as amended, and an agreement by and between respondent and counsel supporting the complaint, which agreement contains an order to cease and desist, an admission by the respondent of all the jurisdictional facts alleged in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission having considered the agreement and order contained therein and being of the opinion that the agreement provides an adequate basis for appropriate disposition of the proceedings, the agreement is hereby accepted, the following jurisdictional findings are made, and the following order is entered:

1. Respondent Joseph Rothenberg, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located in the City of Buffalo, State of New York, with mailing address as 146 Niagara Frontier, Buffalo, New York.

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

ORDER

It is ordered, That respondent Joseph Rothenberg, Inc., a corporation, and its officers, agents, representatives, and employees, directly or through any corporate or other device, in connection with the purchase of citrus fruit or produce in commerce, as "commerce" is defined in the 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 citrus fruit or produce for respondent's own account, or where respondent is the agent, representative, or other intermediary acting for or in behalf, or is subject to the direct or indirect control, of any buyer.

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

MICHIGAN FRUIT CANNERS, INC.

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

Docket 8095. Complaint, Aug. 25, 1960—Decision, Sept. 20, 1961

Order dismissing without prejudice, for lack of evidence of competition, complaint charging canners of fruits and vegetables in Benton Harbor, Mich., with unlawfully discriminating among competing customers in paying promotional allowances.

COMPLAINT

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

PARAGRAPH 1. Respondent Michigan Fruit Canners, Inc., 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 9th & Oak Streets, Benton Harbor, Michigan.

PAR. 2. Respondent is now and has been engaged in the business of selling and distributing canned fruits and vegetables of many varieties, which it processes and cans at its plant in Benton Harbor, Michigan. Respondent sells and distributes its products to wholesalers and retailers, including voluntary groups and retail chain store organizations. Respondent's sales of its products are substantial, exceeding $15,000,000 annually.

PAR. 3. Respondent sells and causes its products to be transported from its principal place of business in the State of Michigan to customers located in other States of the United States. There has been at all times mentioned herein a continuous course of trade in said products in commerce, as "commerce" is defined in the Clayton Act, as amended.

PAR. 4. In the course and conduct of its business in commerce, and particularly since 1958, respondent paid or contracted for the payment of something of value to or for the benefit of some of its customers as compensation or in consideration for services or facilities furnished by or through such customers in connection with their offering for sale or sale of products sold to them by respondent, and such payments were

not made available on proportionally equal terms to all other customers competing in the sale and distribution of respondent's products.

PAR. 5. For example, in the year 1959, respondent contracted to pay and did pay to Benner Tea Company, a retail grocery chain with headquarters in Burlington, Iowa, the amount of $150.00 as compensation or as an allowance for advertising or other services or facilities furnished by or through Benner Tea Company in connection with its offering for sale or sale of products sold to it by respondent. Such compensation or allowance was not made available on proportionally equal terms to all other customers competing with Benner Tea Company in the sale and distribution of products of like grade and quality purchased from respondent.

PAR. 6. The acts and practices of respondent, as alleged, are in violation of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

Mr. John Perry for the Commission.

Bell, Boyd, Marshall & Lloyd by *Mr. John T. Loughlin*, Chicago, Ill., for respondent.

INITIAL DECISION BY MAURICE S. BUSH, HEARING EXAMINER

This proceeding is before the hearing examiner upon motion of counsel supporting the complaint to dismiss the complaint in this proceeding for the reason that after investigation, he has been unable to develop evidence of competition among the customers of the respondent sufficient to support the charges of the complaint and the hearing examiner having considered said motion and the record herein,

ORDER

It is ordered, That the complaint in this proceeding be and the same is hereby dismissed, without prejudice to the right of the Commission to take any further action in the matter in the future which may be warranted by the then existing circumstances.

DECISION OF THE COMMISSION

Pursuant to Section 3.21 of the Commission's Rules of Practice, published May 6, 1955, as amended, the initial decision of the hearing examiner shall, on the 20th day of September 1961, become the decision of the Commission.

IN THE MATTER OF

ALBIN P. CRUTCHFIELD DOING BUSINESS AS ALBIN CRUTCHFIELD

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

Docket 8129. Complaint, Sept. 27, 1960—Decision, Sept. 20, 1961

Consent order requiring a Titusville, Fla., broker of citrus fruit and produce to cease violating Sec. 2(c) of the Clayton Act by accepting from Florida suppliers unlawful brokerage on his own purchases for resale, such as a discount at the rate of 10 cents per 1⅗ bushel box, or a lower price reflecting such commission.

COMPLAINT

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

PARAGRAPH 1. Respondent Albin P. Crutchfield is an individual doing business as Albin Crutchfield under and by virtue of the laws of the State of Florida, with his office and principal place of business located in Titusville, Florida, with mailing address as Post Office Box 1988, Titusville, Florida.

PAR. 2. Respondent is now, and for the past several years has been, engaged primarily in the brokerage business, representing a number of packer-principals located in various sections of the United States, in connection with the sale and distribution of citrus fruit and produce, as well as other food products, all of which are hereinafter sometimes referred to as food products. In particular, respondent represents a number of citrus fruit packers located in the State of Florida in the sale and distribution of citrus fruit, for which respondent was and is paid for his services in connection therewith a brokerage or commission, usually at the rate of 10 cents per 1⅗ bushel box, or equavalent. A substantial part of respondent's business is acting in the capacity of a buying broker, purchasing citrus fruit and produce for his own account for resale.

PAR. 3. In the course and conduct of his business for the past several years, in respresenting packer-principals, as well as when purchasing for his own account, respondent has, directly or indirectly, caused such citrus fruit or food products, when sold or purchased, to

be shipped and transported from various packers' packing plants or places of business located in the State of Florida to respondent's customers located in many states other than the State of Florida. Thus, for the past several years, respondent has been, and is now, engaged in a continuous course of trade in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended.

PAR. 4. In the course and conduct of his business in commerce, as aforesaid, during the past several years, but more particularly since January 1, 1959, to the present time, respondent has made, and is now making, numerous and substantial purchases of food products for his own account for resale from various packers or sellers on which purchases he has received and accepted, and is now receiving and accepting, directly or indirectly, something of value as a commission, brokerage, or other compensation, or an allowance or discount in lieu thereof, in connection therewith. For example, respondent has made, and is now making, substantial purchases of citrus fruit for his own account from a number of packers located in the State of Florida, which fruit is shipped and transported to customers located outside the State of Florida, and on said purchases respondent receives from the packer a brokerage or commission, or a discount in lieu thereof, usually at the rate of 10 cents per 1⅗ bushel box, or equivalent. In many instances respondent receives a lower price from the packer, which reflects said brokerage or commission.

PAR. 5. The acts and practices of respondent in receiving and accepting a bokerage or commission, or an allowance or discount in lieu thereof, on his own purchases, as herein alleged and described, are in violation of subsection (c) of Section 2 of the Clayton Act, as amended (U.S.C. Title 15, Section 13).

DECISION AND ORDER

This matter having come on to be heard by the Commission upon a record consisting of the Commission's complaint charging the respondent named in the caption hereof with violation of subsection (c) of Section 2 of the Clayton Act, as amended, and an agreement by and between respondent and counsel supporting the complaint, which agreement contains an order to cease and desist, an admission by the respondent of all the jurisdictional facts alleged in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that he has violated the law as alleged in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission having considered the agreement and order contained therein and being of the opinion that the agreement provides

an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings are made, and the following order is entered:

1. Respondent Albin P. Crutchfield is an individual doing business as Albin Crutchfield under and by virtue of the laws of the State of Florida, with his office and principal place of business located in the City of Titusville, State of Florida, with mailing address as Post Office Box 1988, Titusville, Florida.

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

ORDER

It is ordered, That respondent Albin P. Crutchfield, individually and doing business as Albin Crutchfield, and respondent's agents, representatives, and employees, directly or through any corporate, partnership, sole proprietorship, or other device, in connection with the purchase of citrus fruit or produce in commerce, as "commerce" is defined in the Clayton Act, as amended, 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 citrus fruit or produce for respondent's own account, or where respondent is the agent, representative, or other intermediary acting for or in behalf, or is subject to the direct or indirect control, of any buyer.

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

FRANCIS CARL FORD DOING BUSINESS AS F. C. FORD BROKERAGE CO.

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

Docket 8131. Complaint, Sept. 27, 1960—Decision, Sept. 20, 1961

Consent order requiring a Lakeland, Fla., broker of citrus fruit and produce to cease violating Sec. 2(c) of the Clayton Act by accepting from Florida sup-

pliers unlawful brokerage on his own purchases for resale, such as a discount at the rate of 10 cents per 1⅗ bushel box, or a lower price reflecting such commission.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party named in the caption hereof, and hereinafter more particularly described, has been and is now violating the provisions of subsection (c) of Section 2 of the Clayton Act, as amended (U.S.C. Title 15, Section 13), hereby issues its complaint stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Francis Carl Ford is an individual trading and doing business as F. C. Ford Brokerage Co. with office and principal place of business located at Room 310 Marole Arcade Building, Lakeland, Florida, with mailing address as Post Office Box 467, Lakeland, Florida.

PAR. 2. Respondent is now, and for the past several years has been, engaged in business as a broker, and in the course of this business he represents and has represented various packer-principals in the sale and distribution of citrus fruit, produce and other food products hereinafter sometimes referred to as food products. In particular, respondent has represented, and now represents, a number of citrus fruit packers located in the State of Florida in the sale and distribution of citrus fruit, for which respondent was and is paid for his services in connection therewith a brokerage or commission, usually at the rate of 10 cents per 1⅗ bushel box, or equivalent. A substantial part of respondent's business is acting in the capacity of a buying broker purchasing citrus fruit for his own account for resale.

PAR. 3. In the course and conduct of his business for the past several years, in representing packer-principals, as well as when purchasing for his own account, respondent has, directly or indirectly, caused such citrus fruit or produce, when sold or purchased, to be shipped and transported from various packers' packing plants or places of business located in the State of Florida to respondent's customers located in many States other than the State of Florida. Thus, for the past several years, respondent has been, and is now, engaged in a continuous course of trade in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended.

PAR. 4. In the course and conduct of his business in commerce, as aforesaid, during the past several years, but more particularly since September 1, 1958 to the present time, respondent has made, and is now making numerous and substantial purchases of citrus fruit and produce for his own account for resale from various packers or sellers,

on which purchases said respondent has received and accepted, and is now receiving and accepting, directly or indirectly, from said packers or sellers, something of value as a commission, brokerage, or other compensation, or an allowance or discount in lieu thereof, in connection therewith.

For example, respondent has made substantial purchases of citrus fruit for his own account from various packers or sellers located in the State of Florida and has received from these packers or sellers on said purchases, a brokerage or commission, or a discount in lieu thereof, usually at the rate of 10 cents per 1⅗ bushel box, or equivalent. In many instances, respondent receives a lower price from the packers which reflects said brokerage or commission.

PAR. 5. The acts and practices of respondent in receiving and accepting a brokerage or commission, or an allowance or discount in lieu thereof, on his own purchases, as herein alleged and described, are in violation of subsection (c) of Section 2 of the Clayton Act, as amended (U.S.C. Title 15, Section 13).

DECISION AND ORDER

This matter having come on to be heard by the Commission upon a record consisting of the Commission's complaint charging the respondent named in the caption hereof with violation of subsection (c) of Section 2 of the Clayton Act, as amended, and an agreement by and between respondent and counsel supporting the complaint, which agreement contains an order to cease and desist, an admission by the respondent of all the jurisdictional facts alleged in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that he has violated the law as alleged in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission having considered the agreement and order contained therein and being of the opinion that the agreement provides an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings are made, and the following order is entered:

1. Respondent Francis Carl Ford is an individual doing business as F. C. Ford Brokerage Co., under and by virtue of the laws of the State of Florida, with his office and principal place of business located at Room 310 Marole Building, in the City of Lakeland, State of Florida, with mailing address as Post Office Box 467, Lakeland, Florida.

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

ORDER

It is ordered, That respondent Francis Carl Ford, individually and doing business as F. C. Ford Brokerage Co., and respondent's agents, representatives and employees, directly or through any corporate, partnership, sole proprietorship, or other device, in connection with the purchase of citrus fruit or produce, in commerce, as "commerce" is defined in the 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 citrus fruit or produce for respondent's own account, or where respondent is the agent, representative, or other intermediary acting for or in behalf, or is subject to the direct or indirect control, of any buyer.

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

MISSOURI-KANSAS FURNACE COMPANY ET AL.

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

Docket 8347. Complaint, Apr. 5, 1961—Decision, Sept. 20, 1961

Consent order requiring a Kansas City firm to cease using scare tactics and other unfair means to sell its furnaces, heating equipment and parts and to get repair jobs, including deceptive offers of free inspection and low-cost cleaning services, representing its sales and service men falsely as engineers, misinforming the home owner that his furnace is defective or dangerous, dismantling furnaces and refusing to reassemble them, etc.

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 the Missouri-Kansas Furnace Company, a corporation, and Harley H. Pruitt, individually and as an officer of said corporation, 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 Missouri-Kansas Furnace Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 429 East 6th Street, Trafficway, Kansas City, Missouri.

Respondent Harley H. Pruitt 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 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 sale and distribution of furnaces, heating equipment and parts therefor to the purchasing public, and in the repair and servicing of heating equipment.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their products, when sold, to be shipped from their principal place of business in the State of Missouri to purchasers thereof located in the States of the United States other than the State in which the shipments originated. In the course of the repairing of furnaces, heating equipment or the parts thereof, respondents have sent their employees to repair and service such furnaces, heating equipment and the parts thereof at the homes of customers located in States of the United States other than the State in which the principal office and place of business of the corporate respondent was located, and at all times mentioned herein respondents have maintained a substantial course of trade in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, as aforesaid, and for the purpose of selling their products or services, respondents, directly and through representatives, employ many unfair and deceptive practices. Among and typical of such practices are the following:

(1) Respondents through phone solicitations and otherwise offer free inspection services or low cost cleaning services, thereby gaining access to home owners' heating plants or equipment.

