

FEDERAL TRADE COMMISSION DECISIONS

FINDINGS, OPINIONS, AND ORDERS, JANUARY 1, 1970,
TO DECEMBER 31, 1970

IN THE MATTER OF JOS. SCHLITZ BREWING CO.

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

Docket C-1665. Complaint, Jan. 5, 1970—Decision, Jan. 5, 1970

Consent order requiring a major brewery headquartered in Milwaukee, Wisc., to cease discriminating in price between competing resellers of its beer in violation of Section 2(a) of the Clayton Act.

COMPLAINT

The Federal Trade Commission, having reason to believe that Jos. Schlitz Brewing Co., a corporation, sometimes hereinafter referred to as respondent, has violated and is now violating Section 2(a) of the Clayton Act, as amended, U.S.C., Title 15, Section 13, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Jos. Schlitz Brewing Co. 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 235 West Galena Street, Milwaukee, Wisconsin.

PAR. 2. Jos. Schlitz Brewing Co. is now and for many years last past has been, primarily engaged in the domestic production, sale, and distribution of beer and related products under various brand names, including "Schlitz" and "Old Milwaukee."

Respondents annual sales of beer are substantial, and it was the Nation's second largest seller of beer in 1964 with total net sales of \$238,667,655 after deduction of Federal excise taxes.

PAR. 3. Jos. Schlitz Brewing Co. produces its various brands of beer at breweries located in Milwaukee, Wisconsin; Brooklyn, New York; Kansas City, Missouri; San Francisco, California; Van Nuys, California; Tampa, Florida; Honolulu, Hawaii, and Longview, Texas.

PAR. 4. Respondent sells and distributes its brands of beer, including "Schlitz" and "Old Milwaukee," as draught beers, *i.e.*, in kegs, and as packaged beers, *i.e.*, in bottles and cans.

It sells and distributes its various brands of beer in draught and in packages through many wholesaler-distributors located throughout the United States who resell the commodity to dealers and dispensers in their trade areas. In some metropolitan areas such as Milwaukee, Wisconsin; Chicago, Illinois; Cleveland, Ohio, and New York, New York, respondent sells and distributes its various brands of beer in draught and in packages through wholly owned branches directly to liquor stores, chain grocery stores, taverns, etc., generally termed "retailers."

PAR. 5. Jos. Schlitz Brewing Co., in the normal course and conduct of its business, is now, and for many years last past has been, selling and distributing its various brands of beer, including "Schlitz" and "Old Milwaukee," produced at its brewery located in Milwaukee, Wisconsin, to customers and purchasers located in the State of Wisconsin and in States other than the State of Wisconsin, and there is now, and has been for many years, a constant current of trade in commerce, as "commerce" is defined in the Clayton Act, in the sale of beer between and among the various States of the United States and the District of Columbia.

PAR. 6. Jos. Schlitz Brewing Co., in the course and conduct of its business in commerce, is now, and for many years has been, in substantial competition with other brewers and distributors variously engaged in the production, sale, and distribution of beer.

PAR. 7. Jos. Schlitz Brewing Co., in the course and conduct of its business in commerce, has been and is now discriminating in price, directly or indirectly, between different purchasers of its beer of like grade and quality by selling it to some of its purchasers at higher prices than to other of its purchasers.

PAR. 8. As an example of discriminations in price alleged in Paragraph Seven above, respondent Jos. Schlitz Brewing Co. is now, and for several years last past has been, discriminating in price between different purchasers of "Old Milwaukee" beer by selling it to retail-

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ers in some markets at delivered prices substantially higher than delivered prices charged retailers in Milwaukee County, Wisconsin. Included among, but not limited to, the aforesaid discriminations in price were the following:

During the period of March 19, 1962, through December 31, 1964, respondent sold, or offered to sell, "Old Milwaukee" beer in cases of twenty-four twelve ounce returnable bottles to retailers in Milwaukee County, Wisconsin, at a delivered price of \$2.10 per case plus deposit. This price of \$2.10 per case was substantially below the delivered price of \$2.90 per case plus deposit charged by respondent to retailers in Cleveland, Ohio, during the period from October 1, 1962, through February 27, 1964.

