

# FEDERAL TRADE COMMISSION DECISIONS

FINDINGS, OPINIONS, AND ORDERS, JULY 1, 1965, TO DECEMBER 31, 1965

## IN THE MATTER OF WESTERN RADIO CORPORATION ET AL.

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

*Docket 7468. Complaint, April 2, 1959—Decision, July 7, 1965*

Order modifying cease and desist order of Sept. 25, 1963, 63 F.T.C. 882, requiring manufacturers of portable radio transmitters in Kearney, Nebr., to cease falsely advertising the operational range of their products; the conditions of licensing and the terms of guarantee remain unchanged, in accordance with an opinion of the Court of Appeals, Seventh Circuit, of Nov. 23, 1964, 339 F. 2d 937, *cert. denied*, 381 U.S. 938 (1965), 7 S.&D. 1030.

### MODIFIED ORDER TO CEASE AND DESIST

Respondents having filed in the United States Court of Appeals for the Seventh Circuit a petition to review and set aside the order to cease and desist issued herein on September 25, 1963 [63 F.T.C. 882]; and the court on November 23, 1964 [339 F. 2d 937], having filed its decision, and on January 27, 1965, having entered its final decree modifying and as modified, affirming and enforcing said order to cease and desist; and the United States Supreme Court on June 1, 1965 [381 U.S. 938], having denied a petition for certiorari filed by respondents;

*Now, therefore, it is hereby ordered*, That the aforesaid order to cease and desist be, and it hereby is, modified in accordance with the said final decree of the Court of Appeals, as follows:

*It is ordered*, That respondents Western Radio Corporation, a corporation, and its officers, and Paul S. Beshore and W. P. Beshore, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale,

sale and distribution of their products, including radio transmitters, 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 transmitters with or without the use of additional equipment have a satisfactory operational range of any specified distance unless respondents are able to establish that their devices in fact have the operational ranges specified.

(b) That no license or permit is required for any operational use of their radio transmitters unless the specific conditions under which such license or permit would be required are conspicuously set forth in conjunction therewith.

(c) That any product is guaranteed unless the terms and conditions of such guarantee are clearly and conspicuously set forth, including the amount of any service or other charge which is imposed.

*It is further ordered*, That 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 set forth herein.

---

IN THE MATTER OF  
PAILLARD, INCORPORATED

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

*Docket C-914. Complaint, July 7, 1965—Decision, July 7, 1965*

Consent order requiring a Linden, N. J., corporation—a subsidiary of Paillard, S.A. of Yverdon, Switzerland—engaged in selling and distributing cameras, photographic equipment and supplies through franchised dealers, to cease entering into and carrying out any planned common course of action through its franchised retail dealers to fix and maintain retail prices of its "Bolex" and "Hasselblad" cameras, photograph equipment, and supplies.

COMPLAINT

The Federal Trade Commission, having reason to believe that Paillard, Incorporated, a corporation, hereinafter referred to as respondent, has violated and is now violating the provisions of

## Complaint

Section 5 of the Federal Trade Commission Act (15 U.S.C. Sec. 45), and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges with respect thereof as follows:

PARAGRAPH 1. Respondent, Paillard, Incorporated, 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 1900 Lower Road, Linden, New Jersey. Respondent is now and for several years last past, has been, among other things, engaged in the offering for sale, sale and distribution of cameras, photographic equipment and supplies in the various states of the United States. Respondent is a subsidiary of Paillard, S.A. of Yverdon, Switzerland. Said cameras are extensively advertised and sold under the brand names of "Bolex" and "Hasselblad." Respondent sells lenses and accessories for these cameras that are sold under various brand names. The dollar volume of sales of cameras, photographic equipment and supplies by respondent per year exceeds \$7,000,000. The respondent sells its products to dealers throughout the United States and as of June 30, 1960, it had 1,494 franchised Bolex dealers, and 591 franchised Hasselblad dealers.

PAR. 2. In the course and conduct of its business, respondent is now and has been at all times referred to herein engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act, in that it ships its cameras, photographic equipment, and supplies, or causes such products to be shipped, from states wherein it does business to purchasers located in other states, and there is and has been at all times mentioned herein a continuous and substantial current of trade in commerce in such products between and among the various states of the United States and the District of Columbia.

PAR. 3. Except to the extent that competition has been hindered, frustrated, lessened and eliminated as set forth in this complaint, respondent has been and is now in substantial competition with other corporations, individuals and partnerships engaged in the sale and distribution of cameras, photographic equipment and supplies in commerce as that term is defined in the Federal Trade Commission Act.