(2) Respondents' salesmen and servicemen falsely represent themselves or each other to be engineers.

(3) Respondents' salesmen and servicemen falsely represent to the owner of a furnace or heating equipment that the said furnace or heating equipment is defective, is not reparable, or is dangerous to use, to the extent that continued use will result in asphyxiation, carbon monoxide poisoning, fires or other damage.

(4) Respondents' employees have refused to reassemble furnaces which they have dismantled or have left them unassembled for long

periods of time and have misrepresented the condition of such furnaces, and have stated to the owners of such furnaces and heating equipment that reassembling and continued use of the equipment will result in gas poisoning, asphyxiation, or fires, when such is not the fact. In this connection, the employees of respondents have misrepresented the condition of the furnaces and asserted, contrary to the fact, that the continued use thereof would be dangerous, thereby causing the owners of said furnaces to purchase furnaces or parts thereof from respondents, which they would not have otherwise purchased.

PAR. 5. In the course and 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, repair and servicing of furnaces, heating equipment and the parts thereof of the same general kind and nature as sold, repaired or serviced by respondents.

PAR. 6. The use by respondents of the aforesaid acts and practices in connection with the conduct of their business has had, and now has, the capacity and tendency to mislead and deceive a substantial number of the public, to cause many owners of furnaces and heating equipment, through fear of continuing to use such equipment, to discard such furnaces and heating equipment before the completion of the useful life of such products and to purchase furnaces, heating equipment and parts thereof sold by respondents, or to contract for extensive but unnecessary repairs of existing furnaces and heating equipment. As a result thereof, trade has been unfairly diverted to respondents from their competitors and substantial injury has thereby been, and is being, done to competition in commerce.

PAR. 7. 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 and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

Mr. James A. Broaddus, Kansas City, Mo., for respondents.

Mr. Anthony J. Kennedy, Jr., and *Mr. John W. Brookfield, Jr.*, supporting the complaint.

INITIAL DECISION BY LEON R. GROSS, HEARING EXAMINER

The complaint in this proceeding issued against the above-named respondents on April 5, 1961. It charges respondents with violation of the Federal Trade Commission Act by making false, misleading, and deceptive representations in selling their furnaces, heating equipment, and parts therefor, in commerce, as "commerce" is defined in the Fed-

eral Trade Commission Act. A copy of the complaint was served upon respondents as required by law; respondents answered the complaint; and the cause was set down for a hearing which was convened. Thereafter, respondents, through their counsel, entered into an agreement dated July 25, 1961, which purports to dispose of all of this proceeding as to all parties without the necessity of conducting a hearing. The agreement has been signed by the respondents, their counsel, and by counsel supporting the complaint; and has been approved by the Acting Chief, Division of General Advertising, and the Director, Bureau of Deceptive Practices. Said agreement contains the form of a consent cease and desist order which the parties have agreed is dispositive of the issues involved in this proceeding. The agreement was submitted to the undersigned hearing examiner on August 2, 1961, for his consideration, in accordance with § 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings.

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

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

1. The Federal Trade Commission has jurisdiction over the parties and the subject matter of this proceeding;

2. Respondent Missouri-Kansas Furance Company is a corporation existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 429 West 6th Street (erroneously designated in complaint as 429 East 6th Street), Trafficway, Kansas City, Missouri;

3. Respondent Harley H. Pruitt is an officer of the said corporation. He formulates, directs and controls the acts and practices of the corporate respondent. His address is the same as that of the corporate respondent;

4. Respondents are engaged in commerce as "commerce" is defined in the Federal Trade Commission Act;

5. The complaint filed herein states a cause of action against the respondents under the Federal Trade Commission Act; and this proceeding is in the public interest. Now, therefore,

It is ordered, That the Missouri-Kansas Furnace Company, a corporation, its officers and Harley H. Pruitt, individually and as an officer of the said corporation, and respondents' agents, representatives and employees, directly or through any corporate device, in connection with the sale, repair or servicing of furnaces, heating equipment or the parts thereof, or any other product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that:

(a) Respondents will inspect without charge or clean a prospective customer's furnace or heating equipment for a nominal fee unless, as a matter of fact, such offer is a bona fide offer to inspect or to clean such furnace or heating equipment;

(b) Respondents' salesmen or servicemen are engineers;

(c) Any furnace, heating equipment or parts thereof are defective, not repairable or repairable only at extensive cost, unless such are the facts;

(d) The continued use of any furnace, heating equipment or parts thereof is dangerous or hazardous to the health of the owner thereof or his family, due to escaping carbon monoxide, fire or other causes, unless such are the facts;

(e) A furnace which has been dismantled by respondents' employees cannot be reassembled and used without danger of asphyxiation, gas poisoning, fires or other damage, when such is not a fact;

2. Refusing to immediately reassemble, at the request of the owner, any furnace which has been dismantled by respondents' employees;

3. Misrepresenting in any manner the condition of any furnace, heating equipment or the parts thereof which have been inspected by respondents or their employees.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, published May 6, 1955, as amended, the initial decision of the hearing examiner shall, on the 20th day of September 1961, become the decision of the Commission; and, accordingly:

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

IN THE MATTER OF

HOFFMANN TRUSS CORPORATION ET AL.

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

Docket 8365. Complaint, Apr. 17, 1961—Decision, Sept. 20, 1961

Consent order requiring Minneapolis distributors of their "Hoffmann Shield" trusses to cease making a variety of misrepresentations in advertising their said devices, as in the order below set forth.

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 Hoffmann Truss Corporation, a corporation, and H. L. Hoffmann and Lola Hoffmann, individually and as officers of said corporation, trading under the name of Hoffmann Surgical Appliance Company, 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 Hoffmann Truss Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Minnesota. Respondents H. L. Hoffmann and Lola Hoffmann are individuals and officers of said corporate respondent, and as such officers dominate, control and direct the policies, acts and practices of said corporation, including the acts and practices

hereinafter set forth. All of said respondents do business and trade under the name of Hoffmann Surgical Appliance Company. The address of all respondents is 953 Plymouth Building, Minneapolis, Minnesota.

PAR. 2. Respondents are now, and for some years last past have been, engaged in the business of selling and distributing devices, as "device" is defined in the Federal Trade Commission Act. Said devices are designated as "Hoffmann Shield".

PAR. 3. Respondents have caused, and now cause, said devices, when sold, to be transported from their place of business in the State of Minnesota to purchasers thereof located in various other States of the United States, and at all times mentioned herein maintain, and have maintained, a course of trade in said devices in commerce, as "commerce" is defined in the Federal Trade Commission Act. The volume of business in such commerce is and has been substantial.

PAR. 4. In the course and conduct of their aforesaid business, respondents disseminated, and caused the dissemination of, certain advertisements concerning said devices by the United States mails and by various means in commerce, as "commerce" is defined in the Federal Trade Commission Act, including, but not limited to, advertisements inserted in various newspapers, and brochures, circulars and other advertising media, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said devices; and said respondents have disseminated, and caused the dissemination of, advertisements concerning said devices, including, but not limited to, the advertisements referred to above, for the purpose of inducing, and which were likely to induce, directly or indirectly, the purchase of said devices in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. Among and typical of the statements and representations contained in said advertisements and other material disseminated, and caused to be disseminated, by respondents, as hereinabove set forth, but not all inclusive, are the following:

RUPTURED?

A Free Demonstration will be given by the Well-Known Expert H. L. Hoffmann in--

If you cannot have or do not want surgery you may get immediate and permanent relief wearing a Hoffmann Shield. A newly developed vacuum pad holds appliance firmly in position. Over 30 years of experience with tens of thousands of customers to prove it, Hoffmann can help you too. Work in comfort and safety. Please come early.

Caution: If neglected, rupture may cause weakness, backache, nervousness, stomach and gas pains. Those having large ruptures which have returned after operation or injection are especially invited.

Hoffmann's Surgical Appliance Co.
953 Plymouth Building Minneapolis 3, Minnesota

RUPTURE
Vital FACTS
Concerning
Its Cause and Correction

* * *

RUPTURE CORRECTION

As Featured by

THE HOFFMANN SURGICAL APPLIANCE CO.

W. W. Brown, M.D.,
Advisor

H. L. Hoffmann
Technician

* * *

Of necessity operations must leave scars. Scar tissue, as before stated, all too frequently gives away. Incisional hernia develops. In consequence, the last condition is worse than the first. On the other hand, however, the frantic sufferer, in his efforts to avoid the knife, too often tries other ineffectual treatments or devices. An already acute situation quickens * * * invariably becomes alarming. Money is spent; uselessly many times. There are no lasting, beneficial results.

THESE FINDINGS ARE NOT THEORETICAL: They are not even remote, random or occasional happenstances. They are the definitely PROVEN outcome of myriads of cases over many years of wide experience in the light of repeated opportunities for first hand information.

Rupture correction is a vitally important procedure.

Our shield is superior in design and construction. * * * obvious support EXACTLY where support is needed.

It is designed to produce a highly beneficial infiltration of lymphatic-plastic tissue * * * frequently restoring the Hernial Ring to its normal status.

REMEMBER!

UNDER NO CIRCUMSTANCES must the HOFFMANN shield be confused with another device even remotely similar in any particular. It is above and beyond the ordinary truss pads so indiscriminately offered . . . and often appallingly injurious.

BY THE HOFFMANN METHOD of correction there will be no discomforting heat pressure, no further weakening of tissues or of thinning belly walls. Instead there will be STRENGTH and STIMULATION!

A newly developed vacuum pad—patented and registered—holds hernia firmly in place. It's almost magic. No surgery. No injection. No loss of time.

PAR. 6. Through the use of the statements and representations contained in the advertisements set out in Paragraph Five hereof, and

others similar thereto but not specifically set out herein, respondents represented, directly or by implication, that:

(a) Their said devices will retain or hold all ruptures or hernias.

(b) The use of their said devices will correct hernial defect or cure ruptures or hernias.

(c) Their said devices will retain or hold ruptures or hernias under all conditions.

(d) Their devices will cause a forming of tissue at the rupture or hernia that restores the hernial ring to its normal status.

(e) Their device is not a truss.

(f) Their devices will effect results not obtainable from other trusses.

(g) Their devices are a more effective treatment in the relief, correction and curing of hernia than surgery.

(h) Surgery is not effective in the correction and curing of a hernia.

PAR. 7. The aforesaid statements were and are misleading in material respects and constituted, and now constitute, "false advertisements" as that term is defined in the Federal Trade Commission Act. In truth and in fact:

(a) Said devices will not retain or hold ruptures or hernias, except those that are reducible.

(b) The use of said devices will not correct a hernial defect or cure ruptures or hernias.

(c) Respondents' devices will not retain ruptures or hernias under many conditions of activity and strains.

(d) Respondents' devices will not cause a forming of tissue at the rupture or hernia, thereby restoring the hernia ring to its normal status.

(e) Respondents' devices are trusses.

(f) Respondents' devices do not differ in principle from other trusses and will not give results unobtainable from other trusses.

(g) Respondents' devices are not a more effective treatment in the correction and curing of hernia than surgery.

(h) Surgery, properly done, provides the only known means of correcting, obtaining permanent relief, or cure for hernia, and it is usually successful.

PAR. 8. The dissemination by respondents of the false advertisements, as aforesaid, constituted, and now constitutes, unfair and deceptive acts and practices, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. William A. Somers for the Commission;

Mr. Stanley V. Shanedling, Minneapolis, Minn., for respondents.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on April 17, 1961, charging Respondents with violation of the Federal Trade Commission Act by the dissemination of false advertisements with respect to their devices, designated as "Hoffmann Shield".

Thereafter, on July 17, 1961, Respondents, their counsel, and counsel supporting the complaint herein entered into an Agreement Containing Consent Order To Cease And Desist, which was approved by the Commission's Acting Chief, Division of General Advertising, and Director, Bureau of Deceptive Practices, and thereafter, on August 2, 1961, submitted to the Hearing Examiner for consideration.

The agreement identifies Respondent Hoffmann Truss Corporation as a Minnesota corporation, and Respondents H. L. Hoffmann and Lola Hoffmann as individuals and officers of said corporate Respondent, who direct and control the policies, acts and practices of the corporate Respondent. The agreement states that all of the said Respondents do business and trade under the name of Hoffmann Surgical Appliance Company, and have their office and principal place of business located at 953 Plymouth Building, Minneapolis, Minnesota.

Respondents admit all the jurisdictional facts alleged in the complaint, and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations.

Respondents waive any further procedure before the Hearing Examiner and the Commission; the making of findings of fact and conclusions of law; and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement. All parties agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the order to cease and desist, as contained in the agreement, when it shall have become a part of the decision of the Commission, shall have the same force and effect as if entered after a full hearing, and may be altered, modified or set aside in the manner provided for other orders; that the complaint herein may be used in construing the terms of said order; and that the agreement is for settlement purposes only and does not constitute an admission by Respondents that they have violated the law as alleged in the complaint.