PAR. 9. As and for an additional example of the discriminations in price alleged in Paragraph Seven above, respondent is now, and for several years last past has been, discriminating in price between different purchasers of "Old Milwaukee" beer by selling it to independent wholesalers in many markets throughout the United States at f.o.b. Milwaukee prices which are substantially higher than f.o.b. Milwaukee prices charged to retailers in Milwaukee County, Wisconsin. Included among, but not limited to, the aforesaid discriminations in Price were the following:

During the period from March 19, 1962, through December 31, 1964, respondent sold, or offered to sell, "Old Milwaukee" beer in cases of twenty-four twelve ounce returnable bottles to retailers in Milwaukee County, Wisconsin, at a delivered price of \$2.10 per case plus bottle deposit of \$.60 per case. Not including respondent's costs of sale and distribution per case in Milwaukee County during 1962, 1963 and 1964, and the Wisconsin beer tax of \$.07258 per case, prices to Milwaukee retailers at respondent's Milwaukee dock amounted to \$2.29 per case in 1962, \$2.16 per case in 1963 and \$2.21 per case in 1964. These f.o.b. Milwaukee prices were substantially below f.o.b. Milwaukee prices charged by respondent to independent wholesalers in many markets throughout the United States into which "Old Milwaukee" beer was shipped from respondent's Milwaukee brewery in cases of twenty-four twelve ounce returnable bottles during the period from March 19, 1962, through December 31, 1964.

PAR. 10. The effect of respondent's discriminations in price, as alleged in Paragraphs Seven, Eight and Nine above, has been or may be to substantially disrupt those markets in which "Old Milwaukee" beer was sold at discriminatory prices by diverting substan-

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tial business from competitors of respondent in those markets to respondent, to further disrupt those markets by diverting substantial business from competitors of respondent in those markets to respondent in the future, to create the reasonable probability that the effect of respondent's said discriminations in price may be substantially to lessen competition in the line of commerce in which respondent and its competitors are engaged, or tend to create a monopoly in the line of commerce in which respondent and its competitors are engaged, or to injure, destroy, or prevent competition with respondent in the manufacture, sale, and distribution of beer.

PAR. 11. The foregoing alleged discriminations in price made by respondent Jos. Schlitz Brewing Co. are in violation of Section 2(a) of the Clayton Act, as amended.

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The Commission heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of subsection (a) of Section 2 of the Clayton Act, as amended, and the respondent was 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.

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

The Commission considered the agreement and provisionally accepted it. The agreement containing consent order was thereupon placed on the public record for a period of thirty (30) days, pursuant to the procedure prescribed in § 2.34(b) of the Commission's Rules. During this period and a subsequent ten (10) days extension, the Commission received several comments from interested members of the public concerning the adequacy of the order. All comments have become part of the public record of the proceeding.

The consensus of the commentators was that the proposed order, which is limited to respondent's sales as a wholesaler directly to re-

tailers, through its own marketing branches located in or near a number of major metropolitan markets, was inappropriate in that it would not cover respondent's sales to independent wholesalers who, in turn, re-sell respondent's products to retailers.

The Commission has reconsidered the proposed agreement, in light of the comments submitted thereon, and has decided to accept said agreement, having determined that if the facts so warrant, Schlitz' pricing practices to wholesalers may more appropriately be made the subject of a separate investigation.

Now, in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint in the form contemplated by the aforementioned agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Jos. Schlitz Brewing Co. 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 235 West Galena Street, in the city of Milwaukee, State of Wisconsin.

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

ORDER

It is ordered, That the respondent, Jos. Schlitz Brewing Co., a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the sale or offering for sale of beer, as "beer" is defined in Title 26 U.S.C. § 5052(a), in commerce as "commerce" is defined in the Clayton Act, do forthwith cease and desist from:

Discriminating, directly or indirectly, in the price of beer of like grade, quality and packaging by selling such packages as a wholesaler to any retailer in any city or definable market area served by one of respondent's breweries in which respondent is in competition with another seller at a price (exclusive of freight, State taxes and State bottle charges) which is lower than the price for such package charged by respondent to any other retailer in that or any other city or definable market area within the primary plant pattern of the same brewery, when respondent knows or should know that such lower price is less than the price at which the retailer charged the lower price may purchase beer from another seller in the same package produced by a regional or national brewer having a substan-