PAR. 4. It is now, and has been for some time past, the practice and policy of Paillard, Incorporated, to enter into certain agreements, understandings, and arrangements with various of its retail dealers located in areas within which it does business, including the various States of the United States and the District of Columbia

## Complaint

68 F.T.C.

whereby respondent forces and requires, or attempts to force and require its retail dealers to agree to maintain resale consumer prices fixed and promulgated by Paillard, Incorporated, for its products which are distributed, offered for sale, and sold through said retail dealers.

By various means and methods, respondent has entered into and effectuated the aforesaid practice and policy by which it can and does control, establish, manipulate, fix, and maintain the resale prices at which its products are sold by its dealers.

For example, in the selection and appointment of its retail dealers, respondent utilizes and consummates contracts designated and known as Franchise and Retail Fair Trade Agreements with its retail dealers, under the terms of which retail dealers agree, among other things, not to, directly or indirectly, display, advertise, offer to sell or sell the products purchased from respondent at prices less than the minimum retail or consumer selling prices set forth in a schedule established and provided by respondent. Although said franchise agreements contain a disclaimer as to the applicability of the resale price provisions in states where such agreements are not lawful by statute, law or public policy, respondent nevertheless has been and is now enforcing or attempting to enforce adherence to its schedule of prices uniformly in all states. In addition, respondent regularly publishes and distributes from time to time, to its franchised retail dealers price lists or catalog sheets which contain the retail or consumer prices to be observed by said dealers. Also, respondent publishes or causes to be published advertisements, such as those utilized in its cooperative advertising program, promoting and offering its products for sale by its franchised dealers to consumers at prices, which are determined and established by respondent, and to be observed by said dealers.

Through its officials and representatives respondent maintains and exerts pressure upon its retail dealers to insure that they do not depart from or sell below the minimum resale prices fixed by said respondent. Retail dealers who advertise or sell at prices below the agreed minimum prices are contacted by a representative of respondent, who secures, or attempts to secure, the retail dealers' adherence to the minimum prices fixed by respondent through persuasion, or informs and threatens the retail dealers that respondent will discontinue doing business with said dealers.

As a result of the aforesaid practice and policy, and various means and methods including, among others those described herein,

## Decision and Order

respondent has caused and is causing its franchised retail dealers to enter into or acquiesce in a course of dealing, combination, conspiracy, agreement, understanding, or planned common course of action with respondent whereby the retail or consumer price at which cameras, photographic equipment, and supplies were and are sold or offered for sale to the purchasing public by said retail dealers, was and is fixed and maintained.

Pursuant to and in furtherance of the aforesaid combination, planned common course of action, understanding and agreement, respondent, acting together in combination as aforesaid with such dealers, agreed to fix and maintain, and did fix and maintain, the retail price at which cameras, photographic equipment and supplies, purchased by the dealers from respondent, were to be sold or were sold at retail by the dealers to the purchasing public in the various States of the United States and the District of Columbia; and policed the retail prices at which respondent's products were sold; and prevented retail dealers from selling or shipping respondent's products to other retail dealers for resale; and withdrew the franchise from dealers who cut prices and who shipped or sold respondent's products to other retail dealers for resale.

PAR. 5. The agreements, understandings, conspiracy, combination, planned common course of action or course of dealings, together with the acts, practices, methods, and policies, as hereinabove alleged, are unlawful and against public policy because of their tendency to unduly restrain, hinder, suppress and eliminate competition and to restrain and monopolize trade and commerce and thereby constitute unfair methods of competition and unfair acts and practices in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

## DECISION AND ORDER

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

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

Order

68 F.T.C.

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

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

1. Respondent Paillard, Incorporated, 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 1900 Lower Road, Linden, New Jersey. Respondent is a subsidiary of Paillard, S.A. of Yverdon, Switzerland.

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

## ORDER

*It is ordered*, That the respondent, Paillard, Incorporated, a corporation, its officers, directors, agents, representatives or employees, successors or assigns, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of its cameras, photographic equipment and supplies in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Entering into, continuing, cooperating in, or carrying out any planned common course of action, understanding, arrangement, agreement, contract or conspiracy with any person or persons not parties hereto to establish, fix, adopt, maintain, adhere to, or stabilize by any means or method, prices, terms or conditions of sale at which its cameras, photographic equipment and supplies are to be resold or otherwise distributed.

2. Establishing, maintaining, continuing, cooperating in, or carrying out, or attempting so to do, any plan, policy or program in combination with any other person or persons not parties hereto, for the purpose or with the effect of enabling respondent to establish or fix the prices, terms or conditions of sale at which its cameras, photographic equipment and supplies are to be resold or otherwise distributed.