After consideration of the allegations of the complaint, and the provisions of the agreement and the proposed order, the Hearing Examiner is of the opinion that such order constitutes a satisfactory disposition of this proceeding. Accordingly, in consonance with the

terms of the aforesaid agreement, the Hearing Examiner accepts the Agreement Containing Consent Order To Cease And Desist; finds that the Commission has jurisdiction over the Respondents and over their acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That Respondents Hoffmann Truss Corporation, a corporation, and its officers, and H. L. Hoffmann and Lola Hoffmann, individually and as officers of said corporation, doing business as Hoffmann Surgical Appliance Company, or under any other name or names, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of devices known as Hoffmann Shield, or any device of substantially similar construction or design, whether sold under said name, or any other name, do forthwith cease and desist, directly or indirectly, from:

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

(a) Said devices will retain or hold ruptures or hernias, unless limited to reducible ruptures or hernias.

(b) Said devices will correct a hernial defect or cure ruptures or hernias;

(c) Said devices will retain or hold ruptures under all conditions of activity or strain;

(d) Said devices cause a forming of tissue or restore the hernial ring to its normal status;

(e) Said devices are not trusses;

(f) Respondents' devices will afford results that are different from those afforded by all other trusses;

(g) Said devices are a more effective treatment in the relief, correction or curing of hernia than surgery;

(h) Surgery is not effective in the correction or curing of hernia;

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

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, published May 6, 1955, as amended, the initial decision of the hear-

ing examiner shall, on the 20th day of September 1961, become the decision of the Commission; and, accordingly:

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

IN THE MATTER OF

BILL JORDAN TRADING AS MODERN STUDIOS

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

Docket 8383. Complaint, May 4, 1961—Decision, Sept. 20, 1961

Consent order requiring an individual in Dallas, Tex., engaged in the sale of photographs, particularly to mothers of new babies, to cease failing to honor his so-called "free portrait gift" offer; delivering finished pictures which were inferior to samples displayed; failing to deliver additional pictures or making only partial delivery of orders paid for, and delaying deliveries unduly; and failing to re-photograph children whose parents were dissatisfied, or to refund money paid in advance, in accordance with offer.

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 Bill Jordan, an individual trading as Modern Studios, 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 Bill Jordan is an individual trading as Modern Studios, with his principal office and place of business located at 2209 Cedar Springs Road in the City of Dallas, State of Texas.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of photographs to the public. In the course and conduct of his business as aforesaid, respondent now causes, and for some time last past has caused, his said photographs, when sold, to be shipped from his place of business in the State of Texas 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 photographs in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 3. In the course and conduct of his business, as aforesaid, respondent has been in substantial competition, in commerce, with corporations, firms and individuals in the sale of photographs of the same general kind and nature as those offered by the respondent.

PAR. 4. Respondent's method of interesting members of the public in the purchase of his photographs has been by having an agent deliver, to the mothers of recently born children, a certificate ostensibly entitling the parent to have photographs taken of her child and to receive a 4″ x 6″ picture of the child without any charge. The purpose in offering the gift is to create an opportunity for respondent's salesmen to sell a number of additional pictures to the parent, at a price. A typical certificate reads as follows:

THIS FREE PORTRAIT GIFT . . .
Cradle Car presents to you and your child one large
4 x 6 Photograph
as our gift to you on this memorable occasion.
Precious little ones deserve
Precious photographs. MODERN
STUDIOS, Masters of the Guild,
will capture forever your
baby at its loveliest in
a life-like portrait. Sittings
taken in the comfort of
your home, by appointment
only.
A PHOTOGRAPH TO BE TREASURED ALWAYS

NO COST OR OBLIGATION MODERN STUDIOS NEW ORLEANS, LA.

ALLOW NO IMITATORS BE SURE IT'S M-O-D-E-R-N

In response to inquiries induced by such advertisements, respondent or his employees, agents or representatives call upon members of the public and prospective purchasers initiating such inquiries, display samples of attractively colored and finished pictures and make various oral representations concerning the quality of finished pictures that respondent will furnish for a price, the time in which finished pictures will be delivered and respondent's method of effecting purchasers' satisfaction if finished pictures of their children are unsatisfactory to purchasers.

PAR. 5. Through the use of the aforesaid advertisements, statements and representations set out and referred to in PARAGRAPH FOUR, above, respondent has represented and now represents, directly and by implication, to the purchasing public, that:

1. Respondent would give a free picture to the parent of a child who was photographed by respondent.

2. Pictures to be made of children photographed by respondent would be equal in appearance, quality and workmanship to samples displayed to parents.

3. If parents were dissatisfied with the appearance, quality or workmanship of delivered pictures of their children, respondent would take additional photographs and make additional pictures or refund advance payments made therefor.

4. Pictures of children photographed by respondent would be delivered soon after respondent had photographed a child, or by a certain time.

PAR. 6. The aforesaid statements and representations were and are false, misleading and deceptive. In truth and in fact:

1. In many instances respondent has failed to give and deliver to parents free pictures of their children photographed as a result of parents' response to respondent's so-called "free portrait gift" offer.

2. Pictures made of children photographed by respondent were not equal in appearance, quality or workmanship to samples displayed to parents.

3. In many instances respondent has failed to deliver additional pictures of children which parents had ordered and paid or partially paid for, or has made only partial delivery of orders; and the time of delivery in many other instances has been several months later than the promised or implied time of delivery.

4. Respondent has failed to re-photograph children whose parents were dissatisfied with delivered pictures for which the parents had paid, or to refund monies paid by parents in advance for pictures which they found unsatisfactory when delivered and which parents thereafter notified respondent were not satisfactory.

PAR. 7. The use by 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 statements and representations were and are true and into the purchase of substantial quantities of respondent's product by reason of said erroneous and mistaken belief. As a consequence thereof, substantial trade in commerce has been, and is being, unfairly diverted to respondent from his competitors and substantial injury has thereby been, and is being, done to competition in commerce.

PAR. 8. The aforesaid acts and practices of respondent, as herein alleged, were and are all to the prejudice and injury of the public and fair and deceptive acts and practices and unfair methods of competi- of respondent's competitors and constituted, and now constitute, un-

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tion, in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

This matter having come on to be heard by the Commission upon a record consisting of the Commission's complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act and an agreement by and between respondent and counsel supporting the complaint, which agreement contains an order to cease and desist, an admission by the respondent of all the jurisdictional facts alleged in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that he has violated the law as alleged in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission having considered the agreement and order contained therein and being of the opinion that the agreement provides an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings are made, and the following order is entered.

1. Respondent, Bill Jordan, is an individual trading as Modern Studios, with his principal office and place of business located at 3325 N. Fitzhugh, in the City of Dallas, State of Texas.

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 Bill Jordan, an individual trading as Modern Studios, or under any other name, 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 photographs in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist:

1. Representing, directly or indirectly, that respondent will give to the parent of a child, or to any other person solicited, a free picture of a child or other subject to be photographed by respondent, unless such picture is in fact delivered and furnished without charge.

2. Representing, directly or indirectly, that pictures to be delivered to parents or other persons solicited will be equal in appearance, quality or workmanship to samples displayed, unless the pictures delivered are in fact equal in appearance, quality or workmanship to such samples; or otherwise misrepresenting the appearance, quality or workmanship of photographs to be delivered.

3. Utilizing any sales plan or method which involves the use or display of sample pictures of a kind or quality superior to those which the respondent actually delivers.

4. Representing, directly or indirectly, that in the event of customer dissatisfaction with delivered pictures respondent will make a refund, or that he will rephotograph a subject, unless, when notified of dissatisfaction, he makes such refund or takes additional photographs and delivers pictures satisfactory to the purchaser; or misrepresenting in any way the manner in which he will perform in the event of customer dissatisfaction with delivered pictures.

5. Failing to deliver or ship pictures to customers within the period or time specified by respondent to such customers, or misrepresenting in any manner the time within which merchandise will be delivered or shipped.

6. Failing to deliver any pictures for which delivery has been promised.

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

WILLIAM H. FENNER DOING BUSINESS AS CENTRAL CAREER SERVICE

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

Docket 8384. Complaint, May 4, 1961—Decision, Sept. 20, 1961

Consent order requiring a Duluth, Minn., seller of a correspondence course on civil service preparation to cease representing falsely in advertising and through salesmen that a person completing his course was qualified for and assured of a U.S. Civil Service position and in the area of his choice, that such openings were available, that he would notify the student of examinations to be held, that the time in which his course could be purchased was limited, etc.

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 William H. Fenner, an individual trading and doing business as Central Career Service, 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 as follows:

PARAGRAPH 1. Respondent William H. Fenner is an individual trading and doing business as Central Career Service, with his office and principal place of business located at 602 North 56th Avenue West, Duluth, Minnesota.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the sale and distribution of a course of study and instruction purporting to prepare the purchasers thereof for examinations for various Civil Service positions in the United States Government, which said course is pursued by correspondence through the United States mails. Respondent, in the course and conduct of his said business, causes said course of study and instruction to be shipped from the state of his supplier to, into, and through various other states of the United States to purchasers thereof located in states other than the state in which said shipments originate and thereby maintains a course of trade in said course in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 3. In the course and conduct of his business, as aforesaid, respondent has been, and now is, in direct and substantial competition with individuals, firms and corporations engaged in the sale, in commerce, of courses of instruction by correspondence similar to that sold by respondent.

PAR. 4. Respondent's method of doing business is largely through direct mail solicitations and newspaper advertising followed by personal solicitation by respondent or his agents, representatives or employees, who deliver a sales talk and undertake to consummate a sale of said course of study and instruction.

PAR. 5. In the course and conduct of his business, as aforesaid, respondent has made and is continuing to make, many statements as to employment, qualifications, necessity of his course, type of positions open, the locality of such open position, the availability of his course to purchasers and other statements in connection with his said course of study and instruction. Said statements are contained in or appear on cards, letters, circulars and other advertising material mailed or published by respondent or his agents, representatives or employees and in sales talks of his agents, representatives and employees to prospective purchasers of said course. Through and by means of the said statements respondent represented, directly or indirectly:

1. That respondent is offering employment.

2. That completion of respondent's course of study and instruction will fully qualify the student for positions with United States Civil

Service, including livestock inspector, meat inspector, custom inspector, border patrolman, and many others.

3. That there are openings for employment with the Government for the various positions set out in respondent's advertising or desired by prospective purchasers and that such openings are in the prospective purchasers' home locality.

4. That the respondent will notify the student when and where the Civil Service examinations for positions desired by the student would be held.

5. That the time within which said course may be purchased is limited.

6. That completion of respondent's said course assures or guarantees the persons taking it of United States Civil Service positions.

PAR. 6. All of said statements and representations were and are false, misleading and deceptive. In truth and in fact:

1. Respondent is not offering employment, but is solely engaged in selling his course of instruction.

2. Completion of respondent's course will not qualify the student for the positions in United States Civil Service set out in respondent's advertising as the course does not cover specific positions. Moreover, experience and physical qualifications are necessary in order to obtain some of said positions.

3. There are no vacancies for many of the positions represented by respondent to be open to the prospective purchaser and such positions as may be open are, in most instances, not in the home locality of the student.

4. The respondent does not notify the student when and where Civil Service examinations for the position he desires are to be held.

5. There is no limit to the time in which a person may purchase the respondent's said course of study.

6. Completion of respondent's said course does not assure or guarantee United States Civil Service positions.

PAR. 7. The use by respondent of the aforesaid false, misleading and deceptive statements and representations has had, and now has, the tendency and capacity to confuse, mislead and deceive members of the public into the erroneous and mistaken belief that such statements are true and to induce them to purchase respondent's course of study on account thereof. As a direct result of the practices of respondent, as aforesaid, substantial trade is, and has been, unfairly diverted to respondent from his competitors and injury has been, and is being, done to competition in commerce.

PAR. 8. The aforesaid acts and practices of respondent, as herein alleged, are all to the prejudice and injury of the public and of respondent's competitors and constitute unfair and deceptive acts and

practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. William A. Somers for the Commission;
Mr. Alton J. Olson, Duluth, Minn., for respondent.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on May 4, 1961, charging Respondent with violation of the Federal Trade Commission Act by the dissemination of false, misleading and deceptive statements and representations, through direct mail solicitation and newspaper advertising followed by personal solicitation, with respect to his correspondence course of study and instruction.

Thereafter, on August 2, 1961, Respondent, his counsel, and counsel supporting the complaint entered into an Agreement Containing Consent Order To Cease And Desist, which was approved by the Director and Chief of Division of the Commission's Bureau of Deceptive Practices, and thereafter, on August 8, 1961, submitted to the Hearing Examiner for consideration.

The agreement identifies Respondent William H. Fenner as an individual doing business as Central Career Service, with his office and place of business located at 602 North 56th Avenue West, Duluth, Minnesota.

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

Respondent waives any further procedure before the Hearing Examiner and the Commission; the making of findings of fact and conclusions of law; and all of the rights he may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement. All parties agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the order to cease and desist, as contained in the agreement, when it shall have become a part of the decision of the Commission, shall have the same force and effect as if entered after a full hearing, and may be altered, modified or set aside in the manner provided for other orders; that the complaint herein may be used in construing the terms of said order; and that the agreement is for settlement purposes only and does not constitute an admission by the Respondent that he has violated the law as alleged in the complaint.