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tially smaller annual volume of sales of beer than respondent: *Provided, however*, That in addition to the defenses set forth in Sections 2(a) and 2(b) of the statute it shall be a defense in any enforcement proceeding instituted hereunder for respondent to establish that its lower price was the result of a promotional offer involving a price concession which does not undercut, or which respondent reasonably believed did not undercut, the lowest net price and/or the terms and conditions of sale resulting from a promotional offer made, within the previous six months, to the purchaser receiving the lower price by any other seller of a competitive product produced by a regional or national brewer.

This order shall not apply to respondent's "Burgermeister" brand of beer during such period of time as respondent is subject to judicially decreed divestiture of the "Burgermeister assets," or to the purchaser or purchasers of such assets from respondent pursuant thereto.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That respondent notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

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

BEST HOMES, ET AL.

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

Docket C-1666. Complaint, Jan. 6, 1970—Decision, Jan. 6, 1970

Consent order requiring six contractors in the custom-built residential housing business located in Pennsylvania and New Jersey to cease using bait tactics, failing to quote terms on houses illustrated in brochures, implying

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that unfinished houses are complete, failing to include all items in quoted prices, using deceptive guarantees, and misrepresenting that certain extras are cost free.

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 Best Homes, a partnership, and Best Builders of Pennsylvania, Inc., Classic Builders of Pennsylvania, Inc., Classic Homes, Inc., Best Quality Homes of New Jersey, Inc., Classic Builders of New Jersey, Inc., corporations, and Edward B. Meyers and Irvin Robbins, individually and as copartners trading and doing business as Best Homes 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 Best Homes is a partnership comprised of the individuals whose names are hereinafter set forth. The principal office and place of business of said partnership is located at Route #202, in the town of Center Square, State of Pennsylvania.

Best Builders of Pennsylvania, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal office and place of business located at the above stated address.

Classic Builders of Pennsylvania, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal office and place of business located at the above stated address.

Classic Homes, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal office and place of business located at the above stated address.

Best Quality Homes of New Jersey, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its principal office and place of business located at 153 Market Street, in the city of Paterson, State of New Jersey.

Classic Builders of New Jersey, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its principal office and place of business

located at 153 Market Street, in the city of Paterson, State of New Jersey.

Respondents Edward B. Meyers and Irvin Robbins are individuals and copartners trading and doing business as Best Homes and are officers of the corporate respondents. They formulate, direct and control the acts and practices of said partnership and each of the corporate respondents, including the acts and practices hereinafter set forth. Their address is at Route #202 in the town of Center Square, State of Pennsylvania.

The aforementioned respondents cooperate and act together in carrying out the acts and practices hereinafter set forth.

PAR. 2. Respondents are now and for some time last past have been engaged in the advertising, offering for sale, sale and construction of custom-built residential houses 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 places of business in the States of Pennsylvania and New Jersey to purchasers thereof located in various other States of the United States, other than the State of origination, 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 aforesaid business, and for the purpose of inducing the purchase of their products, respondents have made numerous statements and representations in newspaper and magazine advertisements and in the oral sales presentations made by their representatives, agents or employees with respect to the nature of their offer, the terms and conditions of sale, financing requirements, degree of completion and other characteristics of their products.

Typical and illustrative of the statements and representations contained in said advertising, but not all inclusive thereof, are the following:

You'll never believe how its possible for BEST HOMES to give you a fabulous custom-built home like this, 100% complete and ready to move into, for as little as \$64 a month until you see for yourself. So See! Send for the FREE full-color Best Homes catalog of plans, illustrations, and price list or call collect CHestnut Hill 7-7310 (PICTURE OF BRANDYWINE 50' MODEL)

. . . and Visit this home, fully furnished, at our sample location on Route 202, in Gwynedd, Pennsylvania, 7 miles north of Norristown.