3. Refusing to enter into or canceling any contract with a dealer, or distributor, for the distribution of respondent's products because of the dealer's or distributor's refusal to agree or adhere to any contract, agreement or understanding to

## Order

establish or fix the prices, terms or conditions of sale at which respondent's products are to be resold or otherwise distributed.

4. Putting into effect, maintaining, or enforcing any merchandising or distribution plan or policy under which contracts, agreements, or understandings are entered into with dealers in or distributors of respondent's products which have the purpose or effect of:

(a) Fixing, establishing, or maintaining the prices at which such products may be resold or distributed by dealers or distributors; or

(b) Requiring or inducing any dealer or distributor to refrain from reselling such products to any specified persons or classes of persons.

5. Directly or indirectly establishing, maintaining, continuing, or effectuating any of the acts or practices prohibited by paragraphs 1 through 4 above, by any one or more of the following:

(a) Compiling, circulating, publishing or causing to be published lists of dealers or distributors who have had their franchises or licenses revoked.

(b) Utilizing the services of salesmen or any other persons for the purpose of shopping, investigating, or exercising any other methods of surveillance over the business operations of dealers or distributors to determine the prices at which such products are resold by the dealers or distributors.

(c) Refusing to continue to sell to dealers or distributors for the reason that such dealers or distributors are known to be, or are suspected of being, dealers or distributors who resell such products for less than recommended or prevailing resale prices.

(d) Preventing in any manner dealers or distributors from reselling, lending, exchanging or giving such products to other dealers or distributors for the reason that such dealers or distributors are known to be, or are suspected of being, dealers or distributors who resell such products or any other products for less than recommended or prevailing resale prices; or for the reason that such dealers or distributors are known to have, or are suspected of having, resold, loaned, exchanged, or given such products to other dealers or distributors known to have, or suspected of having, resold such products, or any other

products, for less than recommended or prevailing resale prices.

(e) Disseminating to its dealers or distributors any lists of prices at which its products may be resold by said dealers or distributors.

*It is further ordered*, That respondent shall within sixty days following the effective date of this Order:

1. Terminate and cancel each existing contract, agreement or understanding which prescribes or maintains, or purports to prescribe or maintain, the price at which any person shall resell any camera, photographic equipment or supplies obtained directly or indirectly from respondent by purchase or otherwise;

2. Serve by mail a copy of this Order on all dealers or distributors of its products except for those dealers or distributors with whom respondent herein has resale price agreements excepted from the provisions of the Federal Trade Commission Act by virtue of the McGuire Act amendments to said Act.

*Provided, however*, That nothing contained in this Order shall be interpreted as prohibiting respondent herein from establishing, continuing in effect, maintaining, or enforcing in any lawful manner any price agreement excepted from the provisions of the Federal Trade Commission Act by virtue of the McGuire Act amendments to said Act or any other applicable statute, whether now in effect or hereafter enacted, or from complying with the requirements of any law or ordinances.

*It is further ordered*, That nothing contained in this Order shall be construed as prohibiting the establishment or maintenance of any lawful bona fide agreement, discussions, or other action solely between respondent and its parent.

*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

AMERICAN BAKERIES COMPANY

ORDER OF DISMISSAL, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SECS. 2(a), (d), AND (e) OF THE CLAYTON ACT

*Docket 8120. Complaint, Sept. 23, 1960—Decision, July 8, 1965*

Order dismissing a complaint against a Chicago, Ill., distributor of bread and



## Complaint

other bakery products, which charged the firm with discriminating among its customers in prices, advertising allowances and services or facilities—five years having lapsed since issuance of complaint in this matter without proceeding to trial, the Commission concluded that public interest does not warrant further proceedings on the complaint.

## 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 subsections (a), (d), and (e), 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:

## COUNT I

PARAGRAPH 1. Respondent American Bakeries Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 919 North Michigan Avenue, Chicago 11, Illinois.

PAR. 2. Respondent is now, and for many years last past has been, engaged in the production, sale and distribution of bread and other bakery products for use, consumption or resale within the United States. Its total net sales for the year 1959 were approximately \$160 million.