After consideration of the allegations of the complaint and the provisions of the agreement and the proposed order, the Hearing Examiner is of the opinion that such order constitutes a satisfactory disposition of this proceeding. Accordingly, in consonance with the terms of the aforesaid agreement, the Hearing Examiner accepts the Agreement Containing Consent Order To Cease And Desist; finds that the Commission has jurisdiction over the Respondent and over his acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That Respondent William H. Fenner, individually and doing business under the name of Central Career Service, or under any other name, and his representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of courses of study and instruction, do forthwith cease and desist from representing, directly or by implication, that:

1. Respondent offers employment when, in fact, employment is not offered;
2. Completion of respondent's course of study will qualify persons for United States Civil Service Positions;
3. Any position in the United States Civil Service is open, unless such be a fact at the time the representation is made;
4. Any position in the United States Civil Service is open in any particular locality or section of the United States, unless such be a fact at the time the representation is made;
5. Respondent notifies the student when and where Civil Service examinations will be held;
6. Respondent's offer of sale of his course of study is limited as to time;
7. Completion of respondent's course of study assures or guarantees the person completing it a position in the United States Civil Service.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 20th day of September 1961, become the decision of the Commission; and, accordingly:

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

IN THE MATTER OF

ABRAHAM SCHERER ET AL. TRADING AS SCHERER, BILDNER & ALLEN

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

Docket 8414. Complaint, June 1, 1961—Decision, Sept. 20, 1961

Consent order requiring New York City furriers to cease violating the Fur Products Labeling Act by failing to disclose on labels and invoices the true animal name of fur and that fur was dyed, and to disclose on labels that a product was composed of bellies, 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 Abraham Scherer, Charles Bildner and Daniel Allen, individually and as copartners trading as Scherer, Bildner & Allen, 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. Respondents Abraham Scherer, Charles Bildner and Daniel Allen are individuals and copartners trading as Scherer, Bildner & Allen with their office and principal place of business located at 150 West 28th Street, New York, New York.

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;

(a) to show the true animal name of the fur used in the fur product;

(b) to disclose that the fur contained in the fur product was dyed;

(c) to disclose that the fur product was composed in whole or substantial part of bellies.

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 the following respects:

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was mingled with non-required information, in violation of Rule 29(a) of said Rules and Regulations.

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by 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 invoiced fur products, but not limited thereto, were fur products which were not invoiced to show:

(a) the true animal name of the fur used in the fur product.

(b) that the fur contained in the fur product was dyed.

PAR. 6. The respondents furnished false guarantees that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guarantees had reason to believe the fur products so falsely guaranteed would be introduced, sold, transported, and distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

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 in commerce under the Federal Trade Commission Act.

Mr. Charles W. O'Connell for the Commission.

Mr. Charles Goldberg, New York, N.Y., for respondents.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on June 1, 1961, charging them with having violated the Fur Products Labeling Act, the rules and regulations issued thereunder, and the Federal Trade Commission Act, by misbranding and falsely invoicing their fur products. Respondents appeared and entered into an agreement, dated July 11, 1961, containing a consent order to cease and desist, disposing of all the issues in this proceeding without further hearings, which agreement has been duly approved by the Bureau of Deceptive Practices. Said agreement has been submitted to the undersigned, heretofore duly designated to act as hearing examiner herein, for his consideration in accordance with § 3.25 of the Rules of Practice of the Commission.

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

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

1. Respondents Abraham Scherer, Charles Bildner and Daniel Allen are individuals and copartners trading as Scherer, Bildner & Allen

with their office and principal place of business located at 150 West 28th Street, New York, New York.

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

It is ordered, That Abraham Scherer, Charles Bildner and Daniel Allen, individually and as copartners trading as Scherer, Bildner & Allen or under any other trade name, 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 fur products; or in connection with the sale, manufacture for sale, advertising, offering for sale, transportation or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur", and "fur product" are defined in the Fur Products Labeling Act do forthwith cease and desist from:

A. Misbranding fur products by:

1. Failing to affix labels to fur products showing 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;

2. Setting forth on labels affixed to fur products:

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

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

B. Falsely or deceptively invoicing fur products by: Failing to furnish invoices to purchasers of fur products showing all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

C. Furnishing false guarantees that any fur or any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur or fur product may be introduced, sold, transported or distributed in commerce.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 20th day of

September 1961, become the decision of the Commission; and, accordingly:

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

IN THE MATTER OF

P & G TEXTILE CORPORATION ET AL.

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

Docket 8415. Complaint, June 1, 1961—Decision, Sept. 20, 1961

Consent order requiring a New York City distributor to cease violating the Wool Products Labeling Act by such practices as labeling as "100% Wool", pieces of fabric or remnants which contained substantially less wool than so represented, and failing to show on labels of wool products the true generic name and the percentage of the constituent fibers, the name of the manufacturer, etc.

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 P & G Textile Corporation, a corporation, and Ben Perman, individually and as an officer 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, 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 P & G Textile Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York. Individual respondent Ben Perman is president of the corporate respondent. He formulates, directs, and controls the acts, policies, and practices of the corporate respondent, including the acts and practices hereinafter referred to. Both respondents have their office and principal place of business at 33 Lispenard Street, New York, New York.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since January 1960, re-

spondents 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 products" are 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 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively labeled or tagged with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products were pieces of fabric or remnants labeled or tagged by respondents as "100% Wool", whereas, in truth and in fact, said products contained substantially less woolen fibers than that represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, or labeled as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act and 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 wool products with labels which failed: (1) to show the true generic names of the fibers present; (2) to show the percentage of such fibers; and (3) to show the name or registered identification number of the manufacturer or a person subject to Section 3 of the Wool Products Labeling Act.

PAR. 5. The respondents in the course and conduct of their business as aforesaid were, and are, in substantial competition in commerce with other corporations, firms, and individuals likewise engaged in the sale of wool products, including pieces of fabric or remnants.

PAR. 6. 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.

Mr. Michael P. Hughes supporting complaint.
Mr. Abraham Burstein of New York, N.Y., for respondents.

INITIAL DECISION BY JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on June 1, 1961, charging them with having violated the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and the Federal Trade Com-

mission Act, through the misbranding of certain wool products. After being served with said complaint, respondents appeared by counsel and entered into an agreement containing consent order to cease and desist dated July 25, 1961, purporting to dispose of all of this proceeding as to all parties. Said agreement, which has been signed by all respondents, by counsel for said respondents and by counsel supporting the complaint, and approved by the Director and Assistant Director of the Commission's Bureau of Textiles and Furs and the Chief of the Division of Enforcement thereof, has been submitted to the above-named hearing examiner for his consideration, in accordance with Section 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings.

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

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

1. Respondent P & G Textile Corporation is a corporation existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 33 Lispenard Street, in the City of New York, State of New York.

Individual respondent Ben Perman is an officer of said corporation. He formulates, directs, and controls the acts, policies, and practices of the corporate respondent. The address of the individual respondent is the same as that of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Wool Products Labeling Act of 1939 and the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondents P & G Textile Corporation, a corporation, and its officers, and Ben Perman, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of wool remnants or other wool products, as such products are defined in and subject to the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

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

2. Failing to affix labels to such products showing each element of information required to be disclosed by Section 4(a) (2) of the Wool Products Labeling Act of 1939.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, published May 6, 1955, as amended, the initial decision of the hearing examiner shall, on the 20th day of September 1961, become the decision of the Commission; and, accordingly:

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

IN THE MATTER OF

SERGEANT & NICHOLOY, INC., ET AL.

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

Docket 8364. Complaint, Apr. 17, 1961—Decision, Sept. 21, 1961

Consent order requiring a corporate broker of canned and other food products, a corporate food wholesaler, and the individual controlling both, to cease accepting illegal brokerage payments from sellers on purchases by said broker for the account of said wholesaler, which amounted to the wholesaler's receiving brokerage on its own purchases for resale.

COMPLAINT

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

PARAGRAPH. 1. Respondent Sergeant & Nicholoy, Inc. 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 N. 56th 13740 West Silver Spring Road, Butler, Wisconsin, with mailing address as Post Office Box 702, Butler, Wisconsin.

Respondent Little Farmer Foods, Inc. 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 the same address as that of respondent Sergeant & Nicholoy, Inc. Respondent Little Farmer Foods, Inc. also has as its mailing address Post Office Box 702, Butler, Wisconsin.

Respondent Robert C. Engle is an individual and is President of respondent Sergeant & Nicholoy, Inc. and is Secretary and Treasurer of respondent Little Farmer Foods, Inc. Said individual respondent has the same business and mailing address as that of the corporate respondents. Respondent Robert C. Engle is also principal stockholder of both corporate respondents and at all times hereinafter mentioned has formulated, directed and controlled, and now formulates, directs and controls the policies, acts and practices of said corporate respondents, including the acts and practices hereinafter mentioned. Respondent Robert C. Engle and both corporate respondents are hereinafter sometimes collectively referred to as respondents.

PAR. 2. Respondent Sergeant & Nicholoy, Inc. is engaged in business primarily as a broker representing various principals in the sale and distribution of canned goods and other food products, hereinafter referred to as food products. In representing these principals, said respondent is paid a brokerage fee or commission at varying rates of from 3 percent to 5 percent, depending upon the product sold. The volume of business done by respondent Sergeant & Nicholoy, Inc. is substantial.

Respondent Little Farmer Foods, Inc. is engaged in business primarily as a wholesale distributor or jobber, buying, selling and distributing food products. Said 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 food products is substantial. On a substantial part of the purchases of food products made by respondent Little Farmer Foods, Inc., respondent Sergeant & Nicholoy, Inc. acts as broker. Such transactions likewise represent a substantial part of the brokerage business of respondent Sergeant & Nicholoy, Inc.

PAR. 3. Respondent Sergeant & Nicholoy, Inc., in the course and conduct of its business, as aforesaid, has been and is now selling and distributing food products, in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, for its principals located in various states of the United States other than the State of Wisconsin, in which respondent is located. Said respondent has transported, or caused said food products, when sold, to be transported from its principals' places of business to the buyers' places of business located in other states, or to their customers located therein, including shipments to respondent Little Farmer Foods, Inc. Thus, there has been at all times mentioned herein a continuous course of trade in commerce in the sale of said food products across state lines between respondent and its principals, or customers thereof.

Respondent Little Farmer Foods, Inc., in the course and conduct of its business, as aforesaid, has been and is now purchasing, selling and distributing food products, in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, in that said respondent purchases food products from suppliers or sellers located in several states of the United States other than the State of Wisconsin, in which respondent is located. Respondent transports, or causes such food products, when purchased, to be transported from the places of business of its suppliers to respondent who is located in the State of Wisconsin, or to respondent's customers located in said state, or elsewhere, including purchases made through the brokerage firm of respondent Sergeant & Nicholoy, Inc. Thus, there has been at all times mentioned herein a continuous course of trade in commerce in the purchase of food prod-

ucts across state lines between respondent and its suppliers, and in the sale of food products across state lines between respondent and its customers.

PAR. 4. In the course and conduct of its business in commerce, and more particularly since January 1, 1959, respondent Little Farmer Foods, Inc. has been and is now making numerous and substantial purchases of food products for its own account for resale from suppliers who utilize the services of respondent Sergeant & Nicholoy, Inc. as an intermediary or broker. On many of these transactions said respondent Sergeant & Nicholoy, Inc. is paid or allowed a brokerage or commission by the seller. In view of the ownership and control exercised by respondent Robert C. Engle over both corporate respondents, as hereinafter alleged and described, said respondent Sergeant & Nicholoy, on such transactions, is acting for and in behalf, or is subject to the direct or indirect control, of respondent Little Farmer Foods, Inc., or the individual respondent Robert C. Engle, or both. This would, in effect, be the equivalent of respondent Little Farmer Foods, Inc. receiving a brokerage or commission on its own purchases.

PAR. 5. The acts and practices of respondents in receiving a brokerage or commission, or an allowance or discount in lieu thereof, on their own purchases, either directly or through a brokerage company owned and controlled by individual respondent Robert C. Engle, as above alleged and described, are in violation of subsection (c) of Section 2 of the Clayton Act, as amended (U.S.C. Title 15, Section 13).

Messrs. Cecil G. Miles and *Basil J. Mezines* for the Commission.
Burlingame, Gibbs & Roper, by *Mr. Richard S. Gibbs*, Milwaukee, Wis., for respondents.

INITIAL DECISION BY RAYMOND J. LYNCH, HEARING EXAMINER

The complaint in this proceeding, issued April 17, 1961, charges the above-named respondents with violation of the provisions of subsection (c) of Section 2 of the Clayton Act, as amended.

On July 31, 1961, there was submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order.

Under the foregoing agreement, the respondents admit the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing and the document includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an ad-

mission by the respondents that they have violated the law as alleged in the complaint, and that the complaint may be used in construing the terms of the order.

The hearing examiner finds that the content of the agreement meets all of the requirements of Section 3.25(b) of the Rules of the Commission.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, and it is ordered that said agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission. The following jurisdictional findings are made and the following order issued.

1. Respondents Sergeant & Nicholoy, Inc. and Little Farmer Foods, Inc. are corporations existing and doing business under and by virtue of the laws of the State of Wisconsin, with their offices and principal place of business located at N. 56 13740 West Silver Spring Road, in the City of Butler, State of Wisconsin, with mailing address as Post Office Box 702, Butler, Wisconsin.

Respondent Robert C. Engle is an individual and is an officer of both the above-named respondent corporations, with his office and principal place of business the same as that of respondent 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 Sergeant & Nicholoy, Inc., a corporation, and its officers, and Robert C. Engle, individually and as an officer of Sergeant & Nicholoy, Inc., and respondents' agents, representatives and employees, directly or through any corporate, partnership, sole proprietorship, or other device, in connection with the purchase or sale of canned goods or other 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 canned goods or other food products for their own account, or for the account of Little Farmer Foods, Inc., or any other buying organization, where, and so long as, any relationship exists between the brokerage organization and the buying organization either through ownership, control, or management by the individual respondent Robert C. Engle, or any other party, or where respondent

Sergeant & Nicholoy, Inc., or respondent Robert C. Engle, individually or as an officer of Sergeant & Nicholoy, Inc., is the agent, representative, or intermediary acting for or in behalf, or is subject to the direct or indirect control, of any buyer, including Little Farmer Foods, Inc.