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BEST HOMES and FRIGIDAIRE have teamed up to bring this great new home value to LOT OWNERS

(PICTURE OF AMERICANA MODEL)

As Low As \$69 per month

The Americana Completely Finished ALL-BRICK RANCHER ALL-Brick Maintenance-Free Construction 3 Bedroom—Beautiful Ceramic Tile Bath with Vanette—Full Basement—Steel Beams—Cement Block Foundation—custom-built complete on your lot—just move in!

FREE FRIGIDAIRE Limited Offer APPLIANCES Included at No Extra Cost

(Picture of range and oven)

(Picture of Refrigerator)

(Picture of Garbage Disposal)

(Picture of Dishwasher)

(Picture of Washer and Dryer)

NO MONEY DOWN 25-year open end mortgage

LOT OWNERS!!

Complete Custom-Built Home On Your Lot

COMPLETE—ALL You Do Is Move In—COMPLETE (Picture of the AMERICANA Model)

ALL BRICK RANCHER

As Low As \$69 per month

- * All Brick Maintenance—Free Construction
*3 Bedrooms—Ceramic Tile Bath with Vanette
*Full Basement—Cement Block Foundation—Steel Beams

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NO MONEY DOWN

LOT OWNERS

Complete Custom-Built Home On Your Lot
COMPLETE—ALL You Do Is MOVE IN—COMPLETE

(Picture of Valley Forge Model)

As Low As
 \$69 per month

*Stone Front *4 Large Bedrooms
 *2½ Ceramic Tile Baths *Panelled
 Den *Garage *Hot Water Baseboard Heat
 *Full Basement *Cement Block
 Foundation *Steel Beams.

NO MONEY DOWN

Best Homes fully guarantee your home
 for one year. . . .

PAR. 5. By and through the use of the aforesaid pictures, statements and representations, and others of similar import and meaning, but not specifically set out herein, separately and in connection with oral statements and representations by their representatives, agents and employees to customers and prospective customers, respondents represent and have represented, directly or by implication, that:

1. The offer set forth in such advertisements is a genuine and bona fide offer to sell houses of the kind illustrated and described on the terms and conditions therein stated.
2. Houses of the kind illustrated and described are offered for sale on monthly terms as low as \$69 and \$64.
3. A complete, custom-built house of the kind illustrated and described is offered for sale on the terms and conditions stated.
4. Respondents' houses are unconditionally guaranteed for a period of one year.
5. Respondents offer a house of the kind illustrated and described and respondents' other houses with free appliances at no extra cost.

PAR. 6. In truth and in fact:

1. Said offer set forth is not a genuine or bona fide offer to sell houses of the kind illustrated and described in said advertisements on the terms and conditions stated.

Said offer was made for the purpose of obtaining leads as to persons interested in the purchase of respondents' products. After obtaining such leads, respondents' representatives call upon such prospective purchasers or negotiate with such purchasers in the offices

or places of business of respondents and at such times and places make no effort to sell the houses on the terms and conditions stated but induce such purchasers to purchase their houses under terms and conditions different from the stated terms and conditions.

2. Houses of the kind illustrated and described are not offered for sale on monthly terms as low as \$69 and \$64. The monthly payments for the pictured houses would be substantially higher.

3. A complete, custom-built house of the kind illustrated and described is not offered for sale on the terms and conditions stated. The illustrated and described house which is offered for sale does not include all of the various items normally included in a complete home, such as interior painting, drive ways, front walks and landscaping. Such items are obtained only at extra cost to the purchaser.

4. Respondents' houses are not unconditionally guaranteed for a period of one year. Such guarantee is subject to numerous terms, conditions and limitations and fails to set forth the nature and extent of the guarantee and the manner in which the guarantor will perform thereunder.

5. Respondents do not offer a house of the kind illustrated and described and respondents' other houses with free appliances at no extra cost. The appliances are not free and are additional items to be obtained at extra cost to the purchaser.

Therefore, the statements and representations as set forth in Paragraphs Four and Five hereof, were and are unfair practices and are false, misleading and deceptive.

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

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

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and decep-

tive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Proposed respondent Best Homes is a partnership comprised of the individuals whose names are hereinafter set forth. The principal office and place of business of said partnership is located at Route #202 in the town of Center Square, State of Pennsylvania.