PAR. 3. Respondent markets its products under widely advertised brands, including Taystee, Merita and Grennan. Respondent sells its products to thousands of retailer customers and to many restaurants, lunch counters and other servers of food located generally throughout the eastern half of the United States. These customers are regular accounts with whom respondent has entered into contracts or arrangements to supply them with their requirements of the bakery products produced by it. Respondent operates approximately 49 bakeries and many more sales depots or loading stations located in 19 states. For the purpose of supplying said customers and of making deliveries pursuant to such contracts or arrangements, respondent ships its products both from its bakeries directly to its customers, some of which are located in States other than that from which such shipments originate, and from said bakeries to said sales depots or loading stations and to other bakeries, some of which depots and other bakeries are located in States other than that from which such shipments originate, for regular reshipment

to its customers, some of which are located in States other than that from which such reshipments are made. Respondent carries on negotiations across State lines with some of its customers for the sale of its products, and adjustments of accounts between respondent and some of its customers take place across such lines. Advertising, both national and local, is prepared and placed in media by respondent's headquarters or divisional offices.

Respondent, from its headquarters, centrally purchases raw materials for the manufacture of its products, as well as supplies, equipment, and other needs, and ships or causes to be shipped such items from various points to its bakeries located in States other than those from which such shipments originate. Respondent at all times maintains control, directly from its headquarters or through various divisional and regional offices, over the activities of its bakeries, such control being exercised over, among other matters, the area in which and the price at which each bakery is permitted to sell, standards of production to be maintained by said bakeries, all but minor repairs to plants and equipment, personnel policies, and funds collected and disbursed by said bakeries. In the exercise of such controls, respondent's headquarters, divisional and regional offices and its bakeries and sales depots carry on a steady flow of correspondence and other contacts with one another across state lines.

Thus there is and has been at all times herein mentioned a continuous current of trade and commerce, as "commerce" is defined in the Clayton Act, in said products between respondent and its customers.

PAR. 4. In the course and conduct of its business, respondent is now and during the times mentioned herein has been in substantial competition with other corporations, partnerships, individuals, and firms engaged in the production, sale and distribution of bakery products. Respondent's customers are competitively engaged with each other within the various trading areas in which they are engaged in business.

PAR. 5. Respondent, in the course and conduct of its business, as above described, has been for several years last past, and is now, discriminating in price, directly or indirectly, between different purchasers of bakery products, who are in competition with each other, by selling said products of like grade and quality to some of such purchasers at substantially higher prices than to other of such purchasers.

PAR. 6. Among the methods by which respondent discriminates between said purchasers is the granting of discounts (a) ranging

up to 7% off its list or regular price on all purchases of said products by certain of its restaurant, lunch-counter, or other food-serving customers, including large interstate chains operating lunch counters, and (b) ranging up to 5% off its list or regular prices on all purchases of said products by certain food-retailer customers, including large interstate food-retailer chains, and denying such discounts, or granting lesser discounts, to other customers who compete with said favored customers.

For example, during 1959, on purchases approximately \$70,000 for the lunch counters of certain units of the F. W. Woolworth variety-store chain, respondent granted a discount of approximately \$3,500. Further as an example, during 1959 on purchases of approximately \$360,000 for certain units of The Kroger Company, a concern operating a large interstate chain of retail food stores, respondent began granting a discount, and at the end of that year was paying it at the annual rate of approximately \$18,000. At the same time, respondent granted no discount, or a lesser rate of discount, to customers purchasing said products of like grade and quality and who competed with said two favored customers.

Since September 23, 1960, the date of the Complaint in this matter, respondent has granted discounts of 5% and in excess thereof to the following Atlanta, Georgia purchasers, American Service Co. (trading as Green Circle Stores and Handy Pantry Stores); Atlantic Ice Company (trading as E-Z Curb Stores and E-Z Food Stores); The Kroger Company; Colonial Stores, Inc.; Alterman Foods, Inc. (trading as Big Apple Stores); Winn Dixie Stores, Inc.; Echols Ma-Jik Markets, Inc.; F. W. Woolworth Co.; Lane-Liggett Drug Co.; Waffle House Restaurants; and to the following Tampa, Florida purchasers, Tampa Wholesale Grocery Co. (trading as Kash and Karry Wholesale Supermarkets) and the Southland Corp. (trading as 7-Eleven Stores). The practices engaged in by respondent since September 23, 1960 were similar to those engaged in prior to September 23, 1960, were and are now similar.\*

PAR. 7. The effect of such discriminations in price as alleged herein may be substantially to lessen competition or tend to create a monopoly in the lines of commerce in which respondent and its customers are respectively engaged; or to injure, destroy or prevent competition with respondent or with purchasers therefrom who receive the benefit of such discriminations.

---

\*This paragraph was added by Hearing Examiner's Order of Nov. 18, 1964.