It is further ordered, That respondents Little Farmer Foods, Inc., a corporation, and its officers, and Robert C. Engle, individually and as an officer of Little Farmer Foods, Inc., and respondents' agents, representatives and employees, directly or through any corporate, partnership, sole proprietorship, or other device, in connection with the purchase of canned goods or other 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 canned goods or other food products for their own account, or on purchases made through the brokerage firm of Sergeant & Nicholoy, Inc., or any other brokerage organization, where, and so long as, any relationship exists between the brokerage organization and the buying organization either through ownership, control, or management by the individual respondent Robert C. Engle, or any other party.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall on the 21st day of September 1961, become the decision of the Commission; and, accordingly:

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

IN THE MATTER OF

IRVING C. KATZ CO., INC., ET AL.

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

Docket 8416. Complaint, June 1, 1961—Decision, Sept. 21, 1961

Consent order requiring New York City furriers to cease violating the Fur Products Labeling Act by failing to disclose on labels and invoices that the fur

in fur products was dyed and to show the country of origin of imported furs, and by stating falsely on invoices that they had a continuing guarantee on file with the Commission.

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 Irving C. Katz Co., Inc., a corporation, and Irving C. Katz and Morris Katz, 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 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 Irving C. Katz Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 150 West 30th Street, New York, New York.

Individual respondents Irving C. Katz and Morris Katz are officers of the said corporate respondent and control, direct and formulate the acts, practices and policies of the said corporate respondent. Their office and principal place of business is the same as that of the said corporate respondent.

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:

(1) to disclose that the fur contained in the fur products was dyed;

(2) to show the country of origin of imported furs used in the fur products.

PAR. 4. Certain of said fur products were falsely and deceptively invoiced by 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 invoices pertaining to such fur products which failed:

(1) to disclose that the fur contained in the fur products was dyed;

(2) to show the country of origin of imported furs used in the fur products.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced in violation of Section 5(b)(2) of the Fur Products Labeling Act in that such invoices contained statements to the effect that the respondents had a continuing guarantee on file with the Federal Trade Commission, when such was not the fact.

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.

Mr. Robert W. Lowthian for the Commission.
Mr. Charles Goldberg, of New York, N.Y., for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charges the respondents with certain violations of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, and the Federal Trade Commission Act. An agreement has now been entered into by respondents and counsel supporting the complaint which provides, among other things, that respondents admit all of the jurisdictional allegations in the complaint; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and agreement; that the inclusion of findings of fact and conclusions of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission; that the order hereinafter set forth may be entered in disposition of the proceeding, such order to have the same force and effect as if entered after a full hearing, respondents specifically waiving any and all rights to challenge or contest the validity of such order; that the order may be altered, modified, or set aside in the manner provided for other orders of the Commission; that the complaint may be used in construing the terms of the order; and that

the agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

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

1. Irving C. Katz Co., Inc., is a New York corporation, with its office and principal place of business located at 150 West 30th Street, New York, New York. Individual respondents Irving C. Katz and Morris Katz are officers of the said corporation. They formulate, direct and control the practices of the corporate respondent. Their address is the same as that of the corporate respondent.

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

ORDER

It is ordered, That Irving C. Katz Co., Inc., a corporation, and Irving C. Katz and Morris Katz, 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, manufacture for introduction, or the sale, advertising or offering for sale, in commerce, or the transportation or distribution in commerce of fur products or in connection with the sale, manufacture for sale, advertising, offering for sale, transportation or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

A. Failing to affix labels to fur products showing 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.

2. Falsely or deceptively invoicing fur products by:

A. Failing to furnish invoices to purchasers of fur products 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. Falsely or deceptively invoicing fur products by representing directly or by implication that respondents have a continuing guaran-

tee on file with the Federal Trade Commission when such is not the fact.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, published May 6, 1955, as amended, the initial decision of the hearing examiner shall, on the 21st day of September 1961, become the decision of the Commission; and, accordingly:

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

IN THE MATTER OF

20TH CENTURY VARIETIES, INC., ET AL.

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

Docket 8437. Complaint, June 21, 1961—Decision, Sept. 21, 1961

Consent order requiring a toy distributor in Bronx, N.Y., to cease such practices as selling toy handcuffs and goggles manufactured in Japan on cards stating "Made in U.S.A.", etc., and concealing the marking "Japan" on the articles by the method of packaging; and to disclose clearly the foreign origin of other toys such as plastic binoculars and whistles, which bore the names "Hong Kong" and "Japan", but in very small, raised letters of the same color as the items so as to be almost completely indistinguishable.

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 20th Century Varieties, Inc., a corporation, and Benjamin Rothberg and Samuel Lambert, 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 20th Century Varieties, Inc., is a corporation organized, existing and doing business under and by virtue of

the laws of the State of New York. Its principal office and place of business is located at 511 East 164th Street, Bronx, New York.

Respondents Benjamin Rothberg and Samuel Lambert are individuals and are officers of said 20th Century Varieties, Inc. Said individual respondents formulate, direct and control the acts and practices of the said corporate respondent. Their address is the same as that of the aforenamed 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 toys to distributors and jobbers and 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 products, 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, as aforesaid, and for the purpose of inducing the sale of their said toys, respondents have made certain statements and representations with respect to the origin of said toys. Typical and illustrative of such statements and representations are the following:

With respect to toy handcuffs the packaging reads:

> Frontier Marshall Western Set 20th Century Novelty Casting Co., Inc., N.Y. The Deputy Starring Henry Fonda as Marshall Simon Fry, 20th Century Made and Printed in U.S.A.

Said handcuffs are stapled to the card and the card is enclosed in a clear plasticlike wrapping which prevents the inspection of the handcuffs without destruction of the wrapping. On the underneath side of the handcuffs completely hidden from the view of the purchaser is the word "Japan" which is imprinted in letters so small and faint as to be virtually unreadable.

With respect to goggles, the card on which the goggles are mounted reads:

> Jet Pilot 20th Century Novelty Casting Co., Inc., N.Y. Made in U.S.A.

The word "Japan" is imprinted on the reverse side of the goggles and can be read only by removing the goggles from the card to which they are attached.

With respect to other toys such as plastic binoculars and whistles, the names indicating the origin of the product such as "Hong Kong" or "Japan" are set forth in very small, raised plastic letters of the

same color as the material from which the article is made so as to be almost completely indistinguishable and unreadable.

PAR. 5. (1) Through the use of the above quoted representations and others similar thereto but not specifically set out herein, respondents have affirmatively represented that said products are manufactured in the United States.

(2) The obscure, indistinct markings which purport to reveal the country of origin of said products, including those attached to various pieces of cardboard and packaged as hereinabove described as well as those which are not so packaged, are wholly and completely inadequate to give the public notice of the country of origin of said products.

When products of foreign origin are offered for sale to the public and are not marked so as to give notice of their foreign origin, the public understands and believes that they are of domestic origin.

PAR. 6. Said statements and representations are false, misleading and deceptive. In truth and in fact:

(1) Said products are not manufactured in the United States. Said products are manufactured in Japan or Hong Kong or various other foreign countries.

(2) Said markings are wholly and completely inadequate to advise or apprise purchasers of the fact that said products are manufactured in Japan, Hong Kong or other foreign countries and not in the United States.

PAR. 7. By the aforesaid acts and practices respondents place in the hands of retailers and dealers the means and instrumentalities by and through which they may mislead the public as to the country of origin of said products.

PAR. 8. A substantial portion of the purchasing public has a preference for articles of domestic manufacture or origin as distinguished from products of foreign origin, including the products sold and distributed by respondents.

PAR. 9. Respondents in the course and conduct of their business are in substantial competition, in commerce, with corporations, firms and individuals engaged in the sale of products of the same kind and nature as those 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 the respondents' products by reason of said

erroneous and mistaken belief. As a consequence thereof, substantial trade in commerce has been, and is being, unfairly diverted to respondents from their competitors and substantial injury has thereby been, and is being, done to competition in commerce.

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 and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. Terral A. Jordan for the Commission.

Gruber, Maurer & Gruber, by *Mr. Irving M. Gruber*, New York, N.Y., for respondents.

INITIAL DECISION BY WALTER R. JOHNSON, HEARING EXAMINER

In the complaint dated June 21, 1961, the respondents are charged with violating the provisions of the Federal Trade Commission Act.

On July 24, 1961, the respondents and their counsel entered into an agreement with counsel in support of the complaint for a consent order.

Under the foregoing agreement, the respondents admit the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing, and that the complaint may be used to construe the terms of the order. The agreement includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

The hearing examiner finds that the content of the agreement meets all of the requirements of Section 3.25(b) of the Rules of the Commission.

The hearing examiner being of the opinion that the agreement and the proposed order provide an appropriate basis for disposition of this proceeding as to all of the parties, the agreement is hereby accepted and it is ordered that the agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission. The following jurisdictional findings are made and the following order issued.

1. Respondent 20th Century Varieties, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 511 East 164th Street, in the City of Bronx, State of New York.

Respondents Benjamin Rothberg and Samuel Lambert are individuals and are officers of said 20th Century Varieties, Inc. Said individual respondents formulate, direct and control the acts and practices of the said corporate respondent. Their address is the same as that of said corporate respondent.

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

ORDER

It is ordered, That respondents, 20th Century Varieties, Inc., a corporation, and its officers, and Benjamin Rothberg and Samuel Lambert, 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 toys 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. Representing, directly or indirectly, in advertising or in labeling that products manufactured in Japan or any other foreign country are manufactured in the United States;

2. Offering for sale or selling products which are, in whole or in substantial part, of foreign origin, without clearly and conspicuously disclosing on such products, and if the products are enclosed in a package or carton, on said package or carton, in such a manner that it will not be hidden or obliterated, the country of origin thereof.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, published May 6, 1955, as amended, the initial decision of the hearing examiner shall, on the 21st day of September 1961, become the decision of the Commission; and accordingly:

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

IN THE MATTER OF

WINKELMAN BROS. APPAREL, INC.

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

Docket 8439. Complaint, June 28, 1961—Decision, Sept. 21, 1961

Consent order requiring a Detroit furrier to cease violating the Fur Products Labeling Act by failing, on labels and invoices and in newspaper advertising, to show the true animal name of the fur in a fur product and to disclose when fur was dyed; failing, in labeling and advertising, to disclose the country of origin of imported furs; failing to show a qualified name or registered identification number on labels; and failing in other respects to comply 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 Winkelman Bros. Apparel, Inc., a corporation, 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 Winkelman Bros. Apparel, Inc. 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 25 Parsons Street, Detroit, Mich.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling 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 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:

1. To show the true animal name of the fur used in the fur product.
2. To disclose that the fur contained in the fur products was dyed.
3. To show a qualified name or registered identification number.
4. To show the country of origin of imported furs used in the fur product.

PAR. 4. Certain of said fur products were misbranded in that the respondent, on labels attached thereto, set forth the name of an animal other than the name of the animal that produced the fur, in violation of Section 4(3) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

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

(a) Labels affixed to fur products did not comply with the minimum size requirements of one and three-quarter inches by two and three-quarter inches, in violation of Rule 27 of said Rules and Regulations.

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and regulations promulgated thereunder was mingled with non-required information, in violation of Rule 29(a) of said Rules and Regulations.

(c) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

(d) Information required under Secton 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth separately on labels with respect to each section of fur products composed of two or more sections containing different animal furs, in violation of Rule 36 of said Rules and Regulations.

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

PAR. 6. Certain of said fur products were falsely and deceptively invoiced by respondent 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 invoices pertaining to such fur products which failed:

1. To show the true animal name of the fur used in the fur product.

2. To disclose that the fur contained in the fur products was dyed, when such was the fact.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in that information required under Section 5(b)(1) 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 said Rules and Regulations.

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

PAR. 9. Among and included in the advertisements as aforesaid, but not limited thereto, were advertisements of respondent which appeared in issues of the Detroit News, a newspaper published in the City of Detroit, State of Michigan, and having a wide circulation in said State and various other states of the United States.

By means of said advertisements, and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in that said advertisements:

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

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

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

PAR. 10. 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.

Mr. Robert W. Lowthian for the Commission.
Butzel, Levin, Winston & Quint, Detroit, Mich., for respondent.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

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

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

1. Respondent Winkelman Bros. Apparel, Inc., is a Michigan corporation with its office and principal place of business located at 25 Parsons Street, Detroit, 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 Winkelman Brothers Apparel, Inc., a corporation, and its officers and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in

commerce of fur products, or in connection with the sale, advertising, offering for sale, transportation, or distribution of fur products which are made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

A. Failing to affix labels to fur products showing 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.

B. Setting forth on labels affixed to fur products the name or names of any animal or animals other than the name or names provided for in Section 4(2)(A) of the Fur Products Labeling Act.

C. Setting forth on labels affixed to fur products:

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

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

D. Affixing to fur products labels that do not comply with the minimum size requirements of one and three-quarter inches by two and three-quarter inches.

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

F. Failing to set forth the item number or mark assigned to a fur product.

2. Falsely or deceptively invoicing fur products by:

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

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

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

A. Fails to disclose:

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

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

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

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

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 21st day of September 1961, become the decision of the Commission; and, accordingly:

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

IN THE MATTER OF

WILLIAM MANIS COMPANY

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

Docket 8215. Complaint, Dec. 8, 1960—Decision, Sept. 22, 1961

Consent order requiring a Tampa, Fla., distributor and broker of citrus fruit and produce to cease violating Sec. 2(c) of the Clayton Act by accepting from Florida suppliers unlawful brokerage on its own purchases for resale, such as a discount at the rate of 10 cents per 1⅗ bushel box or a lower price reflecting such commission.