Proposed respondent Best Builders of Pennsylvania, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its office and principal place of business located at the above stated address.

Proposed respondent Classic Builders of Pennsylvania, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its office and principal place of business located at the above stated address.

Proposed respondent Classic Homes, Inc., is a corporation organized, existing and doing business under and by virtue of the laws

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of the State of Pennsylvania, with its office and principal place of business located at the above stated address.

Proposed respondent Best Quality Homes of New Jersey, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located at 153 Market Street, in the city of Paterson, State of New Jersey.

Proposed respondent Classic Builders of New Jersey, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located at 153 Market Street, in the city of Paterson, State of New Jersey.

Proposed respondents Edward B. Meyers and Irvin Robbins are individuals and copartners trading and doing business as Best Homes and are officers of each of the aforesaid corporations. They formulate, direct and control the policies, acts and practices of said partnership and of said corporations. Their address is Route #202 in the town of Center Square, State of Pennsylvania.

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 Best Homes, a partnership, and Best Builders of Pennsylvania, Inc., Classic Builders of Pennsylvania, Inc., Classic Homes, Inc., Best Quality Homes of New Jersey, Inc., and Classic Builders of New Jersey, Inc., corporations, and their respective officers, and Edward B. Meyers, and Irvin Robbins, individually and as copartners trading and doing business as Best Homes, or under any other trade name or names, and as officers of each of said corporations, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution or construction of houses, or other structures or products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using, in any manner, a sales plan, scheme or device wherein false, misleading or deceptive statements or representations are made in order to obtain leads or prospects for the sale of houses.
2. Making representations purporting to offer houses for sale when the purpose of the representation is not to sell the offered

house but to obtain leads or prospects for the sale of other houses.

3. Representing, directly or by implication, that any houses are offered for sale when such offer is not a bona fide offer to sell such houses.

4. Representing, directly or by implication, that houses are offered for sale on certain stated terms unless such house may be purchased on the stated terms.

5. Illustrating or describing a higher priced home in conjunction with the terms of a lower priced home.

6. Failing to quote and to disclose in advertising and promotional material the terms for an illustrated or described home with equal size and conspicuousness as the terms quoted for any other home.

7. Representing, directly or by implication, that respondents' houses are complete, or finished to any degree of completeness, unless the house is completed or finished to the extent or degree represented.

8. Quoting prices, terms or conditions in advertising which does not include all of the significant features of the house or other products illustrated or described.

9. Representing, directly or by implication, that any of the respondents' houses or components of its houses are guaranteed unless the nature, extent and duration of the guarantee, the identity of the guarantor and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed in immediate conjunction therewith; *Provided, however*, that this paragraph shall not apply to any now-existing copies of brochures which are distributed within one year following the effective date of this order.

10. Representing, directly or by implication, that appliances or other equipment, parts or accessories are free or at no extra cost to purchasers of respondents' products, unless said appliances, equipment, parts or accessories are free or without additional cost.

11. Failing to deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in the sale of respondents' products or services, and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said order.

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12. Failing, after the acceptance of the initial report of compliance, to submit a report to the Commission, once every year during the next three years, describing all complaints respecting unauthorized representations, all complaints received from customers respecting representations by salesmen which are claimed to be deceptive, the acts uncovered by respondents in their investigation thereof and the action taken by respondents with respect to each such complaint.

It is further ordered, That the respondent corporations shall forthwith distribute a copy of this order to each of their operating divisions.

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

JAMES A. POVICH TRADING AS

CAPITOL SEWING MACHINE SALES OF MARYLAND

CONSENT ORDER, ETC.,

IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket C-1667. Complaint, Jan. 6, 1970—Decision, Jan. 6, 1970*

Consent order requiring a Baltimore, Md., distributor of new and used sewing machines to cease using bait tactics and fictitious pricing and savings claims, deceptively guaranteeing its products, and failing to maintain adequate records.

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 James A. Povich, an individual, formerly trading and doing business as Capitol Sewing Machine Sales of Baltimore, and now trading and doing business as Capitol Sewing Machine Sales of Maryland, hereinafter referred to as respondent, has violated the provisions of said Act, and