## Complaint

68 F.T.C.

PAR. 8. The aforesaid acts and practices of respondent constitute violations of the provisions of subsection (a) of Section 2 of the Clayton Act as amended by the Robinson-Patman Act.

## COUNT II

PAR. 9. The allegations of Paragraphs One through Four, inclusive, of Count One of this complaint are hereby adopted and are incorporated herein by reference and made a part of this Count Two as if they were repeated herein verbatim.

PAR. 10. In the course and conduct of its business in commerce, as alleged, respondent has 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 distribution of respondent's products.

For example, during 1959, and during other years, respondent paid money in substantial sums to Food Fair Stores, Inc., a large interstate retail food chain, and to other large customers, as compensation or as an allowance for advertising or other service or facility furnished by or through such customers in connection with their offering for sale or sale of products sold to them by respondent. Such compensation or allowance was not offered or otherwise made available by respondent on proportionally equal terms to all other customers competing with said customers in the sale and distribution of respondent's products.

PAR. 11. The aforesaid acts and practices of respondent constitute violations of the provisions of subsection (d) of Section 2 of the Clayton Act as amended by the Robinson-Patman Act.

## COUNT III

PAR. 12. The allegations of Paragraph One through Four, inclusive, of Count One of this complaint are hereby adopted and are incorporated herein by reference and made a part of this Count Three as if they were repeated herein verbatim.

PAR. 13. In the course and conduct of its business, as alleged, respondent has discriminated in favor of some of the purchasers of its products bought for resale against other of such purchasers by contracting to furnish or furnishing, or by contributing to the furnishing of, services or facilities connected with the handling,

sale, or offering for sale of such products so purchased upon terms not accorded to all purchasers on proportionally equal terms.

For example, during 1959, and for sometime prior thereto, respondent regularly followed the practice of furnishing Milgram Food Stores, Inc., a food retailer operating a chain of approximately 22 units in the Kansas City, Missouri, metropolitan area, personnel, products and equipment for the purpose of demonstrating its products in the stores of said concern, which services or facilities were furnished upon terms not accorded to all purchasers on proportionally equal terms.

PAR. 14. The aforesaid acts and practices of respondent constitute violations of the provisions of subsection (e) of Section 2 of the Clayton Act as amended by the Robinson-Patman Act.

#### ORDER DISMISSING COMPLAINT

This matter having come before the Commission upon respondent's motion, filed March 9, 1965, requesting that the complaint herein be dismissed; and

The Commission having considered said motion and having noted that the complaint in this matter originally issued about five years ago and has not yet proceeded to trial; and

The Commission being of the opinion that under the particular circumstances of this case, the public interest does not warrant further proceedings on the complaint herein:

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

---

#### IN THE MATTER OF

#### AMERICAN MUSIC GUILD, INC., ET AL.

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

*Docket 8550. Complaint, Jan. 2, 1963—Decision, July 8, 1965*

Order requiring two defunct Washington, D.C., retailers of stereophonic records and record players through a "package deal," to cease making false savings, pricing, value, and free claims, and misrepresenting the manner in which the records could be selected and would be delivered, and that offers were for a limited time and available only to specially selected persons.

#### 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 American Music Guild, Inc., a corporation, Space-Tone Electronics Corp., a corporation, and Philip R. Connor, Jr., individually and as an officer of both said corporations and Neil J. Cantor and Ernest R. Brewington, individually and as officers of American Music Guild, Inc., 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 American Music Guild, Inc., and Space-Tone Electronics Corp., are corporations organized, existing and doing business under and by virtue of the laws of the State of Maryland with their office and principal place of business located at 1145 - 19th Street, N.W., Washington, D.C.

Respondent Philip R. Connor, Jr., is an officer of both said corporate respondents and participates in formulating, directing and controlling the acts and practices of both said corporate respondents, including the acts and practices hereinafter set forth. Respondents Neil J. Cantor and Ernest R. Brewington are officers of the corporate respondent, American Music Guild, Inc., and, individually and jointly, and in conjunction with respondent Philip R. Connor, Jr. participate in formulating, directing and controlling the acts and practices of said corporate respondent, including the acts and practices hereinafter set forth. The business address of the individual respondents is the same as that of the corporate respondents.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the assembling, advertising, offering for sale and sale of phonographs, phonograph records and record cabinets 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 and transported from their place of business in the District of Columbia to purchasers thereof located in various other States of the United States, as well as in the District of Columbia and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents, in the course and conduct of their business, and for the purpose of inducing the sale of their products, are engaged in a selling plan involving various combination offers for