COMPLAINT

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

PARAGRAPH 1. Respondent William Manis Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida, with its office and principal place of business located at 350 West Hillsborough Avenue, Tampa, Florida. Respondent William Manis Company was incorporated on September

24, 1959, but prior thereto the business was operated in a similar manner by William Manis as a sole proprietorship in Tampa, Florida.

PAR. 2. Respondent is now and for some time past has been engaged in business as a distributor, purchasing citrus fruit and produce for its own account for resale, as well as a buying broker representing buyers in the purchase of citrus fruit and produce for said buyers. A substantial part of respondent's business is in the purchase, sale and distribution of citrus fruit and produce, hereinafter sometimes referred to as food products, purchased from packers or sellers located in the State of Florida.

PAR. 3. In the course and conduct of its business for some time past, but more particularly since September 24, 1959, in purchasing food products for its own account, or for the account of buyers represented by respondent, respondent has directly or indirectly caused such food products when purchased and sold to be shipped and transported from various packers' packing plants or places of business located in the State of Florida, as well as in other states, to respondent or to respondent's customers located in many states other than the state in which the shipment originated. Thus for some time past, respondent has been and is now engaged in a continuous course of trade in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended.

PAR. 4. In the course and conduct of its business in commerce, as aforesaid, for some time past but more particularly since September 24, 1959, to the present time, respondent has made, and is now making, numerous and substantial purchases of citrus fruit and other food products for its own account, for resale, from various packers or sellers, on which purchases said respondent has received and accepted, and is now receiving and accepting, directly or indirectly, from said packers or sellers, something of value as a commission, brokerage or other compensation, or an allowance or discount in lieu thereof. In many instances respondent has received a lower net price which reflected the allowance of said commission or brokerage, or a discount in lieu thereof, in connection with said purchases.

Further, respondent has in numerous transactions represented the buyer as the buyer's agent in connection with the purchase of citrus fruit or other food products but received a brokerage or commission, or a discount in lieu thereof, from the seller on said purchase transactions.

PAR. 5. The acts and practices of respondent in receiving and accepting from the seller a brokerage or commission, or an allowance or discount in lieu thereof, on its own purchases, or on purchases for a buyer where respondent was acting for or on behalf of said buyer in said transaction, as hereinabove alleged and described, are in viola-

tion of subsection (c) of Section 2 of the Clayton Act, as amended (U.S.C. Title 15, Section 13).

DECISION AND ORDER

This matter having come on to be heard by the Commission upon a record consisting of the Commission's complaint charging the respondent named in the caption hereof with violation of subsection (c) of Section 2 of the Clayton Act, as amended, and an agreement by and between respondent and counsel supporting the complaint, which agreement contains an order to cease and desist, an admission by the respondent of all the jurisdictional facts alleged in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint, and waivers and provisions as required by the Commission's rules; and,

The Commission having considered the agreement and order contained therein and being of the opinion that the agreement provides an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings are made, and the following order is entered:

1. Respondent William Manis Company is a corporation existing and doing business under and by virtue of the laws of the State of Florida, with its office and principal place of business located at 350 West Hillsborough Avenue, in the City of Tampa, State of Florida.

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

ORDER

It is ordered, That respondent William Manis Company, a corporation, and its officers, agents, representatives, and employees, directly or through any corporate or other device, in connection with the purchase of citrus fruit or produce in commerce, as "commerce" is defined in the Clayton Act, as amended, 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 citrus fruit or produce for respondent's own account, or where respondent is the agent, representative, or other intermediary acting for or in behalf, or is subject to the direct or indirect control, of any buyer.

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

USEN CANNING COMPANY

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

Docket 8313. Complaint, Mar. 14, 1961—Decision Sept. 22, 1961

Consent order requiring a Boston. Mass.. distributor of cat food to cease violating Sec. 2(d) of the Clayton Act by discriminating among competing purchasers; for example, paying $250 to a Jacksonville, Fla., retail grocery chain for promoting its products while not making allowances available on proportionally equal terms to all other competing customers.

COMPLAINT

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

PARAGRAPH 1. Respondent Usen Canning Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Massachusetts, with its office and principal place of business located at 44 Binford Street, Boston, Massachusetts.

PAR. 2. Respondent is now and has been engaged in the production, canning, sale and distribution of cat food. Respondent sells and distributes its products to wholesalers and retailers, including retail chain store organizations.

PAR. 3. Respondent sells and causes its products to be transported from its principal place of business in the State of Massachusetts to customers located in other States of the United States. There has been at all times mentioned herein a continuous course of trade in said products in commerce, as "commerce" is defined in the Clayton Act, as amended.

PAR. 4. In the course and conduct of its business in commerce, respondent paid or contracted for the payment of something of value to or for the benefit of some of its customers as compensation or in consideration for services or facilities furnished by or through such customers in connection with their offering for sale or sale of products sold to them by respondent, and such payments were not made available on proportionally equal terms to all other customers competing in the sale and distribution of respondent's products.

PAR. 5. For example, in the year 1960 respondent contracted to pay and did pay to Winn-Dixie Stores, Inc., a retail grocery chain with headquarters in Jacksonville, Florida, the amount of $250.00 as compensation or as an allowance for advertising or other services or facilities furnished by or through Winn-Dixie Stores, Inc., in connection with its offering for sale or sale of products sold to it by respondent. Such compensation or allowance was not made available on proportionally equal terms to all other customers competing with Winn-Dixie Stores, Inc., in the sale and distribution of products of like grade and quality purchased from respondent.

PAR. 6. The acts and practices of respondent, as alleged, are in violation of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

DECISION AND ORDER

This matter having come on to be heard by the Commission upon a record consisting of the Commission's complaint charging the respondent named in the caption hereof with violation of Section 2(d) of the Clayton Act, as amended by the Robinson-Patman Act, and an agreement by and between the respondent and its counsel and counsel supporting the complaint, which agreement contains an order to cease and desist, an admission by the respondent of all the jurisdictional facts alleged in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission having considered the agreement and order contained therein and being of the opinion that the agreement provides an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings are made, and the following order is entered:

1. Respondent Usen Canning Company is a corporation existing and doing business under and by virtue of the laws of the State of Massachusetts, with its office and principal place of business located at 44 Binford Street, in the City of Boston, State of Massachusetts.

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

ORDER

It is ordered, That respondent Usen Canning Company, a corporation, and its officers, agents, representatives, and employees, directly or through any corporate or other device in connection with

the sale of cat food products in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, do forthwith cease and desist from:

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

It is further ordered, That the respondent 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

THE DAVIS FURNACE COMPANY, INC., ET AL.

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

Docket 8362. Complaint, Apr. 17, 1961—Decision, Sept. 22, 1961

Consent order requiring three affiliated concerns in Kansas City and Independence, Mo., to cease using scare tactics and other unfair means to sell their furnaces, heating equipment and parts and to get repair jobs, including deceptive offers of free inspection and low-cost cleaning services, representing their sales and servicemen falsely as engineers, misinforming the home owner that his furnace is defective or dangerous, dismantling furnaces and refusing to reassemble them, etc.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that The Davis Furnace Company, Inc., a corporation, The Davis Furnace Company of Independence, Inc., a corporation, and the Kansas Furnace Company, Inc., a corporation, and Ralph L. Davis and Paul Davis, individually and as officers 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 The Davis Furnace Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 3702 East 27th Street, Kansas City, Missouri.

Respondent The Davis Furnace Company of Independence, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 1337 West Lexington, Independence, Missouri.

Respondent Kansas Furnace Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Kansas, with its principal office and place of business located at 1714 Central Avenue, Kansas City, Kansas.

Respondents Ralph L. Davis and Paul Davis are officers of the corporate respondents, The Davis Furnace Company, Inc., The Davis Furnace Company of Independence, Inc., and the Kansas Furnace Company, Inc. 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 respondent The Davis Furnace Company, Inc.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the sale and distribution of furnaces, heating equipment and parts therefor to the purchasing public, and in the repair and servicing of heating equipment.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their products, when sold, to be shipped from their principal places of business in the States of Missouri and Kansas to purchasers thereof located in the States of the United States other than the States in which the shipments originated. In the course of the repairing of furnaces, heating equipment or the parts thereof, respondents have sent their employees to repair and service such furnaces, heating equipment and the parts thereof at the homes of customers located in States of the United States other than the State in which the principal office and place of business of the respective corporate respondent was located, and at all times mentioned herein respondents have maintained a substantial course of trade in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, as aforesaid, and for the purpose of selling their products or services, respondents,

directly and through representatives, employ many unfair and deceptive practices. Among and typical of such practices are the following:

(1) Respondents through phone solicitations and otherwise offer free inspection services or low cost cleaning services, thereby gaining access to home owners' heating plants or equipment.

(2) Respondents' salesmen and servicemen falsely represent themselves or each other to be engineers.

(3) Respondents' salesmen and servicemen falsely represent to the owner of a furnace or heating equipment that the said furnace or heating equipment is defective, is not reparable, or is dangerous to use, to the extent that continued use will result in asphyxiation, carbon monoxide poisoning, fires or other damage.

(4) Respondents' employees have refused to reassemble furnaces which they have dismantled or have left them unassembled for long periods of time and have misrepresented the condition of such furnaces, and have stated to the owners of such furnaces and heating equipment that reassembling and continued use of the equipment will result in gas poisoning, asphyxiation, or fires, when such is not the fact. In this connection, the employees of respondents have misrepresented the condition of the furnaces and asserted, contrary to the fact, that the continued use thereof would be dangerous, thereby causing the owners of said furnaces to purchase furnaces or parts thereof from respondents, which they would not have otherwise purchased.

PAR. 5. In the course and 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, repair and servicing of furnaces, heating equipment and the parts thereof of the same general kind and nature as sold, repaired or serviced by respondents.

PAR. 6. The use by respondents of the aforesaid acts and practices in connection with the conduct of their business has had, and now has, the capacity and tendency to mislead and deceive a substantial number of the public, to cause many owners of furnaces and heating equipment, through fear of continuing to use such equipment, to discard such furnaces and heating equipment before the completion of the useful life of such products and to purchase furnaces, heating equipment and parts thereof sold by respondents, or to contract for extensive but unnecessary repairs of existing furnaces and heating equipment. As a result thereof, trade has been unfairly diverted to respondents from their competitors and substantial injury has thereby been, and is being, done to competition in commerce.

PAR. 7. 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 and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

Messrs. John W. Brookfield, Jr., and *Anthony J. Kennedy, Jr.*, supporting the complaint.

Mr. W. Raymond Hedrick, Kansas City, Mo., and *Ms. Lillie Knight* Atty., Kansas City, Co., counsel for respondents.

INITIAL DECISION BY LEON R. GROSS, HEARING EXAMINER

The complaint in this proceeding issued against the above-named respondents on April 17, 1961. It charges respondents with violation of the Federal Trade Commission Act by making false, misleading, and deceptive representations in selling their furnaces, heating equipment, and parts therefor, in commerce, as "commerce" is defined in the Federal Trade Commission Act. A copy of the complaint was served upon respondents as required by law; respondents answered the complaint; and the cause was set down for a hearing, which was later canceled. Thereafter, respondents, through their counsel, entered into an agreement dated July 31, 1961, which purports to dispose of all of this proceeding as to all parties without the necessity of conducting a hearing. The agreement has been signed by the respondents, counsel for the parties; and has been approved by the Acting Chief, Division of General Advertising, and the Director, Bureau of Deceptive Practices. Said agreement contains the form of a consent cease and desist order which the parties have agreed is dispositive of the issues involved in this proceeding. The agreement was submitted to the undersigned hearing examiner on August 2, 1961, for his consideration, in accordance with § 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings.

Respondents, pursuant to the aforesaid agreement, have admitted all the jurisdictional facts alleged in the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Said agreement further provides that respondents waive any further procedural steps before the hearing examiner and the Commission, the making of findings of fact or conclusions of law, and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with such agreement. It has been agreed that the order to cease and desist shall have the same force and effect as if entered after a full hearing and that the complaint may be used in construing the terms of said order. It has also been agreed that the record herein shall consist solely of the complaint and said agreement,

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

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

1. The Federal Trade Commission has jurisdiction over the parties and the subject matter of this proceeding;

2. Respondent The Davis Furnace Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri with its principal office and place of business located at 3702 East 27th Street, Kansas City, Missouri.

3. Respondent The Davis Furnace Company of Independence, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 1337 West Lexington, Independence, Missouri.

4. Respondent Kansas Furnace Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Kansas with its principal office and place of business located at 1714 Central Avenue, Kansas City, Kansas.

5. Individual respondents Ralph L. Davis and Paul Davis are officers of the corporate respondents, The Davis Furnace Company, Inc., The Davis Furnace Company of Independence, Inc., and the Kansas Furnace Company, Inc. They formulate, direct and control the acts and practices of the corporate respondents. Their address is the same as that of the corporate respondent, The Davis Furnace Company, Inc.

6. Respondents are engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act;

7. The complaint filed herein states a cause of action against the respondents under the Federal Trade Commission Act; and this proceeding is in the public interest. Now, therefore,

It is ordered, That The Davis Furnace Company, Inc., a corporation, The Davis Furnace Company of Independence, Inc., a corporation, and Kansas Furnace Company, Inc., a corporation, and their

officers, and Ralph L. Davis and Paul Davis, individually and as officers of said corporations, and respondents' agents, representatives and employees, directly or through any corporate device, in connection with the sale, repairing or servicing of furnaces, heating equipment, or the parts thereof, or any other product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that:

(a) Respondents will inspect without charge or clean a prospective customer's furnace or heating equipment for a nominal fee unless, as a matter of fact, such offer is a bona fide offer to inspect or to clean such furnace or heating equipment;

(b) Respondents' salesmen or servicemen are engineers;

(c) Any furnace, heating equipment or parts thereof are defective, not reparable, or reparable only at extensive cost, unless such are the facts;

(d) The continued use of any furnace, heating equipment or parts thereof is dangerous or hazardous to the health of the owner thereof or his family, due to escaping carbon monoxide, fire or other causes, unless such are the facts;

(e) A furnace that has been dismantled by respondents' employees cannot be reassembled and used without danger of asphyxiation, gas poisoning, fires or other damage when such is not a fact.

2. Refusing to immediately reassemble, at the request of the owner, any furnace that has been dismantled by respondents' employees.

3. Misrepresenting in any manner the condition of any furnace, heating equipment or the parts thereof that have been inspected by respondents or their employees.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, published May 6, 1955, as amended, the initial decision of the hearing examiner shall, on the 22d day of September 1961, become the decision of the Commission; and accordingly:

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

IN THE MATTER OF

A. WEISS & BOB ALDERMAN FUR CORP. ET AL.

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

Docket 8372. Complaint, Apr. 21, 1961—Decision, Sept. 22, 1961

Consent order requiring New York City furriers to cease violating the Fur Products Labeling Act by labeling and invoicing fur products falsely to show that artificially colored fur contained therein was natural, and by 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 A. Weiss & Bob Alderman Fur Corp., a corporation, and Abraham Weiss and Robert Alderman, 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 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. A. Weiss & Bob Alderman Fur Corp., 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 208 West 30th Street, New York, New York.

Abraham Weiss and Robert Alderman are officers of the said corporate respondent and control, direct and formulate the acts, practices and policies of the said corporate respondent. Their office and principal place of business is the same as that of the said corporate respondent.

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 or otherwise falsely or deceptively labeled in that said fur products were labeled to show that the fur contained therein was natural when in fact such fur was bleached, dyed or otherwise artificially colored in violation of Section 4(1) of the Fur Products Labeling Act.

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

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

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were invoiced to show that the fur contained therein was natural when in fact such fur was bleached, dyed or otherwise artifically colored in violation of Section 5(b)(2) of the Fur Products Labeling Act.

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 in commerce under the Federal Trade Commission Act.

Mr. Robert W. Lowthian supporting the complaint.
Respondents for themselves.

INITIAL DECISION BY LEON R. GROSS, HEARING EXAMINER

On April 21, 1961, pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, the Federal Trade Commission issued its complaint against the above-named respondents, charging them with violating the aforesaid Acts and the Rules and Regulations issued pursuant to the Fur Products Labeling Act by, inter alia, misbranding and falsely and deceptively invoicing fur products sold by respondents in commerce, as "commerce" is defined in the aforementioned Acts. A copy of the complaint was served upon respondents as required by law.

Thereafter, respondents entered into an agreement dated July 31, 1961, which was presented to this Hearing Examiner on August 8, 1961. The agreement purports to dispose of all of the issues in this proceeding as to all the respondents, and has been signed by all the respondents and counsel supporting the complaint, and approved by the Chief, Division of Enforcement; the Assistant Director; and the

Director, of the Bureau of Textiles and Furs of the Federal Trade Commission.

Said agreement contains a proposed consent cease and desist order which purports to dispose of this proceeding without the need for formal hearings. The agreement conforms to the requirements of § 3.21 and § 3.25 of the Federal Trade Commission's Rules of Practice for Adjudicative Proceedings, and contains:

A. An admission by respondents of all jurisdictional facts alleged in the complaint;

B. Provisions that:

(1) The complaint may be used in construing the terms of the order;

(2) The order shall have the same force and effect as if entered after a full hearing;

(3) The agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission;

(4) The entire record on which the initial decision and the decision of the Commission may be based shall consist solely of the complaint and the agreement;

(5) The order may be altered, modified, or set aside in the manner provided for other orders;

C. Waivers of:

(1) The making of findings of fact or conclusions of law;

(2) Further procedural steps before the hearing examiner and the Commission;

(3) Any right to challenge or contest the validity of the order entered in accordance with the agreement;

D. A statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

Having considered the complaint and the agreement, including the proposed order, and being of the opinion that it provides an appropriate basis for disposition of this proceeding in all respects, the hearing examiner hereby accepts the agreement, which shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; makes the following jurisdictional findings; and issues the following order:

1. Respondent A. Weiss & Bob Alderman Fur Corp. 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 208 West 30th Street, New York, New York. Individual respondents Abraham Weiss and Robert Alderman are officers of said corporation. They formulate, direct and control the practices of the

corporate respondent. Their address is the same as that of the corporate respondent.

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

3. The complaint states a cause of action against said respondents under the Federal Trade Commission Act and the Fur Products Labeling Act.

4. This proceeding is in the interest of the public.

ORDER

It is ordered, That respondent A. Weiss & Bob Alderman Fur Corp., a corporation, and its officers, and Abraham Weiss and Robert Alderman, 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 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 products" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

A. Representing directly or by implication on labels that furs or fur products are natural, when such is not the fact;

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

2. Falsely or deceptively invoicing fur products by:

A. Representing directly or by implication on invoices that furs or fur products are natural, when such is not the fact;

B. Failing to furnish to purchasers of fur products invoices showing all the information required to be disclosed by each of the subsections of § 5(b)(1) of the Fur Products Labeling Act.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 22nd day of September 1961, become the decision of the Commission; and, accordingly:

It is ordered, That the above-named respondents shall, within sixty (60) days after service upon them of this order, file with the Commis-

sion a report in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF

LIVIGEN LABORATORY SALES CORP. ET AL.

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

Docket 7469. Complaint, Apr. 8, 1959—Decision, Sept. 23, 1961

Order requiring the inventor of "Livigen" cosmetic cream to cease representing falsely, in advertisements in newspapers, magazines, etc., that the product "is a super-powerful skin food concentrate that . . . renourishes and replenishes skin tissues and glands".

Proceedings as to all other respondents were terminated Aug. 22, 1961, by a consent order (p. 237, *supra*).

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 Livigen Laboratory Sales Corp., a corporation, and Biotex, Ltd., a corporation, and David L. Ratke, individually and as an officer of said corporations, and Max Laserow, individually and as an officer of Livigen Laboratory Sales Corp., 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 Livigen Laboratory Sales Corp. 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 42 West 38th Street, New York, New York.

Respondent Biotex, Ltd., 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 42 West 38th Street, New York, New York.

Respondent David L. Ratke is an officer of both corporate respondents and he participates in the formulation, direction and control of the acts and practices hereinafter set forth. His address is the same as that of the corporate respondents.

Respondent Max Laserow is an officer of corporate respondent Livigen Laboratory Sales Corp., and he participates in the formula-

tion, direction and control of the acts and practices hereinafter set forth. He resides in Malmo, Sweden, and has a mailing address at: c/o Malis, Malis & Malis, 6 Penn Plaza, Philadelphia, Pa.

PAR. 2. Respondents are now, and have been for more than one year last past, engaged in the sale and distribution of a preparation containing ingredients which come within the classification of drug and cosmetic as the term "drug" and "cosmetic" are defined in the Federal Trade Commission Act.

The designation used by respondents for said preparation, the contents thereof and directions for use are as follows:

Designation: Livigen.

Chemical analysis shows preparation to be essentially: A white perfumed water-in-oil cream containing hydrocarbons, glycerides, lanolin and/or sterols and borax.

Directions: "Dr. Laserow's 30-Day Plan For Beauty Follow closely this simple, 4-step plan before retiring:

1. Every night, wash your face carefully with warm water. Then dab and pat dry . . . do not rub!

2. Next apply LIVIGEN to your face and softly work your fingers together to reactivate it.

3. Softly, lightly, apply LIVIGEN to your skin . . . to wrinkles, lines; to the sagging flesh at the chin and neck. Then observe how it starts to be absorbed into your skin . . . how it begins to go to work for you!

4. Then relax, sleep, dream of beauty because LIVIGEN is working for you . . . working for natural, youthful-looking skin beauty."

PAR. 3. Respondents cause the said preparation, when sold, to be transported 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. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in said preparation in commerce as "commerce" is defined in the Federal Trade Commission Act. The volume of business in such commerce has been and is substantial.

PAR. 4. In the course and conduct of their said business, respondents have disseminated, and caused the dissemination of, certain advertisements concerning the said preparation by the United States mails and by various means in commerce, as "commerce" is defined in the Federal Trade Commission Act, including, but not limited to, advertisements inserted in newspapers, magazines and other advertising media, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said preparation; and have disseminated, and caused the dissemination of, advertisements concerning said preparation by various means, including but not limited to the aforesaid media, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said preparation in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. Among and typical of the statements contained in said advertisements disseminated as hereinabove set forth are the following:

LIVIGEN is a super-powerful skin food concentrate that gives natural nourishment to undernourished skin tissues. As the skin absorbs LIVIGEN, it provides new nourishment and helps provide the normal oils and fluids the skin needs for natural beauty. With this new nourishment, the skin is once again able to work for natural, youthful-looking beauty . . . .

Now You Can Feed Youthful-looking Beauty Back Into Your Skin.

. . . this new skin food formula renourishes and replenishes skin tissues and glands.

PAR. 6. Through the use of said statements, and others similar thereto not specifically set out herein, respondents have represented, and are now representing, directly and by implication, that their said preparation is a skin food which, when used as directed, will rejuvenate the skin of the user thereof.

PAR. 7. The said advertisements were and are misleading in material respects and constituted, and now constitute, "false advertisements" as that term is defined in the Federal Trade Commission Act. In truth and in fact respondents' said preparation does not constitute a skin food; nor will it rejuvenate the skin of the user thereof.

PAR. 8. The dissemination by respondents of the false advertisements, as aforesaid, constituted, and now constitute, unfair and deceptive acts and practices, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. Edward F. Downs supporting the complaint.

Malis, Malis & Malis, Philadelphia, Pa., by *Mr. Robert H. Malis*, for respondent Max Laserow.

INITIAL DECISION AS TO RESPONDENT MAX LASEROW, BY EDWARD CREEL, HEARING EXAMINER

This proceeding is before the hearing examiner for final consideration upon the complaint, answer, testimony and other evidence and proposed findings of fact, conclusion and order filed by counsel for respondent Max Laserow and by counsel supporting the complaint. By order contained in an initial decision dated July 6, 1961, proceedings before the hearing examiner were terminated as to all other respondents. The hearing examiner has given consideration to the proposed findings of fact and conclusions submitted by both parties and adopts all the proposed findings of fact, conclusion and proposed order of counsel supporting the complaint and rejects all the proposals of counsel for respondent Max Laserow. Respondent Max Laserow contends that he had no connection with the other respondents herein except as a vendor to them of the product involved in this proceeding

and is not responsible for the representations charged in the complaint. The evidence, however, shows the respondent, Max Laserow, to have been an officer of respondent Livigen Laboratory Sales Corp., to have been a consultant to this corporation, and to have participated in its activities.

It is now contended for the first time in the proposed findings of fact submitted by counsel for respondent Max Laserow that the complaint herein was not served upon Max Laserow. The record shows the complaint was served upon his attorney, who answered the complaint for him and appeared for him at hearings. This respondent cannot now be heard to claim improper service of the complaint.

The hearing examiner, having considered the entire record herein, makes the following findings of fact, conclusion drawn therefrom and order:

FINDINGS OF FACT

1. Respondent Max Laserow has been an officer of Livigen Laboratory Sales Corp., a corporation (hereinafter referred to as Livigen corporation), and as such participated in the direction and control of the acts and practices thereof.

2. The Livigen corporation and respondent Max Laserow, as an officer thereof, have been engaged in the sale and distribution of a preparation which comes within the classification of a cosmetic, as the term "cosmetic" is defined in the Federal Trade Commission Act.

3. The aforesaid cosmetic preparation, which has been designated "Livigen", was invented by respondent Max Laserow, and a chemical analysis shows it to be essentially a white perfumed water-in-oil cream containing hydrocarbons, glycerides, lanolin and/or sterols and borax.

4. Respondent Max Laserow contracted to sell to the Livigen corporation whatever quantity of "Livigen" it could sell; therefore, he was vitally interested in the selling impact of the Livigen corporation's advertising because the more "Livigen" sold by the corporation the greater his income.

5. The aforesaid preparation, when sold, was transported from the place of business of the Livigen corporation in the State of New York to purchasers thereof located in various other states of the United States; therefore, a course of trade in said preparation in commerce, as "commerce" is defined in the Federal Trade Commission Act, was maintained by the Livigen corporation, and by respondent Max Laserow as an officer thereof.

6. In the course and conduct of the business of selling "Livigen", respondent Max Laserow was a party to, and caused the dissemination of, certain advertisements concerning said preparation by the United States mails and by various means in commerce, as "commerce" is

defined in the Federal Trade Commission Act, including, but not limited to, advertisements inserted in newspapers, magazines and other advertising media, for the purpose of inducing, and which were likely to induce, directly or indirectly, the purchase of said preparation; he was also a party to, and caused the dissemination of, advertisements concerning said preparation by various means, including, but not limited to, the aforesaid media, for the purpose of inducing, and which were likely to induce, directly or indirectly, the purchase of said preparation in commerce, "as commerce" is defined in the Federal Trade Commission Act.

7. Among and typical of the statements contained in said advertisements, disseminated as hereinabove set forth, are the following:

> LIVIGEN is a super-powerful skin food concentrate that gives natural nourishment to undernourished skin tissues. As the skin absorbs LIVIGEN, it provides new nourishment and helps provide the normal oils and fluids the skin needs for natural beauty. With this new nourishment, the skin is once again able to work for natural, youthful-looking beauty . . . .
>
> Now You Can Feed Youthful-looking Beauty Back Into Your Skin.
>
> . . . this new skin food formula renourishes and replenishes skin tissues and glands.

8. Through the use of said statements, and others similar thereto, not specifically set out herein, respondent Max Laserow has represented, directly and by implication, that the said preparation is a skin food which, when used as directed, will rejuvenate the skin of the user thereof.

9. The said advertisements were misleading in material respects and constituted "false advertisements", as that term is defined in the Federal Trade Commission Act. In truth and in fact the said preparation does not constitute a skin food, nor will it rejuvenate the skin of the user thereof.

CONCLUSION

The dissemination by respondent Max Laserow of the false advertisements, as aforesaid, constituted unfair and deceptive acts and practices, in commerce, within the intent and meaning of the Federal Trade Commission Act.

ORDER

It is ordered, That respondent Max Laserow, individually and as an officer of Livigen Laboratory Sales Corp., and his agents, representatives and employees, directly or through any corporate or other device, in connection wth the offering for sale, sale or distribution of the preparation designated "Livigen", or any other preparation of substantially similar composition or possessing substantially similar

properties, under whatever name or names sold, forthwith cease and desist from:

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

(a) Is a skin food;

(b) Will rejuvenate the skin of the user thereof.

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

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, published May 6, 1955, as amended, the initial decision as to respondent Max Laserow by the hearing examiner shall, on the 23rd day of September 1961, become the decision of the Commission; and, accordingly:

It is ordered, That respondent Max Laserow, individually and as an officer of Livigen Laboratory Sales Corp., shall, within sixty (60) days after service upon him of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which he has complied with the order to cease and desist.

IN THE MATTER OF

PERFECTION GEAR COMPANY

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

Docket 7861. Complaint, Apr. 8, 1960—Decision, Sept. 23, 1961

Consent order requiring a manufacturer of automotive repair and replacement parts in Harvey, Ill., with sales in 1958 approximating 6¾ million dollars, to cease discriminating in price among competing customers in violation of Sec. 2(a) of the Clayton Act by giving a number of jobber customers, referred to as "group buyers", the classification of "warehouse distributors" and the more favorable discounts allowed warehouse distributors, when in fact the buying groups did not perform the functions of a warehouse distributor—thus favoring jobbers of "buying groups" over their non-group-buying jobber competitors.

COMPLAINT

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

PARAGRAPH 1. Respondent Perfection Gear Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 152nd and Stone Streets, Harvey, Illinois. Perfection Gear Company is engaged in the manufacture, sale and distribution of automotive repair or replacement parts including transmission gears and components, differential gears, clutch drive plates. pressure assembly parts, timing gears, flywheel gears, and universal joints and kits. Perfection Gear Company's total volume of sales during the year 1958 amounted to approximately $6,748,000.

Respondent competes with other manufacturers and sellers of similar automotive repair or replacement products.

Respondent, Perfection Gear Company, in the course and conduct of its business as aforesaid, has caused, and now causes the said parts to be shipped and transported from the state of location of its principal place of business to the purchasers thereof located in states other than the state wherein said shipments originated. Said parts have been, and are, sold to different purchasers for use or resale within the United States and the District of Columbia. In the sale of said parts, respondent has been, at all times relevant herein, engaged in commerce, as "commerce" is defined in the Clayton Act.

PAR. 2. Purchasers of respondent's automotive replacement parts are classified by respondent generally within two separate classifications, namely, "jobbers" and "warehouse distributors". Respondent extends and sets terms and conditions of sale for each such classification as follows:

Jobbers—A purchaser classified as a "jobber" is normally engaged in reselling replacement parts to automotive vehicle fleets, garages, gasoline service stations, and others in the automotive repair trade serving the general public. Jobbers purchase at a net price set out in respondent's "Confidential Jobber Net Cost Prices" bulletins. Jobbers are given a discount of 15% from jobber net prices on the purchase of 100 or more assorted universal joints and a discount of 10% from jobber net prices on the purchase of 100 or more in quantity of any one part number of timing gears. Respondent sells to approxi-

mately 2100 such jobber purchasers located throughout the United States.

Warehouse Distributors—A purchaser classified as a "warehouse distributor" normally resells only to jobbers. A warehouse distributor purchases from respondent's "Confidential Jobber Net Cost Prices" bulletins less discounts ranging from 10% to 28%, depending on the class of respondent's parts purchased and whether such parts are purchased from respondent's factory or from one of the branch or service warehouses. Respondent's schedule of discounts for warehouse distributors is as follows:

	From factory	From branch
	Percent	*Percent*
Clutch plates and clutch bearings	20	15
Automatic transmission parts	20	15
Timing gears	20	15
Timing chains and sprockets	20	15
Universal joints	20–10	15–10
Transmission gears and parts	15	10
Differential gears and parts	15	10
Flywheel gears	15	10

Respondent sells to approximately 25 such warehouse distributors.

PAR. 3. Respondent, in the course and conduct of its business as aforesaid, has been, and now is discriminating in price between different purchasers of its automotive replacement parts of like grade and quality by selling said parts at higher and less favorable prices to some purchasers than the same are sold to other purchasers, many of whom have been, and now are, in competition with the purchasers paying the higher prices.

For example, among respondent's customers are a number of jobbers which are referred to as "group buyers" and classified by respondent as "warehouse distributors" when in fact such classification is fictitious since such "buying groups" do not perform the normal functions of a warehouse distributor. Respondent's classification of such "buying groups" as "warehouse distributors" results in the granting of higher and more favorable purchase price discounts to these group buying jobbers than are granted to the respondent's non-group-buying jobber customers who purchase at respondent's regular jobber prices and do not receive the additional discounts available to respondent's "warehouse distributor" classification. Many of these group-buying jobbers are in competition with respondent's non-group-buying jobber customers and are also potential customers of respondent's warehouse distributor purchasers.

As a sample illustration, respondent in June 1959, appointed Automotive Jobbers, Inc., 2050 Irving Boulevard, Dallas, Texas, as a so-

called warehouse distributor of its automotive replacement parts. Automotive Jobbers, Inc., is in reality a "buying group" through which its jobber members purchase respondent's automotive replacement parts at the lower warehouse distributor prices which would otherwise not be available to such jobbers.

As another sample illustration, until February 26, 1959, National Parts Warehouse, 308 Whitehall Street, S.W., Atlanta, Georgia, acted as one of two independently owned branch or service warehouses maintained by respondent in the City of Atlanta, Georgia. On February 26, 1959, National Parts Warehouse discontinued such operation as a branch or service warehouse of respondent. National Parts Warehouse is a so-called "buying group" and after that date was paid, each month, a rebate or commission equal to 12½% of the price of clutch plates and parts, and 7½% of the price of other lines purchased from respondent by the approximately fifty-two jobber members, or so-called "limited partners" of National Parts Warehouse.

PAR. 4. The effect of respondent's aforesaid discriminations in price between the said different purchasers of its said products of like grade and quality, sold in manner and method and for purposes as aforestated, may be substantially to lessen competition or tend to create a monopoly in the lines of commerce in which the respondent and the aforesaid favored purchasers are engaged, or to injure, destroy, or prevent competition with respondent, said favored purchasers, or with customers of either of them.

PAR. 5. The aforesaid acts and practices of respondent constitute violations of the provisions of subsection (a) of Section 2 of the Clayton Act (U.S.C. Title 15, Section 13), as amended by the Robinson-Patman Act, approved June 19, 1936.

Messrs. Eldon P. Schrup and *Richard B. Mathias* for the Commission;

Sonnenshein, Lautman, Levinson, Rieser, Carlin & Nath, by *Mr. Earl E. Pollock*, Chicago, Ill., for respondent.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on April 8, 1960, charging the Respondent with violation of § 2(a) of the Clayton Act, as amended by the Robinson-Patman Act, approved June 19, 1936 (U.S.C. Title 15, § 13), by discriminating in price between different purchasers of its automotive replacement parts of like grade and quality.

Thereafter, on June 16, 1961, Respondent, its counsel, and counsel supporting the complaint herein entered into an Agreement Containing Consent Order To Cease And Desist, which was approved by the Director of the Commission's Bureau of Litigation, and thereafter,

on August 9, 1961, submitted to the Hearing Examiner for consideration.

The agreement identifies Respondent Perfection Gear Company as an Illinois corporation, with its office and principal place of business located at 152nd and Stone Streets, Harvey, Illinois.

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

Respondent waives any further procedure before the Hearing Examiner and the Commission; the making of findings of fact and conclusions of law; and all of the rights it may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement. All parties agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the order to cease and desist, as contained in the agreement, when it shall have become a part of the decision of the Commission, shall have the same force and effect as if entered after a full hearing, and may be altered, modified or set aside in the manner provided for other orders; that the complaint herein may be used in construing the terms of said order; and that the agreement is for settlement purposes only and does not constitute an admission by Respondent that it has violated the law as alleged in the complaint.

All parties further agree that the allegations of "primary line injury" in the complaint, namely, to substantially lessen competition or tend to create a monopoly in the line of commerce in which Respondent is engaged, or to injure, destroy or prevent competition with Respondent, may be dismissed for the reasons set forth in the appendix attached to and made a part of the agreement; and, further, that the agreement does not preclude a further investigation and the issuance of a complaint against Respondent (or a subsidiary thereof) in connection with the sale of replacement parts to original equipment manufacturers, if such be indicated.

The agreement sets forth that the term "purchaser", as used in the order to cease and desist contained therein, shall include any purchaser buying directly or indirectly from Respondent (or a subsidiary thereof) by means of group buying or any related device but shall not be construed in this proceeding to include an original equipment manufacturer (or a subsidiary thereof) purchasing automotive parts from Respondent for replacement use or sale.

After consideration of the allegations of the complaint and the provisions of the agreement and the proposed order, the Hearing Examiner is of the opinion that such order constitutes a satisfactory dis-

position of this proceeding. Accordingly, in consonance with the terms of the aforesaid agreement, the Hearing Examiner accepts the Agreement Containing Consent Order To Cease And Desist; finds that the Commission has jurisdiction over the Respondent and over its acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That the Respondent Perfection Gear Company, a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the sale to purchasers engaged in jobber distribution or redistribution to jobbers of automotive replacement parts, supplies and tools in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

Discriminating in the price of such automotive products of like grade and quality by selling such products to any one purchaser at net prices higher than the net prices charged to any other purchaser who, in fact, competes with the purchaser paying the higher price in the resale and distribution of Respondent's said products.

It is further ordered, That the allegation in the complaint that the effect of Respondent's alleged discriminations in price may be substantially to lessen, injure, destroy or prevent competition between Respondent and competing sellers of similar automotive products, be dismissed.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 23rd day of September 1961, become the decision of the Commission; and, accordingly:

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

IN THE MATTER OF

IRVING SILVERSTEIN TRADING AS SILVERSTEIN BROTHERS

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

Docket 8385. Complaint, May 4, 1961—Decision, Sept. 23, 1961

Consent order requiring a Boston furrier to cease violating the Fur Products Labeling Act by failing to set forth the term "secondhand" where required

on labels and invoices, and failing in other respects to comply 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 Irving Silverstein, an individual trading as Silverstein Brothers, 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 Irving Silverstein is an individual trading as Silverstein Brothers with his office and principal place of business located at 59 Temple Place, Boston, Massachusetts.

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 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.

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 the following respects:

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was mingled with non-required information, in violation of Rule 29(a) of said Rules and Regulations.

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

(c) The term 'secondhand", where required, was not set forth on labels in violation of Rule 23 of said Rules and Regulations.

(d) 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 respondent 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.

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) Information required under Section 5(b)(1) 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 said Rules and Regulations.

(b) The disclosure "secondhand", where required, was not set forth on invoices in violation of Rule 23 of said Rules and Regulations.

(c) 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 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.

Mr. Michael P. Hughes for the Commission.
Respondent, *pro se.*

INITIAL DECISION BY EDGAR A. BUTTLE, HEARING EXAMINER

On May 4, 1961, the Federal Trade Commission issued its complaint against the above-named respondent charging him with violation of the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated under said Fur Products Labeling Act in connection with the introduction into commerce, and the sale, advertising and offering for sale, transportation and distribution of fur products. On June 28, 1961, the respondent and counsel supporting the complaint entered into an agreement containing consent order to cease and desist in accordance with Section 3.25(a) of the Rules of Practice and Procedure of the Commission.

Under the foregoing agreement, the respondent admits the jurisdictional facts alleged in the complaint and agrees, among other things, that the cease and desist order there set forth may be entered without

further notice and shall have the same force and effect as if entered after a full hearing. The agreement includes a waiver by the respondent of all rights to challenge or contest the validity of the order issuing in accordance therewith; and recites that the said agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, and that it is for settlement purposes only, does not constitute an admission by the respondent that he has violated the law as alleged in the complaint, and that said complaint may be used in construing the terms of the order. The hearing examiner finds that the content of said agreement meets all the requirements of Section 3.25(b) of the Rules of Practice.

This proceeding having now come on for final consideration by the hearing examiner on the complaint and the aforesaid agreement for consent order, and it appearing that said agreement provides for an appropriate disposition of this proceeding, the aforesaid agreement is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with Section 3.21 of the Rules of Practice; and in consonance with the terms of said agreement, the hearing examiner makes the following jurisdictional findings and order:

1. Respondent Irving Silverstein is an individual trading as Silverstein Brothers, with his office and principal place of business located at 59 Temple Place, Boston, Massachusetts.

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

ORDER

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

1. Misbranding fur products by:

A. Failing to affix labels to fur products showing 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. Setting forth on labels affixed to fur products:

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

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

C. Failing to use the term "secondhand" where required.

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

C. Failing to use the term "secondhand" where required.

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

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, published May 6, 1955, as amended, the initial decision of the hearing examiner shall, on the 23rd day of September 1961, become the decision of the Commission; and, accordingly:

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